

17 November 2009



General Assembly

GA/AB/3931

Department of Public Information • News and Media Division • New York

Sixty-fourth General Assembly
Fifth Committee
15th Meeting (AM)

BUDGET COMMITTEE TAKES UP REPORTS ON STAFF RULES FOR NEW CONTRACTUAL ARRANGEMENTS,

SECRETARIAT MAKE-UP, ETHICS OFFICE, DISCIPLINARY MATTERS, CONTINUING CONTRACTS

Also Begins Consideration of Pension Fund Administrative Costs, Liquidation Budget for Terminated UN Observer Mission in Georgia

Addressing several issues today, among them a number of reports under its human resources management agenda item, members of the Fifth Committee (Administrative and Budgetary) heard from staff representatives on the new staff regulations and rules proposed for implementing the new contractual arrangements, and in their debate stressed the importance of going forward with the implementation of continuing contracts.

The President of the United Nations Staff Union told the Committee that the provisional staff rules were discriminatory and short on checks and balance mechanisms in the staff selection processes, as well as performance of staff and accountability. He also commented on the limited role of central review bodies under those rules, saying that such bodies should be empowered to weigh in on the actual selection of candidates for recruitment, promotion and contractual conversions and termination.

The Vice-President of the Staff Management Coordination Committee said the 43,000 United Nations staff members on whose behalf she spoke could be called the "silent majority" since, while they cared for the world's children and its displaced, served in the world's conflict zones to build peace, ran the Organization's other headquarters, as well as its tribunals and economic commissions, and sometimes literally laid down their lives, they were not seen on a daily basis.

They had grave concerns as to several areas of human resources reform, among them implementation of continuing contracts, she continued. According to a report her Committee had commissioned from the United Kingdom's Labour Research Department that considered contractual rights of civil servants from 11 Member States, indefinite, permanent or continuing contracts were the norm for civil servants worldwide generally offered at an earlier stage than what was envisaged at the United Nations. Of those surveyed, over 90 per cent had some type of continuing contract. At the United Nations, the stability and job security of such a contract was just a dream, she said.

Introducing the Secretary-General's reports on the issue, Catherine Pollard, Assistant Secretary-General for Human Resources Management, said that the streamlining of contractual arrangements provided a foundation for managing a global workforce across duty stations to deliver on the mandates given by Member States. While the first two elements of that streamlined process, temporary and fixed-term contractual arrangements, had taken effect on 1 July, at this session, Member State approval of the implementation of the third -- continuing appointments -- would be critical to sustaining the momentum of reform, she said.

Japan's representative called the Secretary-General's proposal on the issue "too ambiguous to be practical". That proposal said a continuing appointment could be granted to staff members with at least five years continuous service if there was a continuing need for their services, they had a performance rating of no less than 3 in their four most recent performance appraisals, and had not been subject to disciplinary measures in the preceding five years.

There were no clear criteria for determining continuing need for a staff member's services, he said, nor information on what specific skills the Organization would need on an ongoing basis. Further, since in the last biennium, 99.4 per cent of staff had received a performance rating of 3 or above, the rating provision was unlikely to prove effective in selecting who should receive continuing appointments.

Noting that it would be necessary to regulate the total number of staff with a long-term claim on the Organization, he proposed that at least a rough plan be developed that would include regulation of permanent and continuing appointments. He expressed concern that the implementation of continuing appointments without any limitation on the number of long-term staff would have a significant adverse impact on the Organization, in that it would impose an ever-growing, long-term financial burden.

Concurring, the delegate from the United States said a limit on the number of conversions should be included as an objective means of ensuring a judicious mix of career and fixed-term appointments, or determining who would be eligible for consideration for conversion to a permanent appointment. Above all, he strongly believed that staff on fixed-term contracts who met the minimum criteria for conversion should be considered eligible — rather than entitled — for continuing contracts.

On the other hand, joining numerous speakers, the representative of the Republic of Korea said that placing a cap on conversion might counter the very issues the reform was intended to address, like strengthening organizational capacity and mobility for effective programme delivery. Continuing appointments could be implemented without such a ceiling at the present stage, and, with the Secretary-General's evaluation of the new system at the sixty-seventh session, such issues could be revisited, if necessary. Moreover, a credible performance appraisal system was critical.

Also, referring to the Secretary-General's report on the composition of the Secretariat, he voiced concern at the increasing number of unrepresented and underrepresented States in the Secretariat since 2006 and recalled the General Assembly's request to the Secretary-General to reduce that number by 2010. He was one of several speakers expressing regret that the national competitive examination had been suspended, as it was a cost-effective way to recruit highly qualified entry-level professionals from those countries.

Members of the Committee also took up the issue of the administrative costs of the United Nations Joint Staff Pension Board and the liquidation budget of the terminated United Nations Observer Mission in Georgia (UNOMIG).

Also speaking were representatives of the Sudan (on behalf of the "Group of 77" developing countries and China), Sweden (on behalf of the European Union), New Zealand (speaking also on behalf of Canada and Australia), Mozambique, Singapore, Mexico, China, Russian Federation and Viet Nam.

Reports were also introduced by the Director of the Ethics Office, the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Chairman of the United Nations Joint Staff Pension Board, the Director of the Programme Planning and Budget Division, and the Assistant Secretary-General, Controller.

The Committee will next meet at a time to be announced.

Background

The Fifth Committee (Administrative and Budgetary) met this morning to take up a series of

reports on human resources management, expenses of the United Nations Joint Staff Pension Fund, and financing of the United Nations Observer Mission in Georgia (UNOMIG).

Human Resources

The Committee had before it the Secretary-General's report on the composition of the Secretariat for the period from 1 July 2008 to 30 June 2009 (document A/64/352), which considers all staff (39,978) of the Secretariat, regardless of type and length of contract. Separately analysed are the workforce characteristics of staff with an appointment of one year or longer under the 100 series of the Staff Rules (13,270) and staff under the system of desirable ranges in posts subject to geographical distribution (2,809).

According to the report, nationals of all 192 Member States are represented among the Secretariat staff. A total of 177 Member States are represented by staff in posts subject to geographical distribution. Of the global staff, 26,538, or 66.46 per cent, are men and 13,440, or 33.6 per cent, are women. At the higher Professional levels, women comprise 43.1 per cent of staff at the P-3 level, 36.7 per cent at the P-4 level and 30.8 per cent at the P-5 level. A total of 1,720 staff will reach the mandatory age of separation during the period 2009-2013. This represents 13.0 per cent of the current workforce holding a 100-series appointment (13,270). In the next four and a half years, an average of 382 staff will retire each year.

The representation of Member States falls into four categories relating to the number of its nationals appointed to "geographical" posts. When there are no such appointments, a Member State is unrepresented; when the number of such appointments is below the desirable range, it is underrepresented; and when the number of such appointments exceeds the desirable range it is overrepresented.

As at 30 June 2009, 15 Member States were unrepresented, compared to 16 in June 2008; 30 were underrepresented compared with 24 in June 2008; and 22 Member States were overrepresented, compared with 21 in June 2008. The remaining 125 Member States were within range. The increase in the number of underrepresented Member States was largely caused by the increase in the number of budgeted posts subject to geographical distribution to 3,339 and a peak in retirements among staff members from the newly underrepresented Member States.

The Committee also had before it a report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour for the period from 1 July 2008 to 30 June 2009 (document A/64/269). As revised Staff Regulations and provisional Staff Rules were promulgated effective 1 July 2009, the report clarifies that its references are to rules and regulations that were in effect before 1 July 2009 and to the internal justice system and disciplinary machinery that was applicable during the reporting period. A new system of administration of justice in the United Nations came into effect 1 July 2009, and a summary of the new system as it affects disciplinary matters will be set out in next year's report.

The summary of cases, which included a disciplinary measure, for the period under review included: four cases of abuse of authority; 14 cases of fraud or misrepresentation; 11 cases of theft or misappropriation; one case of sexual abuse or exploitation; three cases of computer-related misconduct; and 17 cases involving other types of violations. A total of 301 cases were completed. Four cases of criminal behaviour, of which, three were for illegal drug use and the fourth for possession of child pornography and smuggling prohibited images depicting explicit child pornography, were also reported.

The Committee also had before it a report on the activities of the Ethics Office (document A/64/316) for the period from 1 August 2008 to 31 July 2009. Annexed to the document is the system-wide Code of Ethics for United Nations personnel, for the Assembly's consideration and endorsement.

The Secretary-General reports that after more than three years in operation, the Ethics Office continued to assert its relevance in fostering a culture of ethics, integrity and accountability within the United Nations, while fulfilling its growing mandated responsibilities and overcoming

budgetary and staff constraints. The United Nations Ethics Committee has proven to be a useful mechanism to ensure coherent application of ethics standards and enhance synergy within the United Nations.

Another report by the Secretary General (document A/64/230) provides information concerning the new Staff Rules that the Secretary-General provisionally promulgated on 1 July 2009 (ST/SGB/2009/7) in order to implement the new contractual arrangements approved by the Assembly in its resolution 63/250. Those rules are set to enter into full force and effect on 1 January 2010, taking into account any modifications as may be directed by the Assembly.

According to the report, the Assembly may wish to take note of the new Staff Rules; request the Secretary-General to amend staff rules 4.14 and 4.15 (j) in connection with the introduction of continuing appointments; and reconsider the issue of the requirement to renounce permanent resident status as it applies to all internationally recruited staff members. If the Assembly agrees to remove this requirement, it might wish to decide to delete staff rule 1.5 (c).

The Secretary-General's report on the implementation of continuing appointments (document A/64/267) includes information on the procedures for the granting and termination of continuing appointments, including eligibility criteria and the role of the performance appraisal system; financial and management implications of granting continuing appointments, including the possible establishment of a ceiling; and implications of the implementation of continuing appointments for the system of geographical ranges, for Junior Professional Officers and for successful candidates from competitive examinations.

The Assembly is requested to approve the implementation of continuing appointments as of 1 January 2010 under the conditions, and with any changes made by the Assembly pursuant to recommendations in document A/64/230, specified in the present report.

In its report on human resources management (document A/64/518), the Advisory Committee on Administrative and Budgetary Questions (ACABQ) identified areas requiring further clarification in the context of the "one-time review" that the Secretary-General proposed for the Assembly "to take a fully informed decision on continuing appointments". Those include the possibility that the review would create a bias against staff in the field, and uncertainty on whether the process will allow room for new staff and whether it will allow staff to assume functions different from the ones they were used to doing. The ACABQ also questioned how the new system would affect the Organization's "mobility policy", to what extent it exists.

The report says, that by 2013, around 80 per cent of 13,648 staff holding 100-series appointments, or over 10,000 people, would be eligible to become permanent appointment holders under the previous contract system. At the same time, a total of 4,511 people out of 15,000 working at Headquarters and regional commissions would become eligible for continuing appointment. The situation is less clear at peacekeeping missions, where 19,688 staff on fixed-term appointments would become eligible for continuing appointment after five years of continuous service, in accordance with the Secretary-General's proposals. After subtracting the number of people expected to retire before 2013, that number came down to 18,959. But for staff hired to serve less than four years, yet to be reviewed by a central review body before earning mission-specific fixed-term contracts, the situation was not clear. Would they need to be reviewed for the award of a fixed-term contract before they could be reviewed for continuing appointment during the special one-time review?

Further, the Advisory Committee is not convinced that General Service and National Professional Officers recruited locally should be eligible to receive continuing appointments if their services continued to be needed beyond five years. Peacekeeping operations are meant to be temporary, and awarding continuing appointments to local staff whose service is limited to one operation seems to contradict the principle underlying the introduction of continuing appointments. The ACABQ believes that they should continue to be hired on contracts of a finite duration.

The ACABQ concludes that a very large number of non-field mission staff will be eligible for permanent appointment. It would seem that progress will be far slower with respect to the

integration of peacekeeping staff into a career stream. This would appear to put field staff at a significant disadvantage vis-à-vis their non-field counterparts. The ACABQ recommends measures to improve the security of tenure of mission staff by, for instance, offering them appointments of a duration that reflects mission operational requirements.

Moreover, the ACABQ believes that the Secretary-General should explain in more detail how he intends to achieve the judicious mix of career and fixed-term appointments referred to in resolution 63/250. An average of 382 staff per year will retire during the period from 2009 to 2013, and only around 150 P-3 posts with guaranteed funding for one year or more are advertised each year. Under the new contractual regime, successful applicants would be offered fixed-term appointments which, subject to satisfactory service and provided that there was an ongoing need for the post in question, could be renewed. From these figures, the ACABQ concludes that opportunities to recruit new staff on contracts of one year or longer was rather limited.

The Advisory Committee also recommends that the Secretary-General gain a clearer picture as to how many continuing appointments should be awarded in each major occupational group. The Secretary-General had stated that staff services would be assessed based on their qualifications, past experience and training that might demonstrate his or her potential to perform functions different from those he or she is undertaking at the time of the review. However, the Secretary-General's report does not contain any information on the criteria in that regard.

The report recalls, as well, that the Secretary-General had established an intersessional staff-management working group in 2007 to develop mechanisms to strengthen the performance management system. The ACABQ notes that phase I of the redesigned system was scheduled for global roll-out and implementation in April 2010, to coincide with the start of that year's performance appraisal cycle. The new system included the following elements: a multiple rating system; a new rating scale with enhanced emphasis on staff development; a strategy for mandatory performance management training for all staff with supervisory responsibilities; and a strengthening of the role of the Management Performance Board and the Joint Monitoring Committee.

While acknowledging concerns about regulating the total number of staff with a long-term claim on the Organization, the ACABQ reiterates its earlier recommendation against establishing a ceiling, suggesting that the Assembly consider limiting the eligible population instead. Referring to the Secretary-General's contention that a ceiling for particular posts, mandates or functions would be inconsistent with the Organization's "mobility policy", the ACABQ points out that no such policy currently exists. The Assembly may wish to request the Secretary-General, as part of the review of the mobility policy that is to be submitted at the sixty-fifth session, to address the relationship between mobility and continuing appointments.

The ACABQ agrees with the Secretary-General that conversion should be managed centrally by the Office of Human Resources Management, but is concerned that the proposed process is overly burdensome. Considering that an average of around 1,900 a year will become eligible for consideration for conversion to continuing appointments from 2009 to 2013, the Committee believes that the review will be very time-consuming. To streamline the process, one option would be to refer disagreements to a joint advisory body, but the ACABQ points out that the Secretary-General's report does not explain how joint review bodies would gain enough knowledge to make their assessment. The ACABQ recommends that the Secretary-General clarify this aspect of his proposal.

Pension Fund

The report of the administrative expenses of the United Nations Joint Staff Pension Fund (document A/64/291) contains the Fund's revised budget for the biennium 2008-2009 and estimates for the period from 1 January 2010 to 31 December 2011.

The performance report for 2008-2009 indicates a reduction in appropriations amounting to about \$21.71 million, which comprises underexpenditures of administrative costs (\$3.76 million), investment costs (\$17.86 million) and audit costs (\$118,000), partly offset by an increase of \$27,300 for Pension Board expenses. The revised appropriations for the biennium would then amount to

\$131.49 million, divided into administrative costs (\$72.14 million), investment costs (\$56.78 million), audit costs (\$2.47 million) and Board expenses (\$100,000). Of this amount, \$18.71 million is chargeable to the United Nations under the cost-sharing arrangement.

The 2010-2011 estimate amounts to \$179.13 million, before recosting, for administrative costs (\$94.47 million), investment costs (\$81.86 million), audit costs (\$2.71 million) and Pension Board expenses (\$100,000). The report provides for a total of 214 continuing posts, 23 new established posts and 18 temporary posts.

According to the Secretary-General's report on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (document A/C.5/64/2), the Fund's budget for the biennium 2010-2011 had not been finalized at the time of the preparation of the programme budget proposals. Based on the report of the Pension Board, the overall requirements amounting to \$22.24 million (at 2010-2011 rates) represent the United Nations share in the administrative and audit costs related to the Fund. Additional requirements arise mainly from staffing changes, increased requirements for other staff costs, computer-related maintenance, and rental of premises and other operational costs related to the proposed establishment of new posts.

Estimates for the staffing component of the Fund secretariat include the proposed establishment of 14 new posts in 2010-2011 and delayed impact of 15 new posts established in 2008-2009. The higher requirements under other staff costs relate to the provision for after-service health insurance (ASHI) for retirees, and increased requirements under overtime and training. Increased requirements under computer-related maintenance are attributable to the continued maintenance of information technology and business projects that were implemented during the biennium 2008-2009.

In accordance with established procedures, the overall amount of \$22.24 million would be shared among the regular budget of the United Nations and the funds and programmes, with some 63.1 per cent attributable to the regular budget. However, based on the latest data on the number of participants in the Fund, against which the percentage is derived, that percentage would need to be revised to 63.8 per cent. In applying that revised rate, an amount of about \$14.19 million would represent the revised regular budget share as compared to \$12.32 million (at 2010-2011 rates) already included under section 1 of the proposed programme budget. In this connection, an additional requirement in the amount of \$1.87 million, reflecting the difference between the previously budgeted amount of the regular budget share and the revised requirements, would need to be included under section 1 of the proposed programme budget for the biennium 2010-2011.

The Advisory Committee, in a related report (document A/64/7/Add.6), recommends an additional appropriation of \$1.87 million under the regular budget for 2010-2011, arising from the recommendations of the Board. Noting the large increase in staff in the secretariat of the Fund, as well as a significant investment in information technology systems during the last two bienniums, the Advisory Committee does not object to the recommendations of the Pension Board regarding proposed staffing for the biennium, but does emphasize its expectation for restraint in future budgets when proposing staffing requirements.

UNOMIG

The Committee also had before it three documents on the financing of the recently-terminated United Nations Observer Mission in Georgia (UNOMIG) -- the Mission's performance report (document A/64/463), its administrative liquidation budget for 2009/10 (document A/64/464) and a related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (document A/64/529).

According to these documents, the Mission's initial budget for the period from 1 July 2009 to 30 June 2010 amounted to about \$38.84 million gross. Following the Security Council's decision to extend the Mission until 15 June 2009, an additional amount of \$15 million was appropriated for the period from 1 July to 31 December 2009. In view of the fact that UNOMIG's mandate was not extended beyond 15 June 2009, the proposed revised budget for the liquidation period from 1 July to 31 October 2009 amounts to about \$10.95 million gross.

The revised budget proposal provides for the repatriation of 103 military observers and 13 United Nations police officers who were present in the Mission area as at 1 July 2009, the reduction of 98 international staff and the separation of 203 national staff (including one temporary position), as well as for the administrative liquidation of the Mission during the four-month period from 1 July to 31 October 2009. Expenditures for the period totalled \$33.98 million gross, resulting in an unencumbered balance of \$502,000 gross.

The Advisory Committee recommends acceptance of the Secretary-General's financing proposals. The ACABQ was informed that a total of about \$396.33 million had been assessed on Member States in respect of UNOMIG since its inception. Payments received as at 30 September 2009 amounted to \$387.43 million, leaving an outstanding balance of some \$8.91 million. As at 19 October 2009, the cash position of the Mission was \$4 million, including a loan in the amount of \$3 million from the accounts of the United Nations Protection Force. The three-month operating reserve amounts to \$2.89 million, and the remaining available cash balance amounts to about \$1.12 million.

The ACABQ reiterates its concern over the precarious financial situation of the Mission, in particular in view of the fact that it was closed as at 31 October 2009. The Committee notes that the accounts of the Mission will remain open until all financial transactions, including the outstanding loan, have been settled.

The Advisory Committee further points to similarities among missions, despite the fact that each of them operates under its own unique circumstances. Experience gained in the operation of UNOMIG, including the liquidation exercise, should be recorded and appropriately evaluated to serve as a valuable guideline for other field missions.

Introduction of Human Resources Management Reports

Presenting the Secretary-General's reports on human resources management, CATHERINE POLLARD, Assistant Secretary-General for Human Resources Management, said that the streamlining of contractual arrangements and alignment of conditions of service for the field with those of the Secretariat provided the foundation for managing a global workforce across duty stations to deliver on the mandates given by Member States. The new contractual arrangements, which had come into effect on 1 July, now came under a single set of staff rules, as opposed to three sets of such rules. The three types of appointments were now defined according to duration requirements. As a result, the number of types of appointments had been reduced from 11 to three: temporary, fixed-term and continuing. The first two types of appointments had taken effect on 1 July. At this session, Member State approval of the implementation of continuing appointments would be critical to sustaining the momentum of reforms.

She added that the sixty-fifth session would be another human resources year, where her Office was planning to present progress made over the past two years and the challenges ahead. During the current session, she looked forward to continued dialogue with the Committee on those issues, in order to achieve the common goal of moving forward with the strengthening of human resources management of the Organization.

ROBERT BENSON, Director of the United Nations Ethics Office, introduced that body's report, saying that, as requested by the Assembly in resolutions 60/1 and 60/254, a system-wide Code of Ethics for United Nations personnel had been developed and approved by the Secretary-General. The Code was now before the Assembly for its consideration and endorsement. The document was the result of thorough deliberations and extensive system-wide consultations involving the global Secretariat, all the funds and programmes, specialized agencies, the International Civil Service Commission (ICSC), and three staff representative bodies: the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA), the Federation of International Civil Servants' Associations (FICSA) and the United Nations International Civil Servants Federation (UNISERV).

He said that the Code was written as a short, concise statement of the core values and principles as espoused in the Charter, Staff regulations and Rules, and the Standards of Conduct for

the International Civil Service to guide the behaviour of United Nations personnel. It was meant to be values-based and inspirational, instead of being rules-based and disciplinary.

The second point of interest related to the administration of the United Nations confidential financial disclosure programme, which aimed to manage organizational risks and, thus, preserve the integrity and reputation of the Organization. There had been a continued increase in the number of participants in the programme since its inception. That number stood at 3,118 in 2008, and there was a successful compliance rate of 99.16 per cent. There was also an increase in the number of Under-Secretaries-General and Assistant Secretaries-General who were voluntarily participating in the initiative. Last year, there had been 120 participants and, for the current reporting period, there were 149.

The last point of interest related to the work of the Ethics Committee, he said. That body had been established in January 2008 by Secretary-General's Bulletin ST/SGB/2007/11. Currently comprising eight United Nations entities, the Committee had provided support to the Secretary-General in relation to the development of the system-wide Code of Ethics. It had also carried out ethics-related policy review. Over the past year, it had made a positive impact upon the coordination of ethics-related policies and activities in an effort to ensure a coherent approach to the system-wide application of ethics.

SUSAN MCLURG, Chair of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), introduced that body's report on human resources management. She said that the Secretary-General's report on continuing appointments had been prepared in response to the specific request of the General Assembly, as contained in resolution 63/250, that he report during the sixty-fourth session on a number of issues, with a view to the implementation of a system of the continuing appointment regime by 1 January. The Advisory Committee considered that the proposals outlined by the Secretary-General did not respond fully to that request.

Regarding the provisional Staff Rules promulgated by the Secretary-General, she said that the Advisory Committee recommended that, bearing in mind the observations contained in its report, the General Assembly take note of the rules promulgated in SG/SGB/2009/7.

She said that the permanent resident status had been last discussed by the Assembly at its sixty-first session. The ACABQ was of the view that, with the increasing use of fixed-term appointments, it might not be entirely fair to require a candidate to give up permanent resident status, a decision that had long-term consequences, so that he or she could take up a position that might last only two or three years. The Advisory Committee, therefore, recommended that the Assembly reconsider that requirement. In the event there was agreement to remove it, provisional staff rule 1.5 c should be deleted.

The Advisory Committee was also particularly concerned about serving staff, recruited under the 200 or 300 series of the former Staff Rules, being required to give up their permanent residency. Following the introduction of the new contractual arrangements, many of those individuals would now transition to fixed-term appointments under the new rules and would, as a result, be required to give up their permanent resident status as a prerequisite for continued employment with the United Nations. It was unreasonable to expect serving staff to make a choice between renouncing their permanent resident status and continuing their employment with the Organization. The Advisory Committee, therefore, recommended that appropriate measures be taken to ensure that those individuals were not disadvantaged by the introduction of the new contracts.

In connection with the implementation of the policy of protection against retaliation for reporting misconduct and for cooperation with duly authorized audits or investigations, the ACABQ recommends that the Assembly clarify the arrangements to address circumstances in which the Office of Internal Oversight Services (OIOS) declined to investigate cases of alleged violations referred by the Ethics Office. As for the financial disclosure programme, the Advisory Committee noted that, in accordance with its earlier recommendation, a third-party feasibility study designed to ascertain the advantages and disadvantages of conducting the programme in-house, as compared to outsourcing, was due to begin in October 2009. The study should be completed within two

months, at which point relevant findings and recommendations would be submitted to the Assembly.

Turning to the code of ethics, she said that, given that standards of conduct for the international civil service, developed by the ICSC and implemented within the common system, already existed, and since the Staff Regulations and Rules already provided the legal framework governing staff conduct, the Advisory Committee was unclear as to the added value of a voluntary code of ethics. Since the ICSC had already requested its secretariat to work with organizations and representatives of staff to undertake an initial review of the standards of conduct, the ACABQ recommended that the Assembly revert to the issue of a code of ethics once that review had been completed.

PAULINA ANALENA, Vice-President of the Staff Management Coordination Committee, said she spoke on behalf of the 43,000 staff of: the Economic Commissions for Africa, Latin America and the Caribbean, Asia and the Pacific, and Western Asia; the Yugoslavia and Rwanda Tribunals; United Nations Development Programme (UNDP); United Nations Population Fund (UNFPA); United Nations Office for Project Services; (UNICEF) United Nations Children's Fund; Office of the United Nations High Commissioner for Refugees (UNHCR); the headquarters duty stations of Geneva, Nairobi and Vienna; the Department of Field Support; and the United Nations University.

These represented the vast majority of United Nations staff, who could be called the "silent majority", since they were not seen on a daily basis, she said. Yet, they brought aid to the needy and helped those in conflict areas. They cared for the world's children and its displaced, and served in the world's conflict zones to build peace. They ran the Organization's other headquarters, as well as its tribunals and economic commissions, and sometimes literally laid down their lives. They served with pride, but a pride coupled with growing consternation. While they believed in reforming the human resources apparatus and were pleased with the progress made in some areas, they continued to have grave concerns about others.

To that end, she turned to the question of continuing contracts, noting that her Committee had commissioned a report from the United Kingdom's Labour Research Department that considered contractual rights of civil servants from 11 Member States. A summary was attached to the written copy of her statement and the conclusions were clear and disenchanting for United Nations staff: not only were indefinite, permanent or continuing contracts the norm for civil servants worldwide, they were generally offered at an earlier stage than what was envisaged at the Organization. Of those surveyed, over 90 per cent had some type of continuing contract. At the United Nations, the stability and job security of such a contract was just a dream.

She underlined the built-in requirement, as outlined in the Secretary-General's proposal on the implementation of continuing contracts, for a review of the continuing need for, and good performance of, each staff member, noting that only staff meeting both criteria would be considered. Further, those who had faced disciplinary measures would be ineligible, thus, ensuring that only those staff who met the highest standards of integrity, efficiency, competence and professionalism would be retained. Indeed, the United Nations must meet its obligations as a socially responsible employer. Managers should review and document staff performance. The decision to award a continuing contract should be reviewed by a joint review body. Managers should also be held accountable for their recommendations, and this should be part of the Secretary-General's administrative instructions when the contractual framework is fully implemented.

She further emphasized that the vast majority of United Nations staff were high performing, dedicated, competent and effective. One example was Perseveranda So, who was killed in a bomb blast in Peshawar, Pakistan, on 9 June 2009. She had worked for the Organization since 1994 in various duty stations without any performance or disciplinary problems. But, in her 15-year career, she had never had anything other than short contracts as she moved throughout the United Nations world, even though she gave her life for the Organization. If the General Assembly failed to approve the awarding of continuing contracts due to fears of low performance, it would punish so many colleagues like Persy. Moreover, should that be the basis on which it denied a right generally considered to be the norm, substantive evidence about non-performance should be made available.

On concerns about underrepresentation, she said that, given that national civil services granted job security from as early as six months of service, it should not be surprising that nationals of some countries chose not to join the United Nations. The lack of job security also contributed to high staff turnover rates and proved a disincentive to mobility. The greatest fear of the 43,000 staff members she spoke for was that the Assembly would fail to implement continuing contracts, thus, perpetuating the situation that has existed since 1995 when permanent contracts were frozen. Asking if the time would ever be right for conversions to continuing contracts, she said it was a question of mind over matter. "The Member States don't seem to mind about the contractual situation of staff because the staff really don't matter."

Turning to the security situation of staff, she said recent events highlighted the urgent need to address this fundamental issue. Threats were increasing, while the resources remained inadequate and staff continued to pay the ultimate price. The Assembly must acknowledge that, under current circumstances, the United Nations remained a soft target and protection mechanisms fell short of the best prevailing conditions. State and non-State actors continued to attack the United Nations and its staff with impunity. She called on Member States to ensure that those who carried out the Organization's work were afforded the protection required by the Charter, since the United Nations mandate could not be fulfilled if its staff worked in fear of their lives.

Turning to the administration of justice, she acknowledged the Assembly's efforts towards an "independent, transparent, professionalized, adequately resources system that was consistent with the relevant rules of international law". There was little doubt it was an improvement. Still, areas of concerns should be addressed as soon as possible, including its lack of transparency. The Office of Staff Legal Assistance was also woefully under-funded, and staff were still called on to provide legal counsel on a voluntary basis, although no incentives had been established to encourage this. It was clear that staff needed to be represented by counsel well experienced in a proper court system, and very few United Nations staff had such experience.

Continuing, she noted that neither the Dispute Tribunal's rules and procedures nor the Organization-wide rules on investigations and disciplinary standards had been effectively disseminated. If the reforms were intended to promote an integrated conflict and dispute resolution facility, they had not yet succeeded. It might be "teething" issues, but it was also a question of resources, and it was up to the Assembly to ensure the new justice system succeeded.

STEPHEN KISAMBIRA, President of the United Nations Staff Union, said that, in March 2009, the Office of Human Resources Management had requested the Staff Union to hastily comment on the draft staff regulations and rules, and a select number of administrative instructions. The Union had provided its comments and queries, which, regrettably, had been ignored, with no feedback provided. The text had been drafted by a working group comprised of subsidiary agencies, funds, programmes and organs of the United Nations that enjoyed special status granted by the General Assembly in the appointment of their staff, and had distinct recruitment and human resources policies, compared to those of the Secretariat. The Administrative Instructions issued by the Secretary-General did not apply to those bodies. The draft staff regulations had then been presented to the staff representatives as a *fait accompli*.

While welcoming some aspects of the new contractual arrangements, the Staff Union believed that they should not purport to replace the permanent appointment --- "the last bastion of the independence of the international civil service", he said. The General Assembly had not granted the Secretary-General's request to approve the replacement of permanent appointments with continuing contracts. Indeed, the ACABQ had noted that "what is intended is the 'introduction' of continuing contracts", without prejudice to permanent contracts. It was his understanding that, while the General Assembly had approved the new contractual framework, it had not abolished the permanent appointment.

The provisional staff rules were exemptive and discriminatory, he said. They were short on the check and balance mechanisms in the staff selection processes, as well as performance of staff and accountability. They were likely to invite delays in the administration of justice and would weaken staff representation. Among other things, it was significant that the provisional staff rules

did not make any reference to staff on a permanent appointment. The new contractual arrangements and provisional staff rules were being touted to purport many things, including “serving as one”, “one UN” and “one Secretariat”. Yet, there were significant exceptions in those rules. If the new contractual arrangements and provisional staff rules were to apply to the Secretariat, agencies, funds and programmes, the implementation of the continuing appointment should be done in the context of a uniformed and improved staff selection system, a revamped performance appraisal system and enforced accountability.

He also pointed out that provisional staff rules in chapters V, VI and VII were exploitative and discriminatory, reducing the benefits and entitlements of staff on temporary appointments, compared with staff on fixed-term, continuing and permanent appointments. A staff member who held a temporary appointment should receive the same benefits and entitlements as a staff member on any other type of appointment. The provisional rules offered less protection to staff on a temporary or continuing appointment than one on a fixed-term one, in the event of dismissal.

He also commented on the limited role of central review bodies under the provisional staff rules, saying that such bodies should be empowered to weigh in on the actual selection of candidates for recruitment, promotion and contractual conversions and termination. Provisional staff rule 1.3 on the performance of staff and accountability was inadequate. It would be useful if performance appraisals were conjoined with staff training. It would be further useful to define accountability and provide for a 360-degree evaluation.

The provisional rules did away with the probationary period, he continued. That would eventually encumber the Secretariat with staff that did not perform as expected. It would also put the unproven staff member on an equal footing with those who would have already demonstrated their ability to perform the functions for which they were appointed. He asked that the probationary period be retained.

The Staff Union welcomed the contents of chapters X and XI, which incorporated the new system of the administration of justice, he said. Nonetheless, it strongly rejected the provisions in provisional staff rule 11.2c and 11.2d, which would invite delays in the administration of justice. Those provisions allowed the Secretary-General to extend the deadline within which to receive a request for management evaluation and to furnish a written response to the staff, reflecting the outcome of the management evaluation. A staff member’s request for suspension of action should not be conditional on a management evaluation. He also noted with concern the change indicated in provisional staff rule 8.1, which would weaken staff representation, and requested a reversion of the provisional staff rule 8.1b to the exact language in the previous rule 108.1a.

On the proposed criteria for eligibility for consideration of conversion from a fixed-term to continuing appointment, he said that those were premised, among other things, on a functional performance appraisal system, potent staff-management review bodies and rigorous and transparent procedures. Those conditions did not currently exist in the Secretariat. He proposed that the determination of a continuing need for any function should not be left to the discretion of a joint body. Those should be predetermined before the joint staff-management body reviewed the eligibility of staff for conversion to a continuing appointment. The review should be done by revamped and potent central review bodies. The implementation of new contractual arrangements should await the Assembly’s consideration of a report on accountability, a review of the current appraisal system, and proposals on the mobility policy. Noting that the ACABQ was not convinced that locally recruited mission staff should be eligible for continuing appointments, he also urged that severance pay should be granted to staff members who had served at least five years.

The proposals before the Committee, at best, ignored the underlying causes of the distortions in human resources management that emanated from the ever-increasing needs and complexity of field missions. They were, at worst, based on false premises and promises that were likely to engender unfulfilled expectations. The Office of Human Resources Management was mooted a mobility policy that would require that a staff member serve in a field mission before becoming eligible for promotion to a P-5 post and above. That policy was not family-friendly and would make the United Nations even less attractive, especially to female candidates. Even with a good career planning system -- which was non-existent in the Secretariat -- few staff members were given the opportunity to ascend to the level of P-5 and above. It would be equally disingenuous to

promise staff in field missions and other duty stations that a continuing appointment bestowed on them a realistic chance to be absorbed in the Secretariat. It was perhaps apropos for the Committee to reconsider the establishment of core posts for field operations.

Statements

MAGID YUOUSIF (Sudan), speaking on behalf of the "Group of 77" developing countries and China, paid tribute to those who had given their lives in the service of the Organization. He said that Member States, having made a landmark decision in streamlining contractual arrangements and harmonizing conditions of service, must now finalize details for implementing continuing appointments by 1 January 2010, in accordance with resolution 63/250. Ensuring the well-being of all international civil servants was of paramount importance, he said, in order to have a satisfied, vibrant and dynamic workforce.

The Group expressed concern for the effective functioning of the Organization if reform of human resources management failed. As a result of a reluctance to complete that reform, the Organization was at odds with its own staff, its greatest asset. The Group would disassociate itself from such failure if the General Assembly was unable to take the necessary action. It was essential to maintain the confidence and commitment of the staff.

Expressing support for the general thrust of the Secretary-General's proposals on implementation of continuing contracts, he said that they would contribute to better career perspectives for staff. He agreed that establishing an artificial ceiling for the conversion of appointments was not feasible. He regretted that the ACABQ had focused on the number of eligible staff, rather than on the criteria to be used for granting continuing appointments. That approach was misleading and would not help the Assembly in its deliberations, he said. To implement an effective and strategically managed human resources system, it was necessary to reflect on the fair assessment of performance.

The Group would have liked for the next national exam to take place in February 2010, he said, and sought clarification on the issue. On other matters, he said that staff mobility should remain voluntary, but be accompanied by incentives, both financial and as opportunities for promotion. In that context, he suggested that the Assembly consider the offer of continuing appointments as such an incentive. He also expressed regret at the perceived mistrust between staff and management, which harmed the Organization's image. Every effort was needed to improve that relationship. He, therefore, expressed satisfaction with the participation of the United Nations Staff Union in New York in consultations on provisional staff rules. In closing, he requested intensified efforts to achieve geographical distribution and gender balance in the staff.

HENRIC RASBRANT (Sweden), speaking on behalf of the European Union and associated States, said that important progress had been made towards human resources management reform when General Assembly resolution 63/250, approving a new contractual regime, was adopted by consensus in December 2008. The Assembly then took a decision to amend the Staff Regulations to allow for implementation of the new human resources regime as at 1 July 2009, in its resolution 63/271.

The goal was to make the work of the United Nations more effective and efficient and to establish an organizational culture that would enable staff at all levels to contribute their greatest potential, thus, strengthening the international civil service. Looking at the specifics relating to implementation of continuing appointments, he said that it was important to have career appointments, while, at the same time, ensuring that the Organization could adjust its workforce in accordance with its changing needs.

JIM MCLAY (New Zealand), speaking also on behalf of Australia and Canada, said that, to meet the unprecedented and complex challenges it faced, the United Nations required a workforce of high quality personnel from around the world with the balance of expertise and flexibility needed to fulfil its ever-evolving mandate. He believed the streamlined contractual framework, with contracts of three durations under a single set of staff rules, had the potential to provide a simpler, fairer and less administratively burdensome staff management system. Hopefully, it would also

provide a surer foundation for more systematic investment in staff development, enable staff mobility and enable a fresh approach to considering conditions of service in the field, which was important in meeting the needs of an increasingly field-based organization.

He noted that important decisions remained in implementing the new contractual system and those would determine whether the reforms met their objectives. Foremost, was agreeing on the criteria and process of converting staff from fixed-term to continuing contracts. The proposals for doing so would be weighted against the fundamental objectives that drove last year's agreed reform of the contractual framework, as set out in resolution 63/250. A key goal was creating a more unified and global Secretariat that broke down internal barriers, provided for peacekeeping as an ongoing function and integrated peacekeepers into the global Secretariat, while providing them improved conditions of service.

Among other things, he said the proposals should provide the basis for achieving a "judicious mix" of staff on fixed-term and continued, and achieving the desired balance between experience and institutional knowledge, on one hand, and dynamism and flexibility, on the other. The proposed process must also provide the tools necessary to calibrate the proportion of staff on continuing and permanent contracts. He shared, in that regard, the ACABQ's concern on the potential for significant staffing rigidity at headquarters locations resulting from the final round of permanent appointments, while the integration of peacekeepers into the career stream would be far slower.

He further stressed that conversions from fixed-term to continuing contracts should not, in practice, become automatic. They should be determined by merit and the Organization's long-term needs. The criteria for proposed conversions must be clear, objective and rigorous. More information was needed about the workforce planning assumptions against which organizational needs were assessed. Still, an excessively burdensome administrative process should be avoided in implementing the conversion. Clarification on the implications of those proposals for the broader objective of achieving an integrated and mobile global workforce would also be sought.

MARIA GUSTAVA (Mozambique), associating herself with the statements of the Group of 77 and China, and of the African Group, expressed support for human resources management reform that would lead to a more representative, proactive and dynamic staff and concern at the increase in underrepresented countries from nine in June 2005 to 30 in 2009, while overrepresented countries increased from 20 to 22 during that period. Although Mozambique was currently in the reasonable range of representation, projected retirements could put the country at risk of falling below its representation entitlement. Further, while it was encouraging that the proportion of female staff in posts subject to geographical distribution was increasing, it was unacceptable that women represented only 33.6 per cent of the global Secretariat staff, she said.

Noting Secretariat efforts towards adequate succession planning, she encouraged continued proactive steps in the recruitment and retention of staff in order to ensure proper delivery of the Organization's programmes and activities. Initiatives such as the Human Resources Action Plans and outreach initiatives would also contribute to achieving geographic, gender and other human resources targets. On provisional staff rules, she said that it was crucial for Member States to agree that the rules promulgated by the Secretary-General to implement the changes resulting from Assembly resolution 63/250 were consistent with legal mandates and adhered to the letter and spirit of the Staff Regulations approved by the General Assembly.

PARK IN-KOOK (Republic of Korea) said the agreement on a streamlined system of contracts was a "significant" step forward on human resources management reform and emphasized the importance of implementing the continuing appointments as of 1 January 2010 without delay. He looked forward to an in-depth discussion with a view to supporting the launch of continuing appointments, as scheduled. The continuing appointments under the new framework of contractual arrangements should not be granted automatically; they should be granted to those who met eligibility and "continuing need" criteria through a rigorous review process. It was also necessary to establish the central management system, to ensure that the conversion to such appointments was transparent.

Also, he agreed that placing a cap on conversion might counter the very issues the reform was intended to address, like strengthening organizational capacity and mobility for effective programme delivery. Continuing appointments could be implemented without such a ceiling at the present stage, and, with the Secretary-General's evaluation of the new system at the sixty-seventh session, such issues could be revisited, if necessary. Moreover, a credible performance appraisal system was critical, and he welcomed the proposals discussed at the Staff Management Coordination Committee, including the possible adoption of a 180/360 degree feedback mechanism and a new rating system.

Finally, he voiced concern at the increasing number of unrepresented and underrepresented States in the Secretariat since 2006 and recalled the General Assembly's request to the Secretary-General to reduce that number by 2010. The National Competitive Examination was a cost-effective way to recruit highly qualified entry-level professionals from those countries, and he welcomed the proposal to grant continuing contracts to candidates recruited from it after two years of fixed-term placements. He reiterated the need for speedy placements of those candidates and shortening the exam cycle. Pending issues surrounding continuing appointments must be discussed at length during the current session, with a view to facilitating their timely implementation.

TAKASHI KANAMORI (Japan) noted that, according to the Secretary-General's proposal, a continuing appointment could be granted to staff members with a minimum of five years continuous service, and with three further provisions: a continuing need for the individual's services; a performance rating of 3 or above in the four most recent performance appraisals; and no instances of having been subjected to disciplinary measures in the preceding five years. He called that proposal "too ambiguous to be practical", as there were no clear criteria for determining when there was a continuing need for a staff member's services and, as noted by the ACABQ, no information on what specific skills or functions would be needed by the Organization on an ongoing basis. Further, he noted, for the biennium 2006-2007, 99.4 per cent of staff had received a performance rating of 3 or above, which strongly suggested that the rating provision was unlikely to prove effective in selecting who should receive continuing appointments.

Noting that it would be necessary to regulate the total number of staff with a long-term claim on the Organization, he proposed that at least a rough plan be developed that would include regulation of permanent and continuing appointments. He expressed concern that the implementation of continuing appointments without any limitation on the number of long-term staff would have a significant adverse impact on the Organization, in that it would impose an ever-growing, long-term financial burden on the Organization. It would also impose a rigid workforce structure in the Secretariat that would prevent fresh talent from entering the Organization.

He requested the Office of Human Resources Management to explain the Secretary-General's proposal to staff and Member States on how to operate a quantitatively managed system and in what order of priority continuing appointments should be given staff members under such a quantitative restriction, based upon such things as workforce needs for each occupational group, appropriate age balance to ensure succession planning in the Secretariat, and whether staff had been recruited through the competitive examination or not. At the same time, geographical and gender requirements must be met. Further, to achieve the Organization's goal of having a truly global, integrated and mobile workforce, several years' service in offices other than Headquarters should also be a condition to qualify for a continuing appointment.

He expressed concern at the widening gap in geographic representation of staff and encouraged the Secretary-General to address this long-standing issue in a more effective and innovative way. He suggested that, in addition to the current request for a list of at least three qualified candidates -- to include qualified women -- for appointments at the D-2 level and above, one qualified individual from an unrepresented or underrepresented country also be included. Further, heads of department or office should be instructed to take action to redress geographical imbalances.

He further said that international Professional staff holding permanent or fixed-term contracts should also be subject to geographical distribution, regardless of the source of their financing or location. He requested the Secretary-General to include proposals towards that end in his comprehensive review of the system of desirable ranges to be submitted to the General

Assembly at its sixty-fifth session. He then expressed regret at the delay in recommencing the national competitive recruitment examination, which should be the driver for redressing geographical disparities. In conclusion, he proposed the establishment of a redesigned panel to properly review human resources management. Any decision on the subject should be reached by consensus.

WONG KANG JET (Singapore) said that human resources management reform had taken a critical step forward with the Assembly's decision to streamline contractual arrangements and harmonize the conditions of service on the ground. That had helped to pave the way for a new system that was more transparent and easier to administer. He supported the efforts of the Secretary-General to implement the reform in a systematic and thorough manner. However, while contracts and service conditions were key human resource policies, reforms should be carried out holistically and comprehensively to address other key aspects, such as human resource planning, career development, performance management and training.

The Organization needed a robust performance management system for all staff to ensure that good performers were recognized and rewarded, that underachievers underwent training to improve their performance, and that deadbeats were served notice or given appropriate sanctions, he continued. Putting strong incentives in place engendered a culture of excellence that would, in turn, attract capable and dynamic individuals to the Organization. Therefore, he was encouraged to hear that the Staff Management Coordination Committee was considering a 360-degree feedback mechanism, performance training for supervisors, and a new rating system. However, a good system went beyond installing the rights mechanisms -- it also stemmed from a genuine desire to differentiate for performance. For instance, the performance rating system would have to evolve from the current one, where 99 per cent of staff were rated as meeting or exceeding expectations.

It was not sufficient to merely identify individual talents serving the Organization, he said. Human resource planning and monitoring would need to be strengthened to more clearly determine and define the Organization's needs. The Secretary-General should ideally have a bird's eye view of how human resource requirements were evolving across departments, in terms of headcount, as well as the expertise and skills required, so that he could plan ahead to pre-empt the problems of tomorrow. Thus, there would be a plan in place to deal with, for example, the coming wave of retirements. For individual staff, career progression should be clearly chartered and should include development opportunities, such as milestone training and postings both at headquarters and in the field, where appropriate.

Turning to equitable geographic distribution, he said that, today, developing countries were underrepresented at the senior levels. Some departments remained fiefdoms of a select few Member States. While not advocating more equitable geographic representation as an end in itself, he believed that the Organization could, and should, tap more extensively on individuals from across the globe, who were as talented or more talented than those from current predominant sources. Diversity would enable the Organization "to act local while thinking global".

On continuing appointments, he said that Member States had made considerable progress at the sixty-third session. All delegations must now ensure that those reforms were fully realized in the near future to ensure that staff were not short-changed. Singapore looked forward to working with Member States and the Secretariat to finalize the implementation of continuing appointments as early as possible.

CARLOS RUIZ MASSIEU (Mexico) concurred with the ACABQ that there was, as yet, no solid basis for granting continuing appointments to United Nations staff, because of the lack of system-wide data on the type of functions needed continuously and on the type of staff required. In that context, the explanation of the report on eligibility criteria lacked objectivity and did not lead to a selection process that took into account performance and type of experience in the Organization. It was questionable that 99.4 per cent of staff rated a "highly satisfactory" level of performance, and that five years of continuous service without disciplinary measures constituted sufficient criteria to decide on the eligibility of a staff officer.

In that regard, he said it would not be prudent to award continuing appointments before April

of next year; how the process would impact staff mobility was another essential factor that must be taken into consideration. In regard to the national competitive examination, he expressed concern that Mexico, which was underrepresented at the United Nations, did not as yet have information regarding the next date of administration. He added that lowering the age limit and extending the test to countries that were adequately represented would have negative effects on countries in Mexico's situation.

Regarding the Ethics Office, he said that the United Nations Senior Vendor Review Committee was established for a 12-month period to assist in the review of cases involving vendors who were under investigation or engaged in corruption or unethical practices. It was his delegation's belief that the Director of the Ethics Office should not carry out any operational function. He expected that the related report on operational experience, to be presented to the General Assembly after the agreed one-year period, would include information on the possible absorption of activities within existing structures. He reiterated his support for consultations towards elaborating a voluntary code of ethics for the United Nations, based on the input of the ICSC.

BRUCE C. RASHKOW (United States) said that his delegation joined others in recognizing the critical importance of United Nations staff in accomplishing the vital missions of the Organization. It was for that reason that the United States attached such importance to human resources management at the United Nations. Last March, the General Assembly had passed a landmark resolution on streamlining contracts and harmonizing the conditions of service. With the exception of the continuing contracts, that new system had come into effect on 1 July 2009, and had been implemented under new Staff Rules, which the Committee would also be reviewing during this busy session.

The Committee now had before it the proposal for implementing continuing contracts, he continued. While the report of the Secretary-General provided a starting point for the deliberations on the granting of continuing contracts, he shared many of the concerns raised by the Advisory Committee, in particular, its concern that the proposed method of determining continuing need for individual staff members was disconnected from strategic workforce planning and, therefore, did not take into account the needs of the Organization as a whole. With those concerns in mind, he believed that the Secretary-General's proposal for implementing continuing contracts did not adequately address its stated purpose of ensuring programme continuity in core functions of the Organization, or that it allowed for the flexibility in staffing needed to ensure an efficient and effective global Secretariat.

Furthermore, complementary approaches should also be considered, he said. For example, a limit on the number of conversions should be included as an objective means of ensuring a judicious mix of career and fixed-term appointments, or determining who would be eligible for consideration for conversion to a permanent appointment of the people currently employed under fixed-term contracts. Above all, he strongly believed that staff on fixed-term contracts who met the minimum criteria for conversion should be considered eligible — rather than entitled — for continuing contracts. His delegation placed great importance on implementing a rigorous process of reviewing eligible staff and awarding continuing contracts. Therefore, his delegation looked forward to hearing the positions of all other delegations and working together in a constructive manner to ensure sound implementation of the last element of the important contractual reform.

HE YI (China) endorsed the statement of the Group of 77 and noted, with regard to geographical representation, that developing countries were still poorly represented and that overall distribution was unbalanced. She called upon the Secretariat to take realistic measures to respond to the needs of developing countries in correcting that imbalance. On continuing contracts, which she called the most important element in human resources reform efforts, she said that they would affect the Organization's most fundamental work. Its proper functioning was essential. Awarding continuing contracts must be done cautiously and only after full assessment. New provisional staff rules should be based on the new statutes and should fully reflect changes in the human resources management system.

She then expressed appreciation for the role of the Ethics Office in promoting integrity and accountability and called for more specialized agencies to take part in those efforts. She also expressed support for system-wide harmonization of the Code of Ethics, while taking full account of

cultural diversity.

V. PROKHOROV (Russian Federation) said that his delegation advocated an effective and flexible human resources management policy, which would ensure maximum returns. His delegation considered, and would continue to consider, the proposals of the Secretary-General primarily from the point of view of the extent to which they enhanced quality of human resources policy; ensured an adequate response to the Organization's needs in qualified staff and effective functioning of the Secretariat; and responded to the financial concerns of Member States. The proposals before the Committee required serious and careful consideration. He was also convinced that those proposals must be considered in the context of all the views of Member States that had been presented on 63/250 and previous resolutions on the matter.

He said that his delegation shared the concern of the ACABQ on the lack of information in the Secretary-General's report regarding the projections of the number of staff applying for continuing contracts. That applied not only to staff at Headquarters, but also to United Nations missions. A very clear picture in that regard was needed, in order to be able to take important decisions on the matter. As for the staff in the field, he noted that resolution 63/250 had provided for a significant improvement of their conditions of service through the harmonization of remuneration and benefits. He saw no need to use continuing contracts for staff in missions, which were temporary in nature. In essence, the proposal was trying to "bring back through the backdoor" the idea of a peacekeepers cadre, on which there was no consensus. He did not see any basis for the establishment of such a separate stratum of staff serving in peacekeeping operations.

He also had serious doubts regarding the validity of such an approach from the point of view of efficiency, he continued. Even with the obvious advantages of enhancing job security and promotion of career development, it was in contradiction to the concept of effective and flexible human resources management, taking into account the swiftly changing needs of the Organization and its mandates, as well as personnel needs. Furthermore, broad use of more secure continuing contracts did not stimulate the performance and self-improvement of staff.

Continuing, he also drew attention to the long-felt need to enhance the performance appraisal, saying that his delegation was very interested in receiving information on the results of the work of the intersessional staff-management working group, which had been tasked with developing mechanisms to strengthen performance management system. The working group was to conclude its work by the end of the year.

Regarding setting the overall number of staff to whom the Organization would have long-term obligations, he did not exclude the possibility of such regulation, but — aware of the complex nature of such an approach — was also prepared to consider the idea of adjusting the criteria for offering contracts in order to limit the number of staff eligible for conversion.

In conclusion, he asked the ACABQ to provide clarifications regarding its recommendation, in paragraph 60 in its report, on requesting the Secretary-General to intensify his efforts to achieve the targets for geographic distribution and gender balance. In terms of gender balance, additional clarification might not be needed, because the final goal was to reach a 50/50 proportion of men and women. In terms of geographic distribution, however, there were many interpretations of the provisions of the Charter and a number of resolutions. It was necessary to clarify what target indicators for geographic distribution the ACABQ was talking about.

BUI THE GIANG (Viet Nam) associated himself with the position of the Group of 77 and said that the United Nations must have a properly recruited, healthily motivated, well-trained and committed workforce capable of successfully responding to the growing challenges and complexities before it. Its staff must always strive for self-improvement through enrichment of knowledge and enhancement of skills, and always stay loyal and committed to the Organization. In his address at the opening of the general debate during the sixty-third session, the Secretary-General had called United Nations staff "our most precious resource" and the "backbone of the UN", saying that the time had come to invest more in the Organization's staff.

In that context, his delegation took note with appreciation of the Secretary-General's reports

before the Committee, he said. He felt heartened by the gender parity that had been achieved at P-1 to P-3 levels, yet, he was concerned about the overall gender imbalance in the Secretariat. At the Under-Secretary-General and Assistant Secretary-General levels, women only accounted for 17 to 20 per cent of the total staff strength. Similarly, on geographical distribution, developing countries only accounted for some 40 per cent of the staff at D-1 level, although they constituted an overwhelming majority of the Organization's membership. After all the rhetoric, time for action had come. He called on the Secretary-General to turn into reality his assurances that he would work towards redressing the gender and staffing imbalances. He called on the broad membership of the Organization to join their efforts towards achieving those objectives.

While concurring in principle with the Secretary-General's proposal regarding the provisional staff rules, his delegation recognized the activities of the Ethics Office during the period under review, he continued. Those had not only helped to identify policy gaps and harmonize ethical standards, but also provided other United Nations entities with a better set of standards and procedures related to their respective areas of responsibility. Awareness and understanding of ethical standards by United Nations staff could be also further enhanced through training courses conducted by the Office. He congratulated the Ethics Committee on the development of a system-wide code of ethics. He hoped that all United Nations agencies, funds and programmes would work in unison, so that the endorsed standards on ethics and integrity could be applied coherently in the entire United Nations system, therefore, contributing to the synergy of the system as a whole.

Introduction of Reports on United Nations Joint Staff Pension Board

PIERRE SAYOUR, Chairman of the United Nations Joint Staff Pension Board, drew attention to the continued growth in size, scope and complexity of the Fund's operations. There were now 23 member organizations and more than 172,000 active participants, retirees and other beneficiaries covered by the Fund, which represented an increase of over 53 per cent in just 10 years.

There had also been a sharp decline in the Fund's market value. Even so, the long-term investment objective of the Fund was an investment return of 3.5 per cent after inflation adjustment, while the compound annual rate of return for the 20-year period ending 31 March 2009 was 7.2 per cent. After adjustment by the United States consumer price index, this represented a yearly real rate of return of 4.3 per cent for the same 20 year period. Further, the Fund had not needed to sell any securities in the short term to balance its operations and meet payment requirements.

SHARON VAN BUERLE, Director, Programme Planning and Budget Division, then introduced the report on administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board.

Ms. MCLURG, introducing the ACABQ's report on the matter, noted that, as at 30 September 2009, the market value of the Fund's assets had increased to \$36.5 billion.

Mr. YOUSIF (Sudan), speaking on behalf of the Group of 77 and China, said that improvements in the United Nations pension system should be implemented in such a way that they provided retirement, death, disability and related benefits for participants and retirees on the basis of full respect for the principles of transparency and accountability. The Group noted the developments in the management of the secretariat of the Fund, as reflected in the report of the Pension Board. He welcomed the increase of over 53 per cent in the number of individuals being served in the last 10 years and a total number of active participants, retirees and other beneficiaries covered by the Fund in recent years. He also welcomed the admission of the Special Tribunal for Lebanon to the Fund membership and reiterated the need for an equitable representation of constituent organizations of the Fund in all the meetings and sessions.

Continuing, he welcomed the actuarial surplus of 0.49 per cent of pensionable remuneration as at 31 December 2007 and expressed satisfaction over the fact that the Fund's compound annual rate of return for the 20-year period ending on 31 March 2009 had been 7.2 per cent against the long-term investment benchmark, which was currently set at 3.5 per cent. On the investments of the Fund, the Group noted with concern that the market value of the Fund's assets as of 31 December

2008 had shown a decrease of 25 per cent, compared with 2007. As of 31 March 2009, the market value had decreased by 28.3 per cent. Today's financial crisis called for a cautious analysis of any type of investments that could jeopardize the benefits for staff. In that sense, the Group aligned itself with the recommendation of the ACABQ that every effort should be made to ensure that future investments took into account potential risks and that the Investment Committee played a key role in providing guidance to the Investment Management Service.

He also underlined the four main criteria established in Assembly resolution 32/73, according to which any investment should be safe, profitable, liquid and convertible. On a related matter, he reiterated that the Fund should act on its commitment to engage in a wider geographical diversification when investing. Despite some investments in a few developing countries, they still remained much underrepresented in the Fund's portfolio. Investments in the developing world could provide balance in the market and avoid the negative impacts of declining markets seen during the financial and economic crisis. Therefore, he urged the Fund to diversify its investments by increasing investments in developing regions and countries and report back to the Assembly on that issue. Likewise, as a matter of policy, the Group discouraged outsourcing the Investment Management Division and supported greater reliance on internal management of the Fund's assets. At the same time, he concurred with the recommendation of the Advisory Committee that the impact of the decision of the Board to establish a full in-house investment management function be carefully monitored and to request the Secretary-General to keep that issue under review, to ensure that the Fund's long-term objectives were met.

The implementation of the Integrated Pension Administration System would be the most important operational undertaking of the Fund during the next two bienniums, he continued. That project had originally been designed to bring a significantly more efficient use of resources via modernization of the technological platforms and to migrate from a case-driven to a process-driven operation.

On administrative matters and human resources, the Group noted that during the last two bienniums there had been a large increase in staff from the Secretariat participating in the Fund, as well as a significant investment in information technology systems. At the same time, the report of the Secretary-General provided for the establishment of 23 additional posts and 18 temporary posts with the total allocation of \$14.19 million. The Group would like to seek more information about the impact of the proposed new posts on the overall function of the Fund, as well as the relationship between the projected costs with the provisions for after-service health insurance and the new enterprise resource planning system still under consideration by the Assembly. Any investment in human resources, post and non-post costs, as well as information technology systems should be well justified by concrete efficiency gains for the Fund.

Introduction of Reports on UNOMIG

JUN YAMAZAKI, Assistant-Secretary-General, Controller, introduced two reports from the Secretariat on the recently-terminated United Nations Observer Mission in Georgia.

Ms. MCLURG then introduced the related ACABQ report.

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For information media • not an official record