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Chairs and Vice-Chairs of Standing Committees

From: Gemma Vestal, General Secretary

## **REPORT BY THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA) ON THE 33<sup>RD</sup> SESSION OF THE HIGH LEVEL COMMITTEE MANAGEMENT (HLCM)**

**(Ministry of Agriculture, Budapest, 30 and 31 March 2017)**

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The High-Level Committee on Management (HLCM) of the United Nations System Chief Executives Board for Coordination (CEB) held its thirty-third session on 30 and 31 March 2017 at the Ministry of Agriculture in Budapest, Hungary. The session was co-hosted by the Food and Agricultural Organization (FAO), the United Nations Refugee Agency (UNHCR) and the United Nations Children's Fund (UNICEF). The meeting was chaired by the HLCM Vice-Chair, the Deputy Executive Director of the Joint United Nations Programme on HIV/AIDS (UNAIDS), Ms. Jan Beagle.

The Vice-Chair of HLCM opened the meeting by informing delegates that the HLCM Chair, Ms. Irina Bokova had to participate in the ministerial forum of the G7 in Florence (30-31 March) and was therefore unable to chair the meeting.

### **HLCM Strategic Plan 2017-2020**

The strategic plan had been approved by the CEB in 2016 and provisions indicated that adjustments were to be made.

These adjustments were summarized and it was noted that further discussion on gender parity was still ongoing in the Secretary-General's Office. As soon as a strategy was developed, discussions would continue to align and include it in the strategic plan.

Under the CEB-endorsed "UN System Internal Coordination Plan on Cybersecurity and Cybercrime", it was noted that cybercrime and cyber security were pegged as high as physical

security. References were made to the JIU Report on Safety and Security. The HLCM was seeking collaboration on this item.

In anticipation of changes that would be implemented by the Deputy Secretary-General in the United Nations Development System, the Strategic Plan would need to remain flexible.

Recommendations:

1. Confirmed its readiness to contribute its input and perspectives in the review of the United Nations Development System led by the Deputy Secretary-General, in the forms and modalities that the Deputy Secretary-General would indicate.
2. Following a careful review of the mandates included in the Quadrennial Comprehensive Policy Review resolution adopted in late 2016, adopted the HLCM Strategic Plan 2017-2020 and the corresponding revised Results Framework, as outlined in document CEB/2016/HLCM/15/Add.1/Rev.1, subject to further adjustments, particularly in light of any additional direction that may be provided by the Secretary-General, and of the outcome of the review of the United Nations Development System.
3. Noted that the Strategic Plan and the Results Framework would remain living documents, and that the latter would be populated and adjusted in the course of the next months, following a new round of consultations to be conducted by the CEB Secretariat.

#### **New service delivery approaches: simplification, decentralization and flexibility**

The HLCM Vice-Chair introduced this item by reminding all that in pursuit of Agenda 2030, there was a call from Members States for more integration, coordination, accountability, and transparency in the UN system. The thematic discussion under this item focussed on the operational side of the UN. Presentations were given by FAO, UNHCR, UNICEF, UNDP, IOM and WHO. The Chairman of the Joint Inspection Unit (JIU) gave a report on “The role of service centres in redesigning administrative service delivery”. The topics under the broad theme were:

- Business models and governance;
- Key performance indicators (KPIs);
- Customer service approaches;
- Operational arrangements;
- Operational challenges and solutions;
- Opportunities and challenges for joint provision of services with or to other UN organizations; and,
- Possible pricing models applicable for the provision of services to other clients.

Based on the shared assessment of HLCM members, the Committee noted that all mandates on operational subjects listed in the new Quadrennial Comprehensive Policy Review resolution had been already included among the Strategic Plan’s priorities and related activities. The Committee also noted that the Strategic Plan would have to later be adjusted to integrate any action towards the changes in the United Nations Development System that would eventually be agreed, following the completion of the review led by the Deputy Secretary-General.

FAO presented on “Business models and governance”.

Issues covered were:

- What is policy, who/how executed?
- Policy ownership, process ownership is a question
- Optimize how this is carried out
- Service center – attract and retain talent – created a core team to execute transactions
- Small team temp/junior staff (how to retain them??)
- Put in mechanics to transfer information
- Continuous improvement
- “Getting value”
- “How to get benefit”
- Can move faster
- Service center should be seen as a strategic partner/supplier
- Managing us versus them – lots of them. We are one team
- Cost is not the only driver.

UNHCR presented on “Business models and governance”.

Issues covered were on:

- New SG messaging, keen on reform
- Cost was not the sole factor, for UNHCR it WAS the factor
- Focus on customer service/quality
- Strong business case because of change
- Strong executive support for change
- Model has to be adapted
- Communication needed for staff positions, goals of organization
- Transition never stops
- Different styles of functions
- Pieces of functions have been out-posted not whole units
- Systems – how it is funded, outsourcing decision, cost shared
- Management of service center
- Governance was a key issue – difficult with GA to make changes (FAO had it easier as they report to their own governors)
- Difficult to convince organization
- How to choose where to position centre – focus on end user, time zones, clientele, customer services delivery.

UNICEF presented on “Key performance indicators at Global Service Centers”

Issues covered were on:

- Drivers – costs, freeing up time in field offices, efficiency, not doing enough in programme oversight
- Do not want voice time with processes – rather team leads
- Efficiency and the level of service was important for organization
- “Hire people” – benefits for hiring non UN staff
- “Policy issues”
- KPI include costs mainly
- A lot of local staff hired
- Connection to the programme a challenge

- Change management – some monthly, constant flux. Change management needs to be strengthened.

#### UNHCR presented on “Customer service approaches”

Issues covered were on:

- Cost savings not that crucial
- Was it cost efficient?
- Value for money – What is it?

#### UN WOMEN presented on “Opportunities and challenges for joint provision of services with or to other UN organizations; and, Possible pricing models applicable for the provision of services to other clients”.

Issues covered were on:

- Cost compared to doing it ourselves
- Outsourcing to 3rd parties (IT)
- Governance was crucial
- Important challenge: transparency was accounting for services
- Prioritization of services – “second tier”
- Lack of capacity of service providers
- Business case for change
- If governance business didn’t change, how could we change it?
- Outsourcing/offshoring taboo at UNESCO
- What was the way forward for global service centers?

#### Recommendations:

1. Expressed appreciation to the Chairman of the Joint Inspection Unit and to member organizations for their presentations.
2. Requested the CEB Secretariat to form a task force to :
  - a. Take stock of the information and the data gathered to date on the experiences of member organizations with respect to the evolution of their service delivery models;
  - b. Consolidate a summary of different approaches and best practices in Global Service Delivery, including governance and risk management options, building on existing HLCM documents and the JIU report on global service centres;
  - c. Develop an inventory of needs for operational services and an availability and capacity assessment of potential service providers;
  - d. Conduct a review of cost recovery, cost sharing and pricing models, per service or service line;
  - e. Propose approaches to maintaining and sharing Key Performance Indicators (KPIs) for comparability among organizations and transparency with stakeholders;
  - f. Consolidate a list of Service Level Agreements (SLA) with internal and external customers, for comparability among organizations;
  - g. Propose approaches to inter-agency learning and sharing of best practices between Service Centres; and
  - h. Prepare a paper for the spring 2018 session on the above.
3. Requested the Finance and Budget Network to develop proposals for UN standards for inter-agency funding and drawdown, to be implemented in the different ERP platforms, with the aim to provide a clearing mechanism for services provided across entities.

4. Encouraged organizations to take bi-lateral initiatives towards agency-to-agency service provision.

### **Project proposal for the joint provision of HR services**

The Co-Chair of the HR Network introduced the topic of an initiative to establish a joint HR facility for job classification and reference checking. There seemed to be a lot of traction from various agencies. The HLCM agreed that the drivers of this should be the interested organizations in a non-prescriptive manner.

An external Consultant contracted by the HR Network presented her business case and feasibility study for the project. In terms of costs only the collaboration in job classification would yield savings for a number of agencies. No such savings were to be expected in reference checking. Most organizations were interested in further collaboration in process streamlining and better information sharing, regardless of their immediate interest in joint service delivery.

A number of organizations indicated a preference for a physical centre in a location and setting that made use of existing structures and facilities. UNHCR declared their interest to join a joint facility for reference checking while they were still undecided about job classification. UNWTO indicated that for small agencies a fee-per-use modality was critical in any decision to join. UNFPA, WIPO and WHO also indicated a firm interest to join such facility for both services. UNDP confirmed the willingness of UN Volunteers to host such initiative, indicating that they saw large potential in it. IOM indicated their interest in further collaboration, highlighting however that cost was a critical decision criterion.

### **Recommendations:**

1. Took note, with appreciation, of the business case and feasibility study submitted by the HR Network (CEB/2017/HLCM/4). HLCM noted that the predominant drivers for the initiative were qualitative improvements and risk reduction, while a clear financial business case could only be demonstrated for job classification services. The Committee also highlighted that a number of qualitative benefits could be attained through other initiatives such as process streamlining and enhanced information sharing and encouraged the HR Network to pursue these initiatives.
2. Endorsed the recommendations to proceed with the joint facility project, indicating its preference to start with the second option - to co-locate the joint facility with existing activities, as presented in the document. HLCM endorsed the other recommendations contained in the report, in particular with regard to an inclusive project governance.
3. Noted that to date, only one agency had indicated their interest to host such initiative (UNDP/UNV) and requested interested agencies, including UNDP, to form a working group to prepare concrete steps towards implementation, including location selection, staffing modalities and a detailed pricing model.
4. Requested this working group to inform the HLCM, through the HR Network, about a detailed implementation plan and provide regular progress updates on this HLCM initiative.
5. Requested the HR Network to initiate preparatory work for the establishment of a reference checking database and to report back on its progress at the next HLCM meeting.

### **Global UN System Workforce and Transformative Leadership**

#### Duty of Care in high-risk environments - Terms of Reference and Programme of Work

The HLCM Vice-Chair introduced this item stressing that, today more than ever UN staff are working in high risk environments. The Chair of the Duty of Care Taskforce acknowledged the

work of Under-Secretary-General Peter Drennan in completion of the original Working Group's mandate. She presented both a summary of works already underway and the Taskforce proposed approach, which was summarized as mapping (now complete), planning (currently underway) and implementing (the final phase).

The Taskforce comprised broad representation of organizations and inter-agency networks. A presentation covered the following issues:

- National staff were usually left behind when drastic situations occurred
- National staff were not always aware of what UN could do
- Engage with staff in contingency planning
- Road traffic safety. Same numbers of deaths as in terrorist attacks
- Standard operating procedures (SOPs) regarding mail procedures
- Slow burn chronic stress
- Stress of poor diet, regular exercise
- What is health support plan?

The USG, UN-DSS, expressed appreciation regarding the establishment of the Task Force and on the progress made. He highlighted some of the key issues related to duty of care in various duty stations around the world, particularly the very high risk ones, and noted how the deteriorating conditions for UN staff reinforce the absolute relevance of this work and the need to progress.

Members of HLCM expressed strong support for potential areas for further consideration, including eventually broadening the focus from "high risk" duty stations and the need to explicitly implement measures for non-staff workforce.

The Chair advised that there would be a face-to-face meeting of the Taskforce in Geneva in May and requested that organizations ensure that they were represented by appropriate senior personnel with decision-making authority.

The HLCM Vice-Chair highlighted the importance of the initiative and the expectation that not only individual agencies but also the relevant inter-agency groups (IASMN, HR Network, Medical Doctors, etc.) would continue to support this initiative.

Recommendation:

- [Took note with appreciation of the progress report by the Task Force, endorsed the programme of work contained therein and approved the Terms of Reference of the Task Force.](#)

Briefing by the USG – Department of Safety and Security on the current security environment for UN personnel

The HLCM Vice-Chair recalled that one of the six top priorities of the new HLCM Strategic Plan was to "Foster the organizations' commitment to the safety, security, health and well-being of their staff". She also noted that CEB had strongly re-affirmed this notion in its Common principle No. 11: "The organizations of the UN System will preserve and foster the health and wellbeing as well as safety and security of their staff – while remaining committed to remaining on ground and respond to the ever-increasing demand for their services, despite the often deteriorating conditions in which those services are being delivered".

The USG for the Department of Safety and Security then briefed the Committee on the current security environment for UN personnel, noting that the United Nations was operating in a global security environment that was increasingly dangerous, complex and challenging. At the call of their respective governing bodies, United Nations personnel were delivering United Nations political, humanitarian, peace-keeping and development mandates and programmes in the most challenging parts of the world.

The USG noted the intensity of attacks on the UN in recent years, which had increased threefold between 2014 and 2015, and that there had been a two-fold increase in direct attacks against UN peacekeepers serving high-risk environments. Among the worrying trends were the partnership and intersection between non-state armed groups, violent extremists and criminal groups, the use of internet and social media in fuelling violence and expanded armed confrontations in high-density urban areas. In emerging conflict zones, the predominance of terrorist attacks using unsophisticated modus operandi was likely to continue, while in complex conflict theatres the innovative use of weapons and sophisticated tactics was expected. Targeting may include United Nations and humanitarian operations and personnel, either deliberately or opportunistically.

The USG noted the need to improve the ability by organization to prepare staff working in high-risk operations and to foster their resilience after working in those environments. In this respect, HLCM's work on duty of care was critical. He further noted that when organizations scale back and move international staff out, they leave national staff and rely on them to deliver. IASMN working groups on security arrangements for national staff were acting to help staff and provide them with better tools to support their resilience.

#### Recommendations:

1. Took note with appreciation of the briefing by the USG for safety and security and reiterated that safety and security and wellness were key components of sustainable business models, as well as collaborative approaches, compliance with regulatory and policy provisions, and a culture change that recognizes and integrates all such elements.
2. Took note of the IASMN 25th session report.

#### The UN system leadership model

The Vice-Chair recalled that the Common Principles to guide the UN system's support to the implementation of the 2030 Agenda for Sustainable Development, endorsed by CEB in April 2016, highlighted the critical importance of transformative leadership across the UN system and that the Board had tasked its high-level committees to develop a shared concept of transformative and collaborative leadership to effectively support the 2030 Agenda. The Deputy Director of the UN System Staff College, chair of the joint HLCP/HLCM task team on leadership, and the co-chairs of the UNDG working group on leadership, subsequently facilitated a consultative process that brought together a range of complementary expertise and perspectives from across the system. The combined effort culminated in the comprehensive draft United Nations System Leadership Framework that was before the Committee for its consideration (in parallel with HLCP and UNDG).

The draft framework identified eight defining characteristics of UN leadership aligned with the 2030 Agenda; namely, that it was norm-based, principled, inclusive, accountable, multi-dimensional, transformational, collaborative, and self-applied. Systems-thinking, co-creation, focusing on producing impact for the most vulnerable and driving transformational change were four key leadership behaviours that exemplified the new way of working. The framework was intended to be applicable to staff at all levels, functions and duty stations and to serve as a

strategic organizational tool. It complemented the Secretary-General's initiatives promoting cross-pillar collaboration and gender parity.

The co-chairs stressed that culture change would be central to operationalizing the framework. An "opt-in" approach would be taken, permitting agencies to determine how to internalize it as appropriate for their unique needs. The key drivers of the required change were ownership by senior UN leaders; active engagement and involvement by all staff; and aligning structures, systems, policies and processes to the framework to enable the desired behaviours. To promote implementation through "pull factors" (rather than imposing desired behaviours on staff), it was proposed that change agents should be empowered within organizations to bring the framework to life. It was envisioned that their achievements could be publically recognized through an online platform to create transparency, reinforce accountability and create incentives for change. The proposal also enumerated a number of potential system-wide interventions to stimulate the alignment of UN culture to the framework, which would complement entity-specific roadmaps.

Recognizing that good leadership was hard to define, yet central to an organization's performance, the Committee fully supported the leadership characteristics and behaviours articulated in the framework, noting its utility as a tool to promote cultural and organizational change at all staff levels. The HR Network had discussed the framework and its implementation in detail and welcomed it as a helpful guiding framework. While acknowledging the diversity within the UN system, members underscored the importance of, and value in, having a shared vision and common frame towards which to collectively strive. While it was understood that all staff had a role to play in realizing the desired changes, the importance of support for the framework by executive heads and other senior managers was emphasized.

Many members looked forward to implementing the framework within their organizations and pursuing the accompanying culture change. The bottom-up approach to pulling culture change through entities was welcomed. The Committee also appreciated that the implementation of the framework would be flexible and respect the diversity of UN system organizations and their specific needs, while still guiding the entities to harmonize around core values. Organizations choosing to "opt in" would develop detailed and systematic internal implementation road maps based on their individual business models and in the context of their broader organizational approaches to culture change. Some members expressed interest in having a more fully developed global roadmap for their reference.

A number of members indicated that the proposed leadership framework was well aligned with their existing leadership and/or change strategies and activities. Sharing experiences and best practice among participating entities would be beneficial to support effective operationalization and promote coherence. Support was also expressed for proceeding, also on an opt-in basis, with the collaborative system-wide initiatives proposed. Additional opportunities for inter-agency collaboration in leadership development could be identified as implementation progresses.

It was suggested that gender sensitivity should also comprise a competency for leaders. Another essential leadership characteristic – the capacity to build trust – was highlighted. Indeed, the leadership framework was seen to be a useful lever for bridging divisions and restoring credibility in the context of present challenges. It was observed that leadership also required taking calculated risks, another area in which culture change was required within the UN system. Current realities required bold action and ambition and thus it was suggested that "driving transformational change" could be featured more prominently in the framework. It was also

suggested to further emphasize in the framework equality and justice as key causes the UN system serves.

Accountability to the framework was stressed, and members agreed that appropriate performance assessment and management would be critical to ensure that UN system staff were working to embody the framework. More thought was needed on ways to incentivize and reward leadership in order to drive the implementation of the framework. Investing in staff training was seen to be essential to meeting the framework's aspirations.

Recommendation:

- [Supported the adoption of the UN System Leadership Framework, with adjustments resulting from the discussion, for submission to CEB at its April 2017 session.](#)

#### Outcome of the 84th session of the International Civil Service Commission (ICSC) and HR Network strategic work plan

The HLCM Vice-Chair recalled that following the implementation of a revised compensation package for internationally recruited staff, the ICSC Comprehensive Compensation Review entered into a second phase, reviewing the conditions for locally-recruited staff categories. In order to approach this task holistically, the ICSC decided that, before entering into the concrete compensation discussions, a review of the current use of staff categories and the use of the current contractual framework might be useful. She confirmed that organizations were very much concurring with this approach, since the discussions on readiness to implement the new Sustainable Development Agenda were clearly pointing towards the need for a high quality, agile workforce that was able to deliver results in an increasingly resource-constrained and less predictable environment, while national and local labour markets were increasingly well developed. Emphasis on national implementation and partnerships was growing and the discussion was a pertinent one in this context.

The HLCM Vice-Chair also highlighted that ICSC was currently discussing the outcome and implementation of the recent place-to-place surveys which, while resulting in some increases for largely the American and Canadian duty stations, were affecting many European headquarter duty stations negatively through significant reductions of net take-home pay. She highlighted that this required careful communication and preparation.

Other important topics discussed at the 84<sup>th</sup> session of the ICSC included the planned review of the pensionable remuneration scales and a planned review of the hardship classification methodology. The latter was of particular interest and importance to the field-based organizations, given that thorough and realistic duty station classifications were an important underpinning of the compensation system for mobile staff.

The ICSC Vice-Chair confirmed the progress of the discussions on the future use of staff categories and of the National Professional Officer (NPO) category in particular, noting that the organizations' call for more flexibility – in particular with regard to the nationality requirement in recruitment and the restrictions to national content of work - were well noted and addressed in these discussions.

The ICSC Vice-Chair also provided additional background information on the place-to-place surveys, highlighting that the use for the first time of external data provided by Eurostat had led to some additional comparability challenges in EU-based duty stations. Those would be addressed through additional surveys in the coming months. With regard to the results for Geneva, which

was likely to result in a reduction in net take-home pay of 6.3 per cent, based on end of March data, he highlighted that the main driving factor were macroeconomic conditions, given that the cost of living in New York had increased over the recent years in New York but had decreased in Geneva. In addition, currency exchange rates played a role. He highlighted that the current methodology did not provide for a salary guarantee at the current local level but only for equal purchasing power compared to New York. ICSC had decided to postpone the implementation in Geneva by one month, with its subsequent implementation being based on the current operational rules.

With regard to the hardship classification review, the Vice-Chair confirmed that the present review would be handled in a comprehensive manner, taking into account factors such as geographic isolation, healthcare and suitability for family life, while not discounting safety and security aspects.

The Co-Chair of the HR Network confirmed the active involvement of the Network in the ICSC deliberations, highlighting the importance of the hardship classification review as an important underpinning for a mobile workforce. She also stressed the importance of a timely conclusion of the ongoing discussions on the use of categories of staff, pointing to the need for more flexibility in using the NPO category. With regard to the results of the place-to-place surveys, she confirmed that organizations at the ICSC session did not concur with the immediate implementation of the survey results in Geneva, given that more detailed information and communication was needed, that implementation would have to be carefully planned and prepared and that adequate transition and phase-out measures would need to be in place. Such transition measures should not only be applied in Geneva but in all future duty stations that see a negative impact following such surveys. She informed the Committee about a letter that was addressed to the ICSC Chair by the Director General of the UN Office at Geneva (UNOG) on behalf of the Geneva-based organizations, highlighting these points.

In the subsequent discussion, a number of organizations raised concerns about the currently planned approach to implementing survey results in Geneva, reiterating the request for more detailed information and explanation, as well as for a carefully planned implementation with adequate transition measures to mitigate impact on existing staff. Geneva-based organizations confirmed their support for the letter issued by the Director General of UNOG. They voiced serious concerns about the impact on staff morale, in particular given the concurrent implementation of the changes of the compensation review. Some organizations voiced serious concerns regarding the aggravation of the already existing overlap between General Service and international Professional salary scales in Geneva. The representative of UNHCR confirmed the continued need for ICSC to address the particular situation in Budapest with regards to post adjustment.

Considering the concerns raised by staff and organizations, the representative of the staff federations strongly recommended to postpone its implementation, carefully plan it, prepare adequate transitional measures and, not the least, to minimize the number of staff seeking legal recourse. He supported the additional survey in order to address the challenges of the first-time use of external data in EU-based duty stations.

On the other ICSC-related topics, participants unanimously welcomed the planned review of the hardship classification methodology. They also appreciated progress on the deliberations on the future use of categories of staff, including the NPO category, highlighting that it would be useful if this discussion would lead to adequate conclusions and recommendations in the coming months.

The ICSC Vice-Chair confirmed that the Commission would take the concerns of organizations and staff seriously, and that ICSC concurred with the need for adequate, detailed and timely communication to organizations and staff. He also confirmed the willingness of ICSC to be actively engaged in the communication of results.

Following this discussion, the HLCM Vice-Chair recalled that the HR Network had presented a discussion paper on the evolution of the global UN system-wide workforce a year ago. Based on this discussion, the HR Network was requested to continue its discussions and revert to the Committee with a high-level work plan.

The Co-Chair of the HR Network introduced the work-plan, highlighting that it had been developed taking into consideration the recent QCPR resolution, the management reform agenda of the new Secretary General and the new HLCM Strategic Plan. She highlighted the four priority areas of the work plan: (1) creating an enabling work environment, (2) enhancing UN system permeability, inter-agency mobility and cost efficiency, (3) fostering HR analytics, evidence-based decision making and IT enablement of HR, and (4) transforming the way in which HR was managed, both in individual organizations and system-wide.

The creation of an enabling work environment would include aspects such as duty of care, other psychosocial support, a structured way of measuring and addressing staff engagement and diversity considerations. The Network saw gender parity as an important element and advocated to consider this as part of a broader diversity agenda that might help create enabling work environments. While inter-agency mobility still needed further attention, it could be expected that career paths of the future would include more moves in and out of the UN system and that this would need to be considered in the review of contractual arrangements, benefits and policies. She also recalled the Secretary-General's request for further simplification and decentralization.

Furthermore, the HR Network Co-Chair underscored the increased need to underpin HR-related decisions with fact-based analysis and cost predictions, thus calling for an approach that rationalized and streamlined routine inter-agency data collection efforts in order to free resources for better analysis of the collected information. Finally, the way in which the HR functioned would also have repercussions on the way in which the HR Network operated. It was suggested creating inter-agency HR expert communities as a forum for intensified knowledge exchange and driver for more tangible joint HR initiatives, supported by a knowledge sharing platform. Apart from the existing community on performance management, staff engagement and culture, high interest was expressed in communities for talent outreach and recruitment as well as for HR analytics and workforce planning.

In the subsequent discussion, organizations confirmed their support for the work plan of the HR Network. One organization highlighted the importance of diversity management in a broad sense, including employment of people with disabilities and a balanced, inter-generational workforce.

#### Recommendations:

1. Confirmed its continued willingness to actively participate in the discussions of the second phase of the ICSC Compensation Review in the same consultative manner used in the first phase, in particular through the engagement of its Strategic Group.
2. Confirmed its expectation that the outcome of this review should lead to adequate, flexible tools that allow organizations to respond in an agile and cost-effective way to their specific challenges in the context of the 2030 Sustainable Development Agenda.
3. Highlighted the need to better and more flexibly engage local talent, and expressed its expectation that this part of the review be concluded in a short term.
4. Welcomed a comprehensive review of the hardship classification methodology, noting that this was an important underpinning for organizations' endeavours to foster geographic mobility of staff.
5. Took note of the outcome of the current round of place-to-place surveys and its expected negative impact on a large number of European duty stations. HLCM requested that the implementation of the survey results be carefully planned and prepared, in particular through appropriate communication by the ICSC well in advance of an implementation date, and that such implementation would be phased in a gradual manner in order to mitigate negative impact on staff.
6. Endorsed the HR Network Strategic Work Plan, and requested the Network to revert to the Committee with concrete deliverables, timelines, responsibilities and resource requirements.

#### **Innovation, experimentation, transparency and accountability**

##### Adoption of a UN common documentation standard

The HLCM Vice-Chair opened the discussion on the UN Common Documentation Standard by noting that the use of ICT as an agent of change and a driver of innovation in business models remained a priority for HLCM. Recalling the successful practice of adopting internationally recognized standards, such as IPSAS and IATI, the Vice-Chair invited the USG of the UN Department of General Assembly and Conference Management (DGACM) to introduce the "United Nations Semantic Interoperability Framework" (UNSIF).

The USG of DGACM opened her remarks by commending the dedication and collaborative spirit of the HLCM Working Group on document standards, co-led by the HLCM Secretariat, FAO and DGACM. She noted that through a careful analysis of all document classes and with the benefit of an advisory board composed of organizations with prior experience in XML implementation, such as the European Parliament, the Italian Senate, the US House of Representatives and the UK National Archives, the working group succeeded in creating a unique customization of the Akoma Ntoso XML standard for UN documents known as "Akoma Ntoso for the United Nations" (AKN4UN). This customized standard allows the UN system to model its documents in XML in a uniform and intelligible manner, fostering system-wide document interoperability and setting the foundation for future collaboration in this area. The standard also included "Guidelines for the mark-up of UN normative and parliamentary documents", a detailed description of the customized standard and a comprehensive guide to model UN documents in all respects, from structure and metadata to semantic content and linked concepts.

In addition, the working group also created the first UN Document Ontology, a framework for the description of all components of UN documents and the links that could exist amongst them, allowing for a UN-wide ecosystem of machine-readable documents that would prove to be a considerable asset for the implementation of the 2030 Agenda for Sustainable Development, and which offered a robust framework for evidence-based policies and accountability. The USG also

noted that implementation of the standard had the potential, through automation, to substantially reduce the time required to process multilingual documentation, allowing specialists to perform tasks that added value as well as fostering transparency since it allowed document contents to be more easily searchable by stakeholders.

Implementation of the standard was now the next step. The Working Group recommended to HLCM the adoption of a follow-up project entitled “Supporting the adoption and implementation of the UN semantic interoperability framework across the UN system”. This project sought to provide organizations with the support and coordination necessary to build the capacity needed to put the AKN4UN standard and the Guidelines into practice.

The USG-DGACM also presented the eLUNa product, a web-based suite of language applications developed by the UN Secretariat based on XML technology. This system, which surpassed anything currently available both in terms of performance and ease-of-use, consisted of a family of language tools that included interfaces for translation, revision, editorial work and a search application, as well as a series of applications for document and terminology management. It also included a machine translation function, developed by the World Intellectual Property Organization (WIPO) in collaboration with the DGACM. Designed to meet the needs of UN organizations, eLUNa was entirely web-based, was simple to use, thereby reducing training time, required no licences and was continuously improved based on feedback from users. The editorial interface of eLUNa was the first step in the implementation of the Akoma Ntosa standard.

The USG-DGACM concluded her remarks by noting that the eLUNa product was currently used globally by 1,200 UN translators and in 2016 had been used to translate more than 90 million words. As the eLUNa system was made available to other organizations, governance and financing structures were required so that interested organizations could adapt it to their environments. Should interest emerge from other organizations, the UN Secretariat would prepare a proposal for the consideration of HLCM. Such a standardized approach would bring the UN system closer to achieving document interoperability in language services exemplified by the AKN4UN initiative.

The HLCM Vice-Chair then invited the Assistant Director-General (ADG) of FAO to present some of the implemented pilots that showcase the benefits and impact the organizational efficiency and effectiveness of this new approach. The FAO ADG noted that as they have been implementing the system, the organization was experiencing significant reductions in time required to prepare documents, especially through the reduced need to manually format documents for presentation. A video presented to the HLCM provided the details of six prototype applications developed by FAO that showcase the potential of the Akoma Ntosa for the United Nations in the management of governance and normative processes and in the creation of actionable information to support policy and decision making. Four of the prototypes focused on access to information and two for enhancements to productivity. The prototype services included a portal for access to the FAO food safety standard (Codex alimentarius), an interactive version of FAO’s basic texts such as their constitution and general rules and enhancements to access to governing body documents that allowed for seamless contextual navigation between document types. These enhanced services were available in the six official languages.

The HLCM Vice-Chair noted that although the working group only formed in June 2016, through the dedication of the many participants from 16 organizations it was able to produce the standard within record time. During the discussion, organizations commended the working group and expressed enthusiasm for supporting the adoption of the UN semantic interoperability

framework and its corresponding guidelines, with the understanding that they were living documents and would evolve over time to meet the needs of all organizations. There was agreement that this initiative would help realize further efficiencies. WIPO thanked the HLCM for recognizing its contribution of the machine translation facility to the eLUNa system and indicated that this artificial intelligence-powered service underwent continuous development. WIPO offered this system to all organizations and was also working on a legal framework to protect intellectual property it embodies.

The HLCM thanked the members of the working group and the leadership provided by FAO, UN-DGCAM and the HLCM Secretariat.

#### Recommendations:

1. Commended the work of the HLCM Working Group on document standards to develop a UNSIF for normative and parliamentary documents.
2. Noted that the UNSIF created the foundation to harmonize machine-access to UN system normative and parliamentary documents on the basis of an internationally recognized standard that, while making normative and parliamentary documents more accessible and open to all stakeholders, would contain the system-wide long-term information management costs.
3. Adopted the UN semantic interoperability framework for normative and parliamentary documents (UNSIF) as outlined in document CEB/2017/HLCM/10/Rev.1 and formed by:
  - a. Akoma Ntoso (AKN) as the XML reference standard and in particular its customization into Akoma Ntoso for the United Nations system (AKN4UN), which identified the structural elements of AKN to be used in UN system documents.
  - b. The United Nations System Document Ontology (UNDO), which described the formal representation of UN documents and their relationships with each other and the entities they portrayed.
4. Adopted the first version of the AKN4UN Guidelines for the mark-up of UN normative and parliamentary documents and UNDO as the main reference for the implementation of UNSIF.
5. Endorsed the proposal supporting the implementation of the UN common documentation standard across the UN system, as outlined in Annex 1 to document CEB/2017/HLCM/10/Rev.1.

#### Common definitions of fraud and presumptive fraud

In the context of the General Assembly's consideration of the Secretary General's report A/70/668 on the accountability system in the UN Secretariat, the Advisory Committee on Administrative and Budgetary Questions (ACABQ), in its report A/70/770, as endorsed by the General Assembly in Resolution 70/238 of 23 December 2015, reiterated its view "that a single agreed definition, across the United Nations system, of what constitutes fraud, as well as cases of suspected or presumptive fraud, is essential in order to develop effective counter-fraud policies to ensure compatibility and comparability of related data across entities and to improve overall transparency", and reiterated its opinion that "the United Nations Chief Executives Board for Coordination (CEB) would be best placed to develop such guidance so as to achieve consistent application across all organizations of the United Nations system".

An HLCM task force on common definitions related to fraud and implementing partners was established in 2016 to carry out the work required to address the mandate of the General Assembly. The Co-Chair of the Finance and Budget Network, on behalf of the co-leaders of the Task Force, provided an overview of its work and introduced the common definitions of fraud and

presumptive fraud that the Task Force had agreed upon. During his introduction, the FB Network Co-Chair emphasized that the objective of the Task Force had been to develop high level definitions, as wide in scope as possible, recognizing the different business models of UN system organizations and that further elaboration of the definitions, with more detail and examples as per specific requirements, could be integrated into the policies and/or frameworks of individual organizations, as appropriate.

During the discussion, HLCM members expressed appreciation for the work of the Task Force and noted that the resulting definitions represented the best efforts for compatibility across UN system organizations. Some HLCM members referred to the definition of fraudulent practice currently used by UNDG in legal instruments for pass-through funding, noting that this was aligned with the definition used by the Multilateral Development Banks and had been adopted by some UN system organizations. The FB Network Co-Chair noted that there was currently no common definition adopted by all UN system organizations, and that while the Task Force had used the UNDG definition as a starting point for discussion, not all organizations had agreed to that definition and the final agreed definition of fraud had evolved to a broader, higher level definition that would encompass the definition used by UNDG.

The representative of UN-RIAS (Representatives of Internal Audit Services) provided a statement on their behalf, noting that UN-RIAS had two main reservations regarding the proposed definition of fraud and welcomed that one of those regarding the inclusion of the word “material” in the definition (“... knowingly misrepresents or conceals a *material* fact...”) had been fully addressed by the Task Force. The other reservation related to the existence of the current UNDG definition and that there was a potential for confusion when negotiating agreements if another definition existed alongside the UNDG definition. The Co-Chair of the Finance and Budget Network clarified that, following the endorsement by CEB of the common definitions for the UN system adopted by the Task Force, the definition used by UNDG would eventually have to be replaced by the former. He further emphasized that the agreed common definitions of fraud were not inconsistent with the Multilateral Development Banks or UNDG which pass-through Agreement definitions, since they were broader and at a higher level, and incorporated the provisions of both the Multilateral Development Banks and UNDG definitions.

It was broadly agreed that HLCM members did not have objections to the wording of the definitions, recognizing that the Task Force members had thoroughly negotiated the definitions before reaching agreement on inclusive, high level definitions. However some members expressed a need for clarification as to the way that the new common definitions would be operationalized in each organization, suggesting that perhaps more time should be taken for internal consultations within each organization. In the ensuing discussion, the HLCM Vice-Chair recalled paragraph 6 of document CEB/2017/HLCM/11 whereby the Task Force agreed that the proposed common definitions would provide a consistent and harmonized framework, within which organizations would have the autonomy and flexibility to further elaborate and define their implementation approaches and other operational details in their respective regulatory frameworks, legal instruments and policies, as appropriate, to meet their specific requirements and within the timeframes appropriate to the circumstances of each organization. It was also recalled that there was great interest in these common UN system definitions from Member States, not only from the General Assembly but also within other governing bodies, and that addressing the mandate from the General Assembly was a priority for the Secretary-General and the CEB.

It was noted by UN-RIAS and HLCM members that the next phase of work of the Task Force was very important and that, in accordance with its terms of reference, the Task Force would continue work in 2017 to develop common definitions for the vendor, implementing partner and grant recipient. The Task Force would also explore the possibility of agreeing on common internal control parameters and criteria to be applicable to arrangements with implementing partners and recipients of grants, and a menu of best practice principles. After completion of these activities, the next stage would be to look at developing an information sharing platform for tracking and managing implementing partners, including an assessment as to what extent existing tools were already being used by organizations and which tools might be available.

Recommendations:

1. Recalled that the mandate to establish a single agreed definition across the UN system of what constitutes fraud, as well as cases of presumptive fraud, had been reiterated several times by the General Assembly, and most recently in the context of its review of the sixth progress report on the accountability system in the United Nations Secretariat in March 2017.
  2. Adopted the common definition of fraud for the United Nations system as:
    - “Any act or omission whereby an individual or entity knowingly misrepresents or conceals a fact (a) in order to obtain an undue benefit or advantage or avoid an obligation for himself, herself, itself, or a third party, and/or (b) in such a way as to cause an individual or entity to act, or fail to act, to his, her or its detriment”.
  3. Adopted the common definition of presumptive fraud for the United Nations system as:
    - "Allegations that have been deemed to warrant an investigation and, if substantiated, would establish the existence of fraud resulting in loss of resources to the Organization".
  4. Noted that individual organizations would be expected to operationalize the agreed common definitions within their respective regulatory frameworks, legal instruments and policies, as appropriate, according to their specific requirements and within a timeframe appropriate to the circumstances of each organization.
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