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Cultural Organization

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**REPORT BY THE DIRECTOR-GENERAL ON THE
IMPLEMENTATION OF THE REFORM PROCESS**

PART I

STAFF POLICY

SUMMARY

In accordance with 171 EX/Decision 5 (I), 174 EX/Decision 5 (I) and 175 EX/Decision 5, the Director-General presents to the Executive Board a first review of the medium- and long-term staffing strategy and a progress report on the implementation of the human resource policy framework.

Decision proposed: paragraph 38.

Introduction

1. At the 171st session of the Executive Board (April 2005), the Director-General submitted a medium- and long-term staffing strategy for UNESCO. The Board endorsed the strategy and invited the Director-General to implement it, "taking into account the strategy and programmes of the Organization within the limits of future budgets". The General Conference subsequently endorsed the strategy at its 33rd session. The Director-General was requested to present a first review of the implementation of the strategy at the 176th session of the Executive Board (Section I of this document). Section II of this document includes a report on progress on the Human Resource Policy Framework as requested by the Executive Board at its 175th session. The last part of this document (Section III) shows key staffing data for the year 2006.

I. Review of the medium and long-term staffing strategy

2. UNESCO's staffing strategy, adopted by the General Conference in October 2005, covers the period 2005-2010. It proposes measures to ensure that UNESCO responds to the needs of Member States by focusing its staff resources on the principal priority-related programmes of the Organization. Ultimately, the objective of the strategy is to ensure that UNESCO has the right workforce, with the right competencies in the right place at the right time. The staffing strategy sets out nine policy statements (axes of action) with an implementation plan for each. This report describes the progress achieved thus far against the implementation plan.

3. The first axis of action aims at the **concentration of staff resources on UNESCO's principal priority-related programmes**. The implementation of this part of the strategy requires a review of the staffing resources of programme sectors, including the allocation of staff to the principal priority-related programmes. Progress made by programme sectors is described below.

4. The **Education Sector**, UNESCO's largest programme sector, undertook a major reform and reorganization in 2006, in order to achieve a more results-based and field-oriented structure. Significant structural changes took place at Headquarters with the number of programme divisions reduced from six to four. Two divisions – Coordination of United Nations Priorities, and Education Strategies and Field Support – were newly created while the other two divisions – Basic Education and Higher Education – were streamlined and reorganized. A new decentralization framework was put in place that realigns accountability between Headquarters and the field for the Education Sector.

5. These changes have resulted in a greater concentration of staff resources in support of EFA – the Education Sector's priority programme – at Headquarters and in the field, and will therefore provide the necessary support for the fulfilment of the EFA mandate. The transfer of six posts to the Regional Bureaux for Education and two to cluster offices will reinforce the Sector's capacity to deliver at regional and country levels. In 2008-2009, it is planned to further strengthen the Regional Bureaux for Education and possibly the cluster offices, depending on the approved budget scenario. In addition, roles and responsibilities are currently being defined in line with the new structure. Once this task is completed, an analysis of staff profiles will be undertaken and learning and training plans developed to meet the enhanced qualification requirements of the new structure. The new DADG for ED Programme Management has also taken up her functions as of the beginning of 2007. Recruitment is under way to fill the four other new positions.

6. In 2006, the **Culture Sector** has also undertaken a comprehensive review and reorganization of its staffing structure. This has resulted in a rationalization of the Sector's organizational structure and a reallocation of staff resources to priority programmes. The new structure, which is consistent with the principal lines of the Sector's programme, includes four entities: the World Heritage Centre, the division of Cultural Property and Intangible Heritage, the Division of Cultural Expressions and Creative Industries and the Division of Cultural Policies and Intercultural Dialogue. In order to respond to the Sector's weight of normative instruments, a reallocation of legal specialized expertise in each entity responsible for implementing one or more

conventions has been ensured so as to reinforce the Sector's capacity in the implementation of the conventions related to the protection and promotion of cultural diversity, which constitute a priority area of work for the Sector. In this way, legal aspects are more intimately linked to the very substance of the programme and the operational implementation of these various instruments. The field/Headquarters distribution of programme staff has also been re-evaluated to ensure adequate staffing levels for programme delivery. In a first stage, staff resources will be reallocated to ensure the presence of Culture Sector programme staff in each field office, at cluster and national level, to participate in the country-level programming exercises. Further reorganization of the field structure will be considered in the light of the Decentralization Review Task Force.

7. The **Communication Sector** has reviewed its structure at Headquarters, and has re-organized one of its main divisions, the Information Society Division, to align it with the main lines of the programme. The division's structure was rationalized, with three sections reduced to two, allowing for improved interaction and coherence and a greater span of control.

8. All the changes to the staffing structure/levels resulting from the reorganization in the programme sectors will be reflected in the Programme and Budget for 2008-2009 (34 C/5).

9. In 2006, the Director-General undertook an overall review of the programmes of the **Natural Sciences** and **Social Sciences Sectors**. The objective of the review is to elaborate a forward-looking strategic framework for the sciences programmes of UNESCO. A team composed of expert scientific representatives of Member States from all regions, the ADGs concerned, DIR/BSP, and chaired by the Deputy Director-General is carrying out the review, and will submit its recommendations to the General Conference at its 34th session. Changes to the Sector's staffing structures will depend on the outcome of this review.

10. The second axis of action aims at ensuring that **field network** structures are adequately staffed, to enable them to meet their responsibilities in terms of programme delivery. The Decentralization Review Task Force, which was revived in November 2006 in the light of the One UN Reform, will, as part of its mandate, identify measures to be taken to strengthen UNESCO's field capacity and accountability, and to start engaging in One UN activities. In addition to a review of staffing levels and structures in the field, the Task Force will also make recommendations on the skills and competency profiles required in the One UN context. A report on the decentralization review will be submitted to the General Conference at its 34th session. In the meantime, progress has been made in the reinforcement of the administrative capacity of field offices, through the assignment of Administrative Officers (70% of the field offices are staffed with an Administrative Officer at Professional level). Other training initiatives include training in programming issues (some 180 staff trained in 2006), and institutional training (some 150 staff trained in 2006). Systematic advance planning for the recruitment of Heads of Offices and of Administrative Officers in the field has been put in place. On the other hand, the proposal to create deputy head of field office posts (at P-4/P-5 level) could not be implemented, given the budget constraints.

11. The third axis of action aims at streamlining and realigning the **support and administrative functions** at Headquarters and in the field. A modernization process was initiated in June 2006 by the Sector for Administration to increase performance and create awareness for client-oriented services through the active participation of staff. The ADM Sector is undertaking a review of its core functions with a view to achieving a more targeted use of its resources, increasing service levels, and shifting resources to principal priority areas, with a primary emphasis on procurement services. Also, a "Process Improvement Committee", led by the ADG/ADM and including Central Services, will review all administrative business processes, with a view to ensuring adequacy, coherence and proper delegation of authority. Its purpose is to improve administrative management of UNESCO, through best practices, including those related to the United Nations reform.

12. The fourth axis of action aims at reinforcing **managerial capacity and accountability**, through the establishment of an accountability framework with senior managers, and through training. The following initiatives were carried out:

- Tables of delegated authorities and accountabilities were issued in human resource management, security management, finance, official travel, procurement and contracting of goods and services. These tables set clear accountabilities for managers in these areas.
- The Delegation of Accountability Committee (DAC) chaired by the Deputy Director-General was set up in March 2005 and monitors the implementation of the delegated authorities.
- 260 senior managers were trained in the mandatory Leadership and Change Management Programme (LCMP), which has been running since 2002. An evaluation of the impact of this programme is now being undertaken, and its content will be revised as required.
- Performance agreements for senior managers have been developed and are being piloted for directors/heads of field offices in 2007.
- Technical training was delivered to programme staff and heads of field offices (Cairo, Montevideo, Dakar) covering United Nations programming tools (CCA/UNDAF) and mainstreaming issues (human rights, gender and youth).

13. Under the fifth axis of action, the development of a **rapid response capacity** was completed in 2006 with the set-up of a roster of internal staff to be deployed in post-conflict/post-disaster situations. A tailor-made training module was developed and delivered to staff on the roster.

14. The sixth axis of action calls for an increase in the use of **National Professional Officers (NPOs)** in the field, with a definition of their work profile, recruitment criteria and a definition of training and development needs. The number of NPOs has increased from 69 to 80 from January 2005 to January 2007. Work on the NPO category will start in 2007, following the completion of the decentralization review.

15. The seventh axis of action of the medium- and long-term strategy relates to the enhancement of the role of **General Service staff**. A **competency project** is now under way in the Communication and Information Sector and in the Bureau for Human Resources Management (HRM). This project will define the core knowledge, skills, abilities and experience required of staff (Professional and General Service) to carry out efficiently their responsibilities. This competency framework will be used to develop career paths, training and development plans, as well as recruitment strategies.

16. The eighth axis of action reaffirms the objectives for the improvement of the **geographical diversity and the gender balance** in the workforce. Progress has been made on a continuous basis in the improvement of the geographical distribution, with a reduction of non- and under-represented countries from 90 to 88 since January 2006. Since its introduction in 2004-2005, the Secretariat has succeeded in meeting the target set by the General Conference of filling 50% of the posts advertised for external recruitment with nationals from non- and under-represented Member States. Efforts are also being made to improve the gender balance at senior level.

17. The ninth axis of action reaffirms the commitment to **recruit and retain** highly qualified staff and to provide a stimulating work environment. Initiatives undertaken in 2006 in support of this objective include the advance recruitment planning process for heads of field offices and field Administrative Officers, the competency project (see para. 15), and key training initiatives to enhance staff programming, management and/or administrative skills, as follows: results-based management (RBM); United Nations programming tools (CCA/UNDAF); mainstreaming of youth

and gender issues; human rights-based approach to programming; HIV and AIDS in the workplace; Leadership and Change Management Programme (LCMP); basic training on UNESCO; office software and SAP Information system.

II. Update on the Human Resource Policy Framework

18. At its 175th session, the Executive Board requested the Director-General to pursue the implementation of the human resources policy framework, taking into account the outcome of the United Nations system-wide administrative reform and to report to it at the 176th session.

19. As the development and implementation of Human Resource policies form an integral part of the medium- and long-term staffing strategy, many aspects of the Human Resource policy framework are reported in Section I of this document. In developing and reviewing policies and practices, the Secretariat seeks to harmonize and align with United Nations common system practices, while allowing for agency or context-specific requirements. Among the **human resource management reform proposals** submitted by the **United Nations Secretariat** to the General Assembly, those of particular interest to UNESCO were the contract reform and the harmonization of conditions of service for field staff. In both instances, the General Assembly requested the ICSC to review the proposals, and report back at the second part of its sixty-first session.

20. Among the reform initiatives recently put in place by the United Nations Secretariat, the **United Nations Ethics Programme** has served as a basis for UNESCO's proposals in this area. HRM and IOS developed in 2006 the outline of an Ethics Programme to be implemented under the responsibility of an Ethics Officer at P-5 level. A job profile for the Ethics Officer was designed and extrabudgetary funding will be sought for this purpose. As a first step, in early 2007, the Standards of Conduct for the International Civil Service were distributed individually to staff under a new, easy-to-read format, illustrated with specific examples. The booklet distribution was accompanied by a display of posters at Headquarters and in the field. The application of the Standards of Conduct will be a key element of the ethics training programme to be developed by the Ethics Officer.

21. Performance Agreements for senior managers were developed in 2006. They include a statement of expected results, supported by guidelines on "generic results" expected from ADGs, Directors of Bureaux and Directors/Heads of Field Offices. Implementation is starting in 2007, on a pilot basis, for Director/Heads of Field Offices. By the end of 2007, the pilot will be assessed, and action taken as required for a full implementation in 2008/2009.

UNESCO organized the Third United Nations Career Development Round Table

22. UNESCO organized the Third United Nations Annual Career Development Roundtable at Headquarters in November 2006. Some 80 career practitioners participated, representing more than 50 international organizations, including non-governmental organizations (NGOs) and private sector representatives. United Nations reform was the theme for the two-day session. Other topics included comparative perspectives on organizational reform and on talent management.

Monitoring the impact of training

23. The Executive Board requested the Director-General to "monitor the impact of training activities on programme planning and implementation" (175 EX/Decision 5, para. 6). In this context, the Bureau of Human Resources Management commissioned a review of the training on **Human Rights-Based Approach** (HRBA), implemented by the Social Sciences Sector since 2005, with the assistance of the United Nations Staff College. In 2005, 120 programme specialists were trained (Headquarters and field). In 2006-2007 about 50 staff members, including human rights resource persons and senior staff, participated in three workshops, of which one was held in the field (Bangkok). At least one additional workshop is planned in 2007. The training is supported by a resource website for all staff. The results of the review indicate that the HRBA training programme is an appropriate, adequate and efficient response to the call for mainstreaming human

rights throughout the United Nations system. The workshops have undoubtedly increased awareness and knowledge of how to apply HRBA to UNESCO programming among senior managers, programme specialists, and resource persons appointed by programme sectors. A general recommendation was made that the training should be continued, to further the application of HRBA by all UNESCO staff in all programmes and activities of the Organization. Other recommendations included the need to ensure stronger leadership by senior management, the need to develop internal guidelines on HRBA, capacity development processes for programme staff in the application of HRBA, the strengthening of human rights resource persons through the officializing of functions/tasks and specific performance support, knowledge-sharing on HRBA and sector- and field office-based action plans for the implementation of the Human Rights Strategy. The recommendations are being reviewed by the Social Sciences Sector for further action.

24. An evaluation of the **results-based management** training has also been conducted by IOS in collaboration with BSP and HRM. A report on this evaluation is presented in the IOS report on the evaluations undertaken during 2006-2007 (176 EX/27). The Bureau for Human Resources Management has also initiated an evaluation of the **Leadership and Change Management Programme** (LCMP), in collaboration with IOS. The evaluation should be completed in 2007.

25. Furthermore, as requested by the Executive Board, HRM is currently working with other key services (BSP, IOS) on the development of a systematic approach and methodology for monitoring the impact of training activities on programme planning and implementation. External expertise will assist in the development of an appropriate methodology.

Human resources integrated systems

26. Phase 1 of the new HR integrated information system (**STEPS**: System To Enhance Personnel Services) is now completed, with the configuration, testing and delivery of the following functionalities: payroll, personnel administration, organizational management, time management, travel and position budgeting and control. Phase 2 covering the remaining functionalities (i.e. manager and employee self-services, training and event management, staff development, recruitment and work flows) will start in 2007, subject to availability of funds.

Merit-based promotion and recognition scheme

27. To complement the existing **promotion** policy, the Bureau for Human Resources Management has developed concrete proposals for a merit-promotion scheme. HRM also proposes to introduce a recognition scheme for outstanding individual contributions as well as teamwork. After carrying out a review of merit-promotion and recognition schemes in other United Nations/international organizations in 2006, HRM completed its consultations with the Advisory Council on Personnel Policies (ACPP) in early 2007. The International Civil Service Commission (ICSC) was consulted on the proposals, as requested by the Executive Board at its 175th session.¹ The Commission provided a positive response to the proposed schemes (merit-promotion and recognition).

28. The proposed merit-promotion scheme will complement the standard types of promotions in place in the Organization (i.e. competitive selection to a higher-graded post, which is the primary scheme, and job reclassification). All categories (P, NPO and GS) will be eligible for the scheme, with the exception of the Director category. A limited number of promotions will be granted per biennium, based on a promotion quota established by the Director-General, within the limits of the budgetary envelope available for that purpose. The scheme will be open, transparent and fair. A Promotion Panel appointed by the Director-General will review the recommendations for promotions. Promotions will be approved by the Director-General. It is planned to implement the proposed scheme on a two-year pilot basis (2008-2009); it will then be reviewed in the light of the progress achieved by the ICSC with the introduction of the "broad-banding" approach in the United

¹ 175 EX/Decision 5, para. 7.

Nations common system. This approach, which replaces the seven-grade structure (P/D) with three large bands of grades, is currently piloted by the ICSC in five United Nations agencies (including UNESCO's ICTP in Trieste).

29. In addition to the merit-promotion scheme, UNESCO proposes to introduce a **recognition programme** for outstanding contributions by **individuals** and **teams**. The objective of the recognition programme is to instil a "culture of recognition", which motivates colleagues to contribute to a more effective, productive organization. Ultimately, this should contribute to greater staff well-being and a positive organizational climate. The key features of the recognition programme are as follows:

- it seeks to recognize qualities such as sense of initiative, innovation, creativity, teamwork and service-orientation;
- it rewards outcomes, processes and good practices;
- it is open, fair and transparent and is based on specific, achievable contributions known by all;
- it consists of two awards: the Director-General's Staff Award and the Director-General's Team Award, to reward individuals and teams;
- awards shall be monetary or non-monetary (one-time financial awards, learning events, field visits).

III. Key staffing data

Headquarters – field distribution

30. As of 1 January 2007, the distribution of UNESCO regular budget staff shows that 69% (1,172) of the staff is at Headquarters and 31% (536) is in the field. In January 2000, 74% of the staff was at Headquarters and 26% in the field. These figures confirm the trend towards a reinforcement of field staff versus Headquarters staff.

Senior management staffing

31. Since 2000, the number of Director and above posts has decreased from 110 (30 C/5) to 99 (33 C/5). As of 1 January 2007, there were a total of 89 staff members in the Director category, below the ceiling of 99 Director and above posts approved in document 33 C/5.

Table I: Senior management posts/staff

Senior Management Posts	Posts in 30 C/5	Posts in 32 C/5	Posts in 33 C/5	Staff as of 1/01/2007
DDG	1	1	1	1
ADG	10	10	10	9
D-2	26	25	23	21
D-1	73	61	65	58
Total	110	97	99	89

The Young Professionals Programme

32. Ten Young Professionals (among whom seven women), selected among some 430 applicants, joined the Secretariat in 2006. Of this group, eight are nationals from under-represented Member States and two from non-represented Member States. Six of them are

assigned to programme sectors, i.e. Education, Natural Sciences, Social Sciences, Communication and Information and the other four are assigned to Central Services (Bureau of Human Resources Management, Bureau of the Budget and External Relations). The recruitment process for the 2007 intake has been launched, and should be completed by June 2007.

Recruitment: update from January to December 2006

33. Since January 2006, 100 appointments were made to posts at the Professional level and above (regular programme and extrabudgetary funds), which is in line with recruitment trends of the past biennia. A total of 84 appointments were made to Professional posts, including 10 Young Professionals, and 16 to Director posts. From these 100 appointments, 60 (60%) were internal candidates and 40 (40%) were external candidates. In the Director category, seven (44%) appointments out of 16 were external candidates.

34. From these 100 appointments in 2006, 75 were made to geographical posts, of which 32 were filled by external recruits. Among the 32 external recruits, 16 (50%) were candidates from under-represented Member States (14) and non-represented Member States (2). This figure is in line with the target set by the General Conference at its 32nd session to "... fill, as an objective for the 2004-2005 biennium, a minimum of 50% of the posts open for external recruitment with candidates from non- or under-represented Member States" (32 C/Resolution 71).

Promotions: update from January to December 2006

35. Since January 2006, 159 staff members were promoted (98 Professional staff and 61 General Service staff), which represents an average of 8% of UNESCO staff, within the range of other United Nations agencies. Of these 159 promotions, 70 (44%) resulted from a competitive process, 67 (42%) from post reclassification and 22 (14%) from advancement in split-grade posts (P-1/P-2 and General Service technical group).

Contracts of retired staff

36. As requested by the Executive Board at its 175th session, Table II shows data on the number of staff employed beyond their statutory date of retirement: it includes staff extended beyond their statutory date of retirement, and retired staff who were re-hired on a temporary appointment after their retirement. The use of retirees is governed by Staff Regulation 9.5 whereby the retention of staff members beyond the age of retirement may be authorized by the Director-General in specific cases, where he considers it to be in the interest of the Organization.

Table II: Staff employed beyond their date of retirement in 2006

Category	Retired staff employed as temporary staff*	Staff extended beyond the statutory age of retirement
D	1	8
P	1	10
NO		3
G		12
Total	2	33

* These figures only include staff contracts, excluding other types of contracts (consultant, fee, supernumerary, etc.).

37. In 2006, a total of 33 staff members were extended beyond the statutory age of retirement and two retired staff members were hired on temporary appointments. Of these 35 staff members, 23 (66%) were Professional and above staff and 12 (34%) General Service staff. A total of 20 (57%) were employed at Headquarters and 15 (43%) in field offices and institutes. At Headquarters, these staff were employed in programme sectors (9), in the Sector for Administration (6) and in Central Services (5). The total number of days worked was 6,130, representing an average duration per staff member of 9.4 months in the field/institutes and 6.5 months at Headquarters. The employment of retired staff on temporary appointments is a stopgap measure: they are employed in a replacement capacity in functions requiring in-house experience, knowledge and institutional memory, while staff extended beyond retirement age ensure the continuity of functions, or the completion of a project, pending the appointment of a replacement.

Proposed draft decision

38. In the light of the foregoing, the Executive Board may wish to consider the following draft decision:

The Executive Board,

1. Recalling 171 EX/Decision 5 (I), 174 EX/Decision 5 (I) and 175 EX/Decision 5,
2. Having examined document 176 EX/6 Part I,
3. Takes note of the work accomplished to implement the medium- and long-term staffing strategy and the human resource policy framework;
4. Further takes note of the proposed merit-promotion and recognition schemes;
5. Invites the Director-General to pursue the implementation of the medium- and long-term staffing strategy, and to report to the General Conference at its 34th session;
6. Invites the Director-General to pursue the implementation of the human resource policy framework, and to report on an annual basis, at its autumn session.



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**REPORT BY THE DIRECTOR-GENERAL
ON THE IMPLEMENTATION OF THE REFORM PROCESS**

PART I
STAFF POLICY
ADDENDUM

SUMMARY

In conformity with item 2805.7 of the UNESCO Administrative Manual, the UNESCO Staff Union (STU) submits its observations on the report by the Director-General.

Introduction

1. The UNESCO Staff Union (STU) has constantly reminded the Executive Board about the non-participatory form of governance practiced by the Director-General through his representatives. For instance, in document 174 EX/6 Part 1 Add., STU already considered it important to state that “reform at UNESCO is taking place in opposition to the staff and using practices that sideline the staff from decisions concerning their working conditions. As a result, the ‘new policies’ are merely theoretical constructions, which may be of high quality but cannot be applied on an everyday basis in the Secretariat”.

2. For many years now, but above all during the 33rd session of the General Conference and all subsequent sessions of the Executive Board, STU has drawn the attention of Member States to the particularly low level of morale, not to say discouragement, of UNESCO staff and the total absence of effective negotiating mechanisms. We have also expressed our desire for genuine internal communication and effective participation in the prior analysis and formulation of solutions that might be envisaged as part of the reform process.

3. At the end of document 174 EX/6 Part 1 Add., we urged the representatives of Member States “to pay more attention to the management of the staff” as “the future of the Organization depends on it”. Since then, the situation has only got worse and to date STU has had no reaction, either from the Director-General, or from the Member States.

I. Review of the medium and long-term staffing strategy

4. In his report, the Director-General refers to the “axis of action [which] aims at the concentration of staff resources on UNESCO's principal priority-related programmes” and reviews the Sectors where, in his opinion, progress has been made. The first example is the most unfortunate, because the restructuring of the Education Sector turns out to have been accomplished on the basis of work done by a consultant with no expertise in the matter. STU and the International Staff Association of UNESCO (ISAU) have continually denounced the situation in the Sector and worked together to avoid the worst. STU had already drawn the attention of the Director-General and his representatives, and that of the Executive Board (175 EX/6 Add.), to the fact that the “staff in the Education Sector were surprised at the restructuring solution adopted by external consultants and the sector's senior managers. The structural logic, in relation to the programme approved by the General Conference and the Organization's mission in the area of education, remains very unclear to the staff”. Almost one year later, the staff are still disconcerted and surprised by the fact that the Director-General has taken no steps to verify the rationale for restructuring the Sector, despite the public revelations of the audit conducted by the External Auditor.

5. At a recent meeting between the Director-General and the staff of the Education Sector, the comments by the staff were interpreted as being evidence of a wish to maintain the status quo, fear of change and attachment to an “old House culture”. The Education Sector staff, like the Secretariat as a whole, are motivated by the desire to serve the interests of the Organization as best they can and to fulfil the mandate conferred upon them. Yet who is more familiar than the staff with the operating flaws of a structure as ponderous and cumbersome as that of the Education Sector?

6. In his report, the Director-General highlights the fact that the restructuring has reduced the number of divisions from six to four. This may seem to be an achievement, but is actually irrational disorder and a waste of human resources. Of course, the staff should have their say in the rationalization of the current structure, but it is not up to us to conduct a constructive analysis of the relevance of the reform, in particular regarding effectiveness in the area of the implementation of the Sector's mandate.

7. Unlike the reform of the Education Sector, the restructuring of the Culture Sector is being carried out using internal expertise. All the Sector's staff were invited to take part in the analysis of the Sector's situation and needs for improvement and they were given the opportunity to make specific proposals for reform. The restructuring of the Sector on this basis is not intended to be perfect, or definitive, which demonstrates a degree of professionalism and realism.

8. With regard to the Communication and Information Sector, the staff consider that the main failing in governance is precisely the inability of senior managers to communicate with those who have to implement the programme. There is no question of any "rationalization" of the Sector's organizational structure, where there are probably the most injustices and opacity in human resources management.

9. An analysis of the programmes of the Natural Sciences Sector and the Social and Human Sciences Sector was conducted by an expert team which went through many critical episodes. It should be pointed out that the staff in the Sectors concerned, up to the highest level, are unable to comply with the final conclusions and recommendations of the team (176 EX/7).

10. The second axis of action covered in the Director-General's report concerns field offices. Despite the official line, the offices have not been strengthened, but rather neglected. The forced transfer of certain staff members working at Headquarters has not been made in strict accordance with the needs of the offices concerned, but reflects the desire to "get rid" of individuals who for various reasons are considered undesirable at Headquarters. In March, the Director-General told the staff of the Education Sector that he could not agree with the idea that a transfer away from Headquarters was a punishment. Nevertheless, the staff's attitude reflects current practice in human resources management at Headquarters. In contrast, in the field offices, using the pretext of decentralization, and depending on the personality of the head of the office, dictatorial management of human resources may be the practice and the staff, especially local staff, have no recourse. One of the reasons that staff are reluctant to leave Headquarters is precisely the total lack of oversight concerning human resources management. Budget and programme management is in part monitored from Headquarters, but human resources management is left to the good faith of the head of the office.

11. The third axis of action concerns **the support and administrative functions**. An internal debate seems to have taken place and the staff can only trust in the good sense resulting from in-house experience and expertise. It is to be hoped that the few aspects of the systematic neglect of administrative regulations revealed by the very timely external audit requested by the Executive Board (176 EX/39) will encourage Member States to give the Organization the means to put in place an Administration that actually manages the Secretariat and programme implementation. The External Auditor said that it was unacceptable for those placing orders to also be making the purchase, with respect to both equipment and consulting services, but the same problem arises regarding the choice of expertise for longer periods (recruitment).

12. It is indeed the fourth axis of action referred to in the Director-General's report which is wholly defective at present in UNESCO: "**managerial capacity and accountability**" has reached the lowest level imaginable, with an average score that must be close to zero. The initiatives welcomed by the Director-General are contained in documents that are sometimes well thought-out but never actually applied to the letter. There is no accountability at UNESCO and the mess in the Education Sector is only one example. Independently of the individuals with the highest responsibilities in the Organization, the management system is incapable of self-regulation, especially since the UNESCO Administrative Manual, because it has been ignored by senior managers, is today no more than admirable testimony to the successive styles of administration in the Organization throughout its more than 60 years of existence. The pretext of decentralization has dispersed responsibility instead of reinforcing it and, as STU has already explained in document 175 EX/6 Add., "*Decentralization and the delegation of authority entailed, together with the complete lack of financial resources for human resources management, have created 'no*

man's land' situations in this area. It is very often the case that matters go unresolved because nobody assumes responsibility."

13. The fifth axis of action, which the Director-General calls "**a rapid response capacity**", concerns the ability of the Organization to act in post-conflict/post-disaster situations. The improvements remain to be proved, but there is certainly no rapid reaction to human resource management problems, despite the constant and worrying growth in major and minor conflicts in the Secretariat.

14. STU cannot give an opinion on the proposal for the increased use of **National Professional Officers (NPOs)** (sixth axis of action), but can draw attention to the staff management problems inherent in this kind of contract and to the fact that this type of initiative risks undermining the international civil service.

15. The seventh axis of action concerns one of the most important aspects of the failure to manage human resources: the use of the skills **of staff in the General Service category**. External candidates, who clearly meet the requirements for Professional status, are recruited to posts in the General Service category to carry out work that goes far beyond the requirements of the post. This blocks the career development of staff who have worked for the Organization for a long time and is a source of demoralization. Furthermore, the posts of many staff members in the General Service category have had to evolve towards including tasks that are specific to Professional posts (owing to staff shortages and thanks to the skills and dedication of the staff in place), but for budgetary reasons and on the grounds of geographical distribution, staff in those posts are denied recognition of the importance of their new responsibilities and the quality of their work.

16. With regard to the eighth axis of action, **gender balance** and geographical distribution, STU refuses to give any credit to these figures as long as balance has not been achieved throughout the Secretariat structures, in particular at the very top of the hierarchy.

17. Lastly, the ninth axis of action concerns a renewed "commitment to recruit and retain highly qualified staff and to provide a stimulating work environment". With regard to the working environment, STU has denounced – especially since the 33rd session of the General Conference – its dangerous deterioration. As to the "commitment" regarding recruitment, this must surely reflect ignorance of the Constitution of the Organization which, in its Article VI, paragraph 4, **imposes** the following on the Director-General: *Subject to the paramount consideration of securing the highest standards of integrity, efficiency and technical competence, appointment to the staff shall be on as wide a geographical basis as possible.* In fact, everyday practices in recruitment and promotion which are completely vitiated contradict this obligation in every way, which proves the ineffectiveness of the various measures described by the Director-General in his report.

18. Furthermore, it should be recalled that STU had already pointed out to the Executive Board (175 EX/6 Add.) that "recruitment at UNESCO continues to be effected outside the written regulations. The procedure as a whole is respected only in appearance. Practically all advertised posts are earmarked for persons selected before the official assessment, which is arranged in such a way as to appear fair. Thus, there is no competition and the best or most deserving candidate has no chance of being selected. The same is true of succession planning for staff members nearing the statutory retirement age. When a post is about to fall vacant, it is 'assigned', before any assessment has been carried out, to a person in conformity with criteria that are not always those stipulated in the Staff Regulations and Staff Rules". Unfortunately nothing has changed since last year in this regard. As we stated previously in document 174 EX/6 Add., "the procedures are vitiated by the 'let's pretend' approach of Sectors and Bureaux which is sanctioned by HRM. The staff associations regularly draw attention to many irregularities, but their work as observers in the recruitment and redeployment process is often to no avail owing to HRM's policy of keeping up appearances instead of scrupulously observing the rules". If there has been any change in this area, it has been no more than a worsening of the situation, for HRM, unconcerned and lacking

resources, no longer plays any role whatsoever in verifying and correcting the application of procedures.

II. Update on the Human Resources Policy Framework

19. The harmonization of UNESCO's administrative practices in human resources management with those used within the United Nations system may be considered an obvious need but it should not, under any circumstance, be a ground for administrative inaction. Pending the harmonization of those practices, the disastrous situation in which UNESCO's staff find themselves is left unattended to deteriorate at an accelerated rate.

20. As to the introduction at UNESCO of an ethics programme based on the United Nations model, according to the meagre information gleaned by STU at the meeting of the Advisory Council on Personnel Policies (ACPP), it would amount to instituting whistle-blowing ("voluntary disclosure" 176 EX/INF.12, paragraph 18) as the main self-regulatory mechanism. Under the rules and regulations in force in the Organization, staff members may report administrative abuse. Stalemate stems from the failure of the central services to take any remedial action. For example, the only person who raised objections to the serious irregularities revealed by the External Auditor was (and continues to be) the victim of his integrity. How would an ethics office have been able to redress matters? Instead of democratic routes to participatory governance, the Administration (at least HRM and IOS) seems to be promoting the most sinister and indirect routes. STU demands that no final decision be taken on the subject, unless it is submitted to the ACPP for discussion, in accordance with the rules and regulations.

21. In document 175 EX/6 Add., STU informed the Executive Board that "whenever STU draws attention to an administrative irregularity, HRM neither makes nor enforces any change, even after verifying the case". In regard to a specific example of failure to observe the rules and regulations, we stated later on in the document that "HRM has looked into the case, but for reasons unknown to us, there has been no follow-up". The irregular administrative procedure that we were denouncing was carried through to conclusion, and no one voiced the slightest concern.

22. In addition, the recent distribution of a booklet containing Standards of Conduct in the International Civil Service (the title of which has been translated incorrectly in the French version of the report by the Director-General) was greeted with much hilarity among staff members who have so often been powerless witnesses to the constant flouting of those rules. It may also be noted that the current revised version of the Standards had been submitted by the International Civil Service Commission (ICSC) since 2001 to the United Nations General Assembly and has been published officially at UNESCO only now at the beginning of 2007. The posters put up all over UNESCO spotlighting the front cover of the booklet cannot have any educational effect. Conversely, in a letter to the Deputy Director-General, STU renewed its proposal, in cooperation with the Association of Former UNESCO Staff Members (AFUS), to provide training on the rights and duties of international civil servants for all staff members at Headquarters free of charge. That letter has gone unanswered, despite the enthusiasm shown on many occasions by the Director-General in that regard.

Human Resources Management Information Systems

23. Human resources management software that is not harmonized with the Organization's other management resources is not necessarily efficient merely because it involves the use of modern technology, and it can never replace human responsibility. For example, the Tulip leave management software is very user-friendly, but is flawed by the lack of accountability.

Merit-based promotion and recognition scheme

24. The idea of proposing to the staff a merit recognition scheme consisting of an award granted only once cannot be motivating in the course of a normal career. As to the merit-based promotion

scheme, inasmuch as staff members have been demotivated by such extensive lack of recognition, the rate of promotions required initially is so high as to be unfeasible under a realistic budget. Consequently, only strict observance of human resources management rules could remedy the situation and restore satisfaction and motivation within the UNESCO Secretariat. Moreover, the proposed merit-based promotion scheme, of which the Organization's staff has been deprived for six years, was announced by the Director-General on 15 November 2005 ("Prior to the reintroduction **next year** of the merit-based promotion system, which will apply to all staff") and has still not come into force. Is the delay involuntary?

III. Key staffing data

25. The statistics published in the report by the Director-General have not been set out consistently, and the explanations are not clear. Thus, according to the report by the Director-General, one may be heartened to note that between document 30 C/5 and the functioning of the Secretariat as at 1 January 2007, there are only nine ADG posts out of the initial ten. However, how does that explain UNESCO's need, in addition to the ADGs for the five programme sectors and for the Sectors for Administration and for External Relations, for another two ADG posts, especially in such a difficult budgetary situation? G and P posts, and even D posts, are abolished readily, but apparently it is normal to extend beyond the statutory retirement age the appointments of holders of ADG posts who do not discharge the responsibilities attaching thereto.

Contracts of retired staff

26. The mere fact that it is realized, when a staff member retires at the statutory retirement age, that his or her knowledge and skills are indispensable to and irreplaceable within the Organization, is tangible proof of poor human resources management. It would be normal for people to be trained in advance to replace staff members naturally or for provision to be made sufficiently in advance to recruit the individuals required for staff renewal.

27. Furthermore, in regard to one-US-dollar symbolic consultant contracts (covered in document 176 EX/42), it is totally untrue to state that the consultants, "who include former staff members, are mainly used in programme sectors to ensure a smooth transition of expertise and institutional memory" (para. 25 of the document). In fact, these former staff members or consultants for life pursue a programme that only they know and implement and do not contribute at all to the transmission of knowledge, which they should, moreover, have done before reaching the statutory retirement age.

28. Some former staff members do make a remarkable contribution to programme implementation, but the use of their services on false volunteer grounds is detrimental to the effective renewal and quality of the staff. Former UNESCO staff members have formed an association (AFUS) that will, no doubt, contribute readily and free of charge to the discussion that the Secretariat must hold in order to improve its functioning regularly.

Insecure contracts

29. Budget constraints and, above all, lack of honesty towards the Member States are the primary reasons for the widespread use of "insecure" (consultant and, above all, fee) contracts, a means of hiring staff who are not officially entered in the accounts under staff costs. Many persons, over whom HRM has no oversight, are employed on fee contracts to do work identical to that done by staff members (permanent office attendance during the same working hours, assignment of office, telephone number and electronic address, and so on). Everyone knows about and tolerates this flagrant irregularity because it is, in some instances, the only means of having to hand the expertise required for the various teams to perform effectively. Persons thus employed by the Organization do not, however, enjoy any social benefits or labour rights. Both STU and ISAU have raised this intractable problem time and again, but no solution seems likely because such contracts do not, in theory, concern human resources management.



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**REPORT BY THE DIRECTOR-GENERAL
ON THE IMPLEMENTATION OF THE REFORM PROCESS**

PART I

STAFF POLICY

ADDENDUM 2

SUMMARY

In conformity with item 2805.7 of the UNESCO Administrative Manual, the International Staff Association of UNESCO (ISAU) submits its observations on the report by the Director-General.

**VIEW OF ISAU ON THE REPORT BY THE DIRECTOR-GENERAL
ON THE IMPLEMENTATION OF THE REFORM PROCESS
PART I: STAFF POLICY (176 EX/6, Part I)**

INTRODUCTION

1. As we emphasized in an earlier statement to the Finance and Administrative Commission of the Executive Board at its 171st session,¹ it is difficult for ISAU to determine whether the implementation of the medium- and long-term staffing strategy and its human resource policy framework have started to bear fruit. No evaluation criteria have been provided to measure the expected results. No clear evaluation of the direct and indirect costs has yet been made.

2. With these reservations, ISAU has examined document 176 EX/6 (Part I) in the order in which it is presented, with a view to submitting its contribution, set out below, to the work of the Executive Board at its 176th session. Thus, we have begun by stating our views on the principal initiatives which have been taken in pursuance of the nine axes of action in the Strategy, emphasizing the problems encountered and offering some recommendations for remedying them. We have next made a few observations on some aspects of the progress achieved in implementing the human resource policy framework. Lastly, before concluding our remarks, there are a few comments on some figures regarding staff numbers.

I. CONSIDERATION OF THE MEDIUM- AND LONG-TERM STAFFING STRATEGY

Restructuring of staff resources in the sectors (Axis of action 1)

3. ISAU recognizes that there have been several attempts to improve staff management in some sectors. However, confusion produced by restructuring still reigns in the Secretariat. Much remains to be done to ensure the circulation of information between the Administration, the staff and their representatives in relation to the reorganization of sectors, units, work and policies or other initiatives effecting changes.

4. Experience has taught us that decisions taken without a genuine dialogue with those concerned are poorly understood and are resented, and that the absence of appropriate decisions leads to futile inaction, frustration and stress. Furthermore, as the day-to day management of staff is no longer centralized within the Bureau of Human Resources Management (HRM), but is mostly conducted at the level of the sector or unit, there are few opportunities for the transfer or redeployment of colleagues who have lost their posts as a result of restructuring. Everything depends, in fact, on the goodwill of managers, who jealously guard their new prerogatives.

5. In such circumstances, UNESCO risks alienating many of its staff through its lack of a participatory management policy. Even if we have the greatest respect for the reform objectives of the Director-General – which we support – we cannot accept the fact that restructuring has led to:

- the flouting of the principle of consultations with the staff concerned and the staff representatives;
- the infliction of reprisals when irregularities or derelictions of duty are reported (breaches of rules and procedures in force, the code of conduct of international civil servants and/or standards of professional ethics);
- the erosion of the rights and benefits of the staff concerned, without the counterweight needed to ensure equity in cases of internal reassignment and redeployment away from Headquarters.

¹ See document 171 EX/6 Part I Add.2, paragraphs 3 to 5.

6. ISAU regrets, consequently, that there is still no officially established mechanism that would ensure that the restructuring affecting staff is not only recognized as such but is, most importantly, conducted in good time and in a transparent manner: not as a bureaucratic routine but with the full participation at all stages of the staff and their representatives, in order to limit the social cost as far as possible and avoid being confronted with last-minute decisions affecting employment.

7. Since we did not wish to be alone in seeking to improve the situation, we asked for the question to be the subject of joint consultations between the two staff associations/unions and the Deputy Director-General (DDG), which was agreed. Thus, for several months, we have been working together on the preparation of **directives concerning the management of the processes of change and restructuring**, based on the example of good practice currently followed in this field at ILO.

8. The DDG, who has always shown a concern not only to provide information but also to listen, has assured us that, in future restructuring programmes, he would personally see to it that all Secretariat managers scrupulously observed those directives. We hope that this will improve the **transparency** of the decision-making process, ensuring that all staff members affected by restructuring are **informed**, as soon as possible, **of any possible change** in their area of work **and of the reasons for such a change**.

9. The recent examples before us, in this regard, offer a widely differing picture of the approach adopted. This is particularly instructive for ISAU, which is attentive to its own members and to the staff members in general. Thus, in one current case in the **Culture Sector**, the restructuring, carried out through in-depth consultations and the formulation, on a participatory basis, of the details of reorganization, has every chance of being not only satisfying and accepted, but also of being, in practice, adhered to by all. Let us hope that it will be the same for the restructuring exercises planned for the **Natural Sciences Sector** and the **Social and Human Sciences Sector**.

10. In the other case, in the **Education Sector**, the reorganization was decided on without real consultation with the staff concerned or their representatives. That undoubtedly appeared to be much simpler and quicker, but everything still remains to be done as regards operationalization, the definition of individual tasks and the transition between the old and the new structure of the Sector. In the meantime, it is important, in our view, to reduce the negative impact of this kind of restructuring on the staff and ensure that the continuation of the reform does not suffer from the same mistakes as those made by the ADG who resigned.

11. The fact is that these mistakes have created and left serious tensions which now feed a general climate of distrust in the future, which is harmful for healthy relations in the Sector, and hence the commitment and general performance of its staff. It is the duty of ISAU and also in the interest of the Organization that these questions are dealt with correctly, in order that the appropriate measures, rapidly identified and initiated, may be taken to restore the morale of these colleagues and increase their dedication to work.

12. Last September, jointly with STU, we therefore suggested to that ADG and to the Director of HRM that alternatives be found to the redeployment to the field of six colleagues, whose posts had been abolished at the end of the restructuring, but in vain. Nevertheless we continued our efforts in consultation with the DDG and, thanks to his personal involvement, solutions were found last November for four colleagues; consultations were renewed until the final settlement of the other two cases.

13. By the same token in a joint communiqué of 20 March last,² ISAU and STU issued information about the persistent disquiet felt by most of those colleagues who hoped never to suffer from the abuses that had been committed during the planning and the management of the restructuring undertaken by their ADG, as soon as the latter's resignation took effect. Under the

² Published under the title "ADG/ED's downfall: let's learn the lessons as quickly as possible!"

pressure of their concerns, which we still need to dissipate, we immediately asked the Administration to take, before continuing the reform of the Sector, the requisite measures to prevent such consequences, to guarantee an acceptable transition and learn all the lessons from the painful experience thus endured.

14. Indeed the factual truth, as it was revealed in the “**Report by the External Auditor on the procedures used to hire consultants for the restructuring of the Education Sector**”,³ which refers of course to the ADG in question, is very painful for us all. There are few who would have taken pleasure in reading or hearing the embarrassing conclusions reached by the External Auditor. We who work in the Secretariat are gravely disheartened by the great body of evidence against that ADG of violations of administrative and financial rules governing purchases and fee contracts.

15. None of us can be proud of the revelations made about that senior official of the Organization or of the bad example of leadership that he thus has given to UNESCO, even to the rest of the United Nations common system. Who, among us, can claim now that management at UNESCO is not a problem, or that it does not call for more radical reform? In ISAU's opinion, **there is no alternative to reform** if one does not show genuine will to effect change and if we wish the Organization to recover and preserve the level of respect within the international community that its work should command. In short, there are **very hard lessons to be learnt by us all**.

16. There are lessons to be learnt about the importance of transparency and, in the first place, the need to set out responsibilities in greater detail, to have clearly defined procedures so that all staff members and all the Sectors of the Secretariat know exactly what their respective powers and accountable duties are. There are lessons to be learnt about the need to adopt new reforms aimed at ascertaining the staff management abilities of the candidates for managerial posts, to improve the performance of senior officials, to strengthen controls and accountability, and to see to it that the strictest ethical standards are observed in all circumstances and at all levels. There are lessons to be learnt about auditing, and primarily about the need to have mechanisms to enable prompt remedial measures to be taken, when auditing reveals shortcomings. Above all, there are lessons to be learnt about the need to maintain the highest possible level of integrity and performance.

17. ISAU thus **recommends** that the opportunity be seized to **study all of these lessons very carefully**, to determine how they could be used to improve human resources management and, even more generally, the functioning of the Secretariat, and to undertake new reforms to that end. While hoping sincerely that this **golden opportunity** will not be missed, we are relieved to learn that the Administration has already endorsed and clearly intends to give practical effect to all of the recommendations contained in the above-mentioned report by the External Auditor.

18. We shall obviously be very happy to contribute to the formulation and the adoption, as soon as possible, of specific measures to implement those recommendations. For it is also by its ability to reform itself that the value of an institution is judged, and it is largely the international community, extending well beyond the circle of the United Nations, that is now looking at what is happening, or will not happen, at UNESCO.

One United Nations (Axis of action 2)

19. The document under consideration refers, in paragraph 10, to the “**One United Nations Reform**”, which continues to be a subject of vital interest and action for our Director-General, taking into account the obvious need, formulated by the Member States in various forums, for a change in the new context in which the Organization finds itself. However, we do not know much about the impact that such reform might have on the staff. Is there any discussion of this subject? The very idea of “One United Nations” is already causing some perplexity both at Headquarters and in the field, particularly among colleagues working in the pilot countries.

³ See document 176 EX/39.

20. Will it be necessary to amend the Constitution of UNESCO? Will we need to revise the Staff Regulations and Staff Rules of the Organization? Will we also need to change radically our rights and obligations in order to adapt to the others? Can this reform affect our status and erode our acquired rights? Would the Director-General be prepared to invite the members of the Secretariat to a general meeting to speak about **the reform of the United Nations and its impact on the staff**? These are only some of the questions which give cause for concern and to which we urge the Administration to provide answers. We think indeed that the uncertainties must be dispelled and confidence must be built so that we may advance without fear and in full knowledge of the facts. The staff members wish and have the right to know, and they may not be made to wait. We consider that this is **a priority theme**.

Modernization of administrative functions and support (Axis of action 3)

21. ISAU wishes to stress that the efforts to improve the Organization's performance and provision of services, undertaken by the Sector for Administration (ADM) with active staff involvement, constitute a positive measure that we fully endorse and hold dearer than any other.

22. In the light of the problems raised in the above-mentioned report by the External Auditor, we support all efforts made **to improve the transparency of the Organization's procurement process** and we recommend that it be **validated** by conducting a study designed to compare it with those used in other bodies in order to ensure that improvements comply fully with the strictest international standards.

Accountability framework and the training of senior managers (Axis of action 4)

23. The tables of delegated authorities and accountabilities, the establishment under the chairmanship of the Deputy Director-General of a Delegation of Accountability Committee, and the performance agreements for some senior managers are praiseworthy, but nonetheless fall short. These initiatives have clearly had the effect of initiating a change of attitude, but they have not yet fully gained the support of the staff and of the senior managers or produced all their potential results.

24. In fact, responsibility for decisions on the management of human resources and accountability have not been given the same degree of priority everywhere. Furthermore, to date there is no procedure, to our knowledge, that would make it possible to analyse the kind of decisions and the measures that should be taken when decisions are wrong and/or unfounded.

25. Moreover, as is well known, the Bureau of Human Resources Management (HRM) has no power to impose such measures. It can undoubtedly give advice and opinions to the officials of the sectors in which problems arise, but there is no obligation on those officials to follow them. The only thing that the Bureau can do to denounce systematic infringements by such officials is to bring the matter to the attention of the Director-General, or if not to the Deputy Director-General and/or the above-mentioned committee chaired by the latter, so that action may be taken.

26. In our view, therefore, there is no real **"accountability framework with senior managers"**. This new concept – the **accountability of programme directors** – which no one has clearly defined to us, is also rather worrying. Indeed, the cure seems likely to be worse than the disease insofar as it seeks to make accountable for their actions officials who normally either defer decisions that might cause them problems or take reprisals against colleagues who make an effort to carry out their duties and responsibilities professionally or who report irregularities, for example, by marginalizing them or even removing them by abolishing their posts, as the ADG who has just resigned recently did at the expense of a colleague who was then the Chief of the Administration and Finance Unit of the Education Sector (Chief, AO/ED).

27. As an association, we do agree that there is a need for the Administration to be efficient. However, at the moment we rather have the impression that it has been reformed in order to

obscure the powers of senior managers, while neglecting their individual responsibility and the supervision of their acts and/or decisions. We note, in any event, that there is some “slippage” in the system, to the extent that **HRM does not provide proper management or supervision worthy of the name**. We urge it to do so, while hoping that it will be given greater **resources, both in staff and in means**.

28. In short, if real efficiency is to be achieved in the system, ISAU **recommends** the establishment of **a much more powerful central supervisory and monitoring authority, which has the necessary resources and is completely independent**, and which would have sufficient authority to monitor the way in which the Sectors interpret and apply the rules and procedures, and to see to it that the sectors apply them in such a way as to ensure equal treatment for all staff members. We are convinced, however, that without resources and without means no human resources reform goal, however modest it may be, can be achieved.

Enhancement of the competencies of the General Service staff (Axis of action 7)

29. We have taken full note of the project to strengthen the competencies of our General Service (GS) colleagues and we acknowledge its relevance. Regrettably, however, we have observed that, despite the experience gained by ISAU in respect of generic profiles (that is to say, standard job descriptions) as a result of the work of classifying GS posts, HRM and the Communication and Information Sector (CI) have already initiated the implementation of this project without the participation of staff representatives in its design and implementation.

30. Since the current opportunities for the training and professional development of GS staff are extremely limited, we also take the view that greater efforts should be made to offer them fulfilling and rewarding careers and also to recognize, at their true value, the talents and skills of these colleagues who play an essential role in the implementation of the Organization’s mandates. The staff of related categories (craftspeople, guard and security staff, reception personnel, etc.) have similar needs that should not be ignored.

Geographical diversity and the gender balance (Axis of action 8)

31. ISAU welcomes the progress already achieved in reducing the number of non- and under-represented Member States. We urge that such efforts be continued so that the geographical distribution of the staff in all the programme Sectors and central services of the Secretariat will be as wide as possible. Everything should be done to recruit, as fast as possible, national administrators, which, in our opinion, is a powerful means of improving geographical distribution.

32. Everything should also be done to halt the current downward trend in the number of officials originating from the developing countries appointed to the posts in the Director category and above, and to ensure that the number of women holding professional posts ceases to fall below the targets set.

II. APPLICATION OF THE HUMAN RESOURCE POLICY FRAMEWORK

Contract reform and the harmonization of conditions of service in the field

33. Reference is made in paragraph 19 of the document under consideration to contract reform and the harmonization of conditions of service in the field, which were decided at the United Nations by the International Civil Service Commission (ICSC) in the name of a so-called rationalization of the system.

34. On the one hand, however, where **contract reform** is concerned, we are glad to have participated in a working group, ISAU/STU-DDG/HRM, based on dialogue in which we firmly believe. This group has been trying for several months to hold joint consultations to regularize the

situation of staff known as “**employees without job security**” in order to remedy certain abuses and breaches of procedure and perhaps to have certain cases put on a proper footing.

35. It is, admittedly, difficult to take action when the facts about the numbers of these colleagues are nebulous and imprecise, since their identity is often unknown, and where controls on job insecurity are inadequate because of the manifest tendency in some sectors to abuse these contracts in such a way that the persons concerned are unable to enjoy the social benefits to which they are entitled.

36. The fact remains that ISAU, which remains faithful to the traditional concept of the right to work, considers that job insecurity exists when a permanent number of employees work under fee contracts, consultancy contracts and supernumerary contracts, not subject to oversight by HRM, in breach of the legal standards in force and without any effective control and are obviously being used as a means of avoiding the granting of a temporary or fixed-term contract which, while it costs more, guarantees the benefits to which every staff member is entitled.

37. In addition, in the field, there are **service contracts (SCs)** and **special service contracts (SSCs)** which, as with **contracts that afford no job security**, provide a way of obtaining cheap labour without affording any protection. The figures available to us on this subject are imprecise, but the indications nonetheless give cause for concern.

38. We are thus finding out how many colleagues are affected in all, and we shall continue to work together with the DDG to regularize their situation. There must now be a proper and long overdue audit of the Administration in this regard.

39. ISAU is also waiting to hear the Administration’s opinion on the wish expressed by ICSC that employment within United Nations organizations should no longer be approached on a career footing and that indeterminate contracts should be abolished. The document under consideration does not address this matter.

40. However, it is all the more desirable to respond to this unresolved issue by taking a position in favour of job security since, at an important inter-union meeting held in New York in December 2003, all the delegations represented expressed serious concerns on the matter in a declaration of principles with which the President of ISAU was actively associated.

41. We have raised these concerns on several occasions in the last few months with the DDG and HRM during our joint consultations with STU. Discussions are under way on the **conversion of fixed-term contracts into indeterminate contracts**, and we hope to obtain conclusive results by the end of these consultations.

42. As to the **harmonization of conditions of service of field office staff**, once again we do not have details on the **review of allowances for mobility and difficulties in living and working conditions** decided on by ICSC or on measures taken by the Administration to put this decision into effect. The decision aims to rationalize and improve allowances linked to mobility, which is characteristic of international civil service. The advantages that it has brought for our colleagues at UNDP or UNHCR, for example, are not in doubt. However, what would be the result in the case of UNESCO?

43. Finally, in the field, as a consequence of the common provisions made within the framework of the United Nations, the problem of the **method of calculating the salaries of local staff** remains unresolved, and the potential economic impact of its implementation continues to be a source of concern to our colleagues in the field.

Codes of ethics and practice

44. IASU notes with surprise that, according to paragraph 20 of the document under consideration, “**the outline of an Ethics Programme**” has already been **developed by HRM and**

Internal Oversight Service (IOS). This has been done **without consulting the staff representatives, in violation of the Standards of Conduct for the International Civil Service** which the managers of these services were under a particular obligation to respect.

45. The Association deeply regrets that it was not invited to participate in drawing up the Ethics Programme. It fails to see how the heads of central services can promote professional ethics in UNESCO if they do not respect the above-mentioned Standards of Conduct, which provides in paragraph 26 that: **“Relations between management and staff should be guided by mutual respect. Elected staff representatives have a cardinal role to play in the consideration of conditions of employment and work, as well as in all matters of staff welfare ... Continuing dialogue between staff and management is indispensable. Management should facilitate this dialogue.”**

46. It is nevertheless delighted that an “Ethics Officer at P-5 level” will be appointed and it supports the request for extrabudgetary funding for the post. We are, of course, prepared to share our views on ethics and professional standards at UNESCO, naturally within the context of our role of representing and defending the interests of staff.

Impact of training

47. ISAU also notes with satisfaction the success of training in the Human Rights-Based Approach (HRBA) and supports its general implementation for the benefit of all Secretariat colleagues. We feel that other training programmes available at the Secretariat should now be improved and targeted further to meet the real demands of the duties performed. Most of the training programmes do not truly provide the expertise required to develop skills and only impart general knowledge. They are rarely evaluated to check that they effectively meet the priority needs of the Organization and produce the expected results.

48. We therefore **recommend that the focus of current training programmes be shifted to the development of substantive professional skills.** In addition, we request that for the sake of transparency the Administration **publish details each year of each Sector’s training cost and needs, for both the Professional (P) and the General Services (GS) categories.**

Human resources integrated systems

49. The first phase of the new human resources management system (STEPS: System to Enhance Personnel Services) has just been completed, and ISAU is delighted. We hope that the Organization will obtain in time the necessary funds for the second phase of the system, and that the second phase will provide genuine strategic tools for the monitoring and integrated management of human resources.

50. We take this opportunity to mention the problem of ISAU access to STEPS for the purposes of **automatic deduction of members’ yearly subscription**, a facility which many members have requested. This is not a new problem and ISAU urgently needs a guarantee that this facility will be provided without further delay, in the same way as the UNESCO Staff Union (STU) which has always been able to use the facility.

III. STATISTICS AND REMARKS ON STAFFING

Merit-based promotion and recognition scheme

51. ISAU does not know if the merit-based promotion scheme “proposed” by HRM in paragraphs 27 and 28 of the document under examination has been approved by the Director-General. To date, no Administrative Circular has been published on the subject. Prudence therefore leads us to reserve our comments on this matter.

52. Suffice it to state that, in fact, in the system proposed by HRM, the directors and senior officials are not eligible for this type of promotion. However, **in the opinion of the Legal Adviser of the Organization (DIR/LA), “exclusion of members of staff of grades ... D from benefiting from promotion based on merit would be discriminatory, because it would imply that officials in an identical situation were not being treated in the same way”** (AVIS/LA/ADL/2007/004 of 15 February 2007). Having been among the elected representatives of personnel who raised the question of eligibility during the debates of the Advisory Committee for Personnel Policy (ACPP), we naturally share this legal opinion, to which we wish to adhere in this case.

Employment of retired staff

53. ISAU regrets that the practice of employing retiring or retired officials has not changed. It finds it unacceptable that people who have benefited from incentive measures for early retirement are re-employed, and that former officials are recruited to fill vacant posts, and, sometimes, to even manage personnel matters. All such practices only lead to the colleagues to whom such tasks could be entrusted being sidelined and their promotion blocked.

54. In view of the ageing of the members of the Secretariat, it is in the interests of the Organization to ensure that the officials at the end of their careers retire at the stipulated age in order to improve the career prospects of the other staff members and encourage the recruitment of younger officials. Colleagues waiting for new postings or promotion should not be penalized by the inability of programme managers to plan ahead for the replacement of retiring officials.

55. We therefore call on the Administration clearly to define its policy on the extension of contracts after the retirement age. Some officials are given the opportunity to continue to work beyond the retirement age, while others are denied that opportunity. Policy in this area should guarantee the same rights to all.

CONCLUSION

56. ISAU is here presenting its views and recommendations in the hope of contributing constructively to the review of personnel policy and the effectiveness of the Organization that is of vital importance more than ever before. It acknowledges that progress has, indeed, been made in the area of reform and in that of dialogue and cordial and fruitful relations with the Administration.

57. Nonetheless, it notes the adoption of certain decisions outside the framework of the rules and regulations and, often, the visibly inefficient supervision of the application of the existing rules and procedures. This results in an increasing number of individual complaints, stressful situations, even at the collective level, and the general uncertainty mentioned above. We are still convinced of the Organization's mission, however, and wish to continue to work for change. To that end, the rights of all staff members and their representatives should be fully respected.

For the Executive,

Sidiki Coulibaly
President of ISAU



United Nations
Educational, Scientific and
Cultural Organization

Executive Board
Hundred and seventy-sixth session

176 EX/6
Part II

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**REPORT BY THE DIRECTOR-GENERAL ON THE
IMPLEMENTATION OF THE REFORM PROCESS**

PART II

NEW MANAGEMENT TOOLS

SUMMARY

In accordance with 174 EX/Decision 5 (II), the Director-General presents a progress report on the implementation of the reform, including staff policy and new management tools.

Part II of the report is devoted to the status of implementation of the new integrated management information system, covering programme and budget, finance and accounts, and human resources and payroll.

Decision proposed: paragraph 28.

Introduction

1. UNESCO's integrated management information system, presented schematically in Figure 1 below, is designed to support the Organization's transition towards results-based management (RBM). Once its three main components – System of Information on Strategies, Tasks and Evaluation of Results (SISTER), Finance and Budget System (FABS) and System to Enhance Personnel Services (STEPS) – are fully deployed and integrated, the Organization will have at its disposal a modern and powerful system enabling it to manage and monitor in real time all its activities and resources, making use of a single set of reliable substantive, financial and administrative data. The present document provides a progress report on the implementation of this system previously reported on in documents 171 EX/6 Part II, 172 EX/4 Part I, 172 EX/INF.5, 33 C/25, 174 EX/6 Part II and 175 EX/INF.18 Rev.

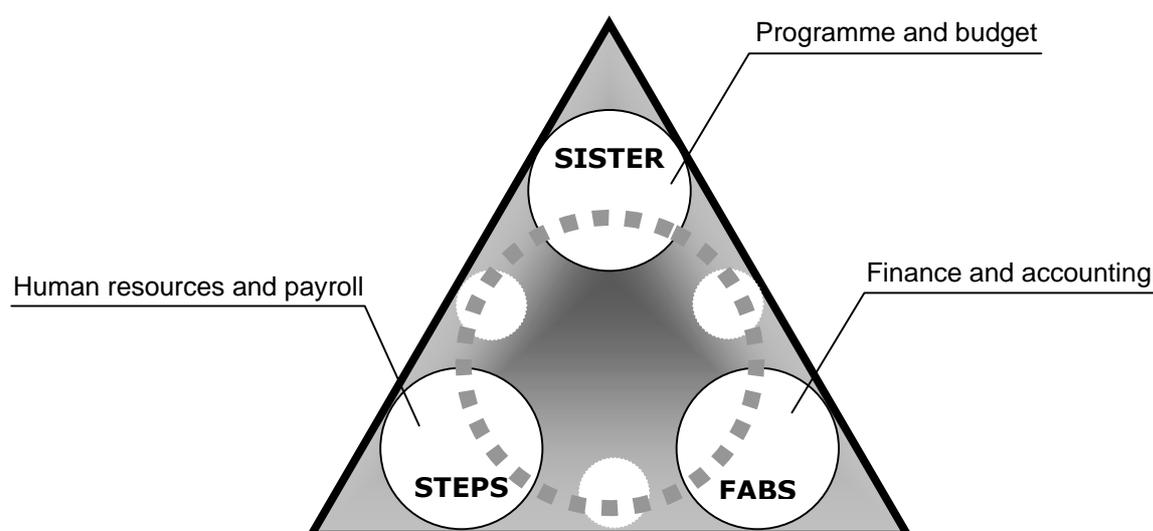


Fig.1: UNESCO's integrated management information system

The new SISTER: Towards participatory governance and shared ownership

2. It should be recalled that SISTER was first introduced in 1998 as a pioneering tool for programme and budget preparation, management, monitoring, evaluation and reporting, essential for RBM. As such, it has been playing a key role in the programme reform process by helping to place clear emphasis on results and impact and allowing programme implementation and progress to be monitored. After several years of operation, however, SISTER was yet to realize its full potential, due in particular to the fact that the technology used in the system had grown obsolete making it increasingly difficult for end-users to profit from the system's many functionalities. Following a comprehensive study, by early 2006, the system had been re-engineered on a new technological basis (SISTER-2). However, in May 2006, some concerns were voiced by programme sectors and field offices regarding a perceived insufficient involvement of programme staff in the system redesign. The College of ADGs considered the issue in July 2006 and decided to put further development of the tool on hold pending a review to be undertaken during the summer of 2006 by a dedicated Business Process Design Team (BPDT) reporting to a Project Steering Committee chaired by DIR/ODG.

3. The review focused on clarifying the purpose and the functional requirements of SISTER-2, both in terms of business processes and data. All main stakeholders and users from programme sectors and central services, at Headquarters and in the field, were largely consulted and participated directly in the work of the BPDT. It emerged from this exercise that the difficulties encountered with the system were not limited to the system implementation but, to a large extent, were related to the underlying business processes and to the degree of user involvement and

participation. Thus, the review and, more broadly, the exercise of developing SISTER-2 provide opportunities to learn some lessons for the implementation of other IT tools.

4. The review led to a number of important conclusions, notably:

- the confirmation of the technical platform and contractor chosen;
- the need to conceive a flexible, customizable and scalable tool that would adapt to UNESCO's changing needs and evolving environment (e.g. new characteristics of documents 34 C/4 and 34 C/5, reforms in programme sectors, or the new Table of Delegation of Authority and Accountability on extrabudgetary activities);
- the necessity to set up a governance structure for the new system, derived from the organs established for the review, that would manage change requests and pilot the development and implementation of future releases of the tool;
- the emphasis to be put on training and communication in order to build up user confidence and to enhance the utility and performance of the tool, as the system evolves from one version to the next;
- the importance of user participation during the development phase and their post-implementation feedback on issues arising from the day-to-day use of the system;
- the development of the new SISTER to be resumed; it should be noted that the Participation Programme is already using SISTER-2 for the process of evaluation of the requests received.

5. At present, the gap analysis between the user requirements identified during the review and the existing version of SISTER-2 is being finalized. Four Advisory Design Teams have been invited to establish a prioritized list of gaps to be addressed in the development of SISTER-2, with a view to deploying the first module of SISTER-2 (SISTER-2.1) during the spring of 2007 for managing document 33 C/5 and the second module (SISTER-2.2) during the summer, for preparing the 34 C/5 draft work plans. Continued user participation will be ensured in the development and introduction of successive releases of the system and members of the Advisory Design Teams have already been invited to become key resource persons for user acceptance tests as well as training sessions throughout the process.

6. Pending the introduction of SISTER-2.1, the current temporary tool (web-based forms) will remain in use so as to ensure that the additional time required for completing the development of SISTER-2 does not affect the Secretariat's capacity to monitor and report the programme activities.

7. More generally, a key lesson learnt from the review is that UNESCO needs to improve the overall organization and coordination of this kind of project, paying special attention to user involvement so as to ensure participatory governance and shared ownership of management information systems (see "Lessons learnt" in paras. 20-22 below).

FABS: A major milestone in the field roll-out reached

8. As reported previously, the limited budgetary and human resources available, both at Headquarters and especially in the field, dictated a phased and modular approach to the FABS roll-out whereby the system is deployed to a group of field units at a time and module by module. In this context, the roll-out of the Finance (FI) module has been regarded as a most important

milestone to reach¹ as it allows the field expenditure to be recorded in real time and accounting for all UNESCO's activities to be complete and timely.²

9. Since the 174th session of the Executive Board (April 2006), the Finance module of FABS has been deployed to 10 further offices, bringing the total number of offices using FABS-FI to 40³ and the number of trained FI users to 98. It should be noted that the same users attended SISTER training courses held back to back with FABS training in order to economize on travel expenses. At present, the deployment of FABS-FI to field offices is thus considered completed since it appears more cost-effective to bring the financial data of the remaining smaller offices into FABS through a simpler extranet tool, instead of deploying a full FABS solution. Furthermore, these offices currently lack the required human capacity. However, this approach may be reconsidered in the future if and when the situation of these offices evolves.

10. The deployment of FABS in the field offices has clearly contributed to a better management of their budgets and a timely accounting for their expenditure, in addition to economies of time, resources and materials due to the fact that they no longer have to process their imprests manually nor to send them to Headquarters. Most offices now respect accounts closing dates. The reduction of suspense accounts observed in 2005 is confirmed in 2006 as the field offices using FABS-FI had no suspense accounts at the end of 2006. The role of DCO continued to shift from imprest processing to back-stopping and internal controls monitoring, reducing its need for temporary assistance.

11. The next task of the FABS roll-out is the deployment of other key modules including the Material Management (MM) and Travel (TV) modules. This, however, requires some preparatory work, for example in order to simplify the MM solution used at Headquarters including the streamlining of contract types. Furthermore, the Travel module is receiving several modifications as a result of FABS-STEPS integration, which will need to be taken into account in field user training. The exact roll-out schedule also depends on the availability of funds as explained in paragraph 25 below.

12. A special case is the UNESCO Office in Brasilia (UBO). As reported previously, UBO already has a system of its own (SICOF) which it uses to manage important amounts of funds and a high number of transactions (over \$100 million annually, more than 1,000 payments per day). Since 2004, considerable work has been done in order to improve, as a first step, the interface between SICOF and FABS, which would allow to accelerate the transfer of data between the two systems, without necessarily going through the long and costly process of replacing SICOF altogether. Such an improved interface is in place for funds reservations since March 2005 and the expenditure registration part was ready by October 2005. However, it was then decided to postpone its introduction pending the management review of UBO and the reorganization of the Office including the installation of a new Administrative Officer. In the meantime, an internal audit confirmed that SICOF could not be considered a true accounting system and presented a number of flaws including security risks. Its replacement by FABS as soon as possible thus became a clear necessity. Currently, a project for the implementation of FABS in UBO is under preparation with an estimated required budget of \$0.5 million. Once the project is finalized and the necessary resources made available, it is expected to be completed within approximately 12 months.

¹ The first one was the deployment of the Funds Management (FM) module in 2003-2004 to 50 field units, including the training of some 100 users in funds reservations and budget monitoring.

² Since access to this module has a direct impact on the Organization's accounts, a special accreditation process was put in place, as described in detail in document 171 EX/6 Part II, to make sure that the recipient offices had the required capacities but also the necessary controls in place in order to be able to use this module safely and effectively.

³ Abuja, Accra, Addis Ababa, Almaty, Amman, Apia, Baghdad, Bamako, Bangkok, Beijing, Beirut, Cairo, Dakar, Dar es Salaam, Hanoi, Harare, Havana, Islamabad, Jakarta, Kabul, Kingston, Libreville, Maputo, Mexico, Montevideo, Moscow, Nairobi, New Delhi, Phnom Penh, Quito, Rabat, Ramallah, San José, Santiago, Venice, Windhoek, Yaoundé, CEPES (Bucharest), TWAS (Trieste) and UNEVOC (Bonn).

13. As far as UNESCO institutes and centres are concerned, three of them – IBE (Geneva), IIEP (Paris) and UIS (Montreal) – have completed their first year of operation in FABS. It will be recalled that UNESCO institutes and centres required a different approach compared with field offices because of their specific statute (including functional autonomy, specific budget cycle and reporting needs). Most importantly, they needed a comprehensive solution as opposed to a modular approach. Over the last year, and despite some inevitable difficulties at the start-up, the FABS users at the institutes have improved their technical and procedural skills and acquired greater self-confidence as far as the new system is concerned. In February 2007, the 2006 accounts of the IBE, IIEP and UIS were successfully closed in FABS and the remaining funds carried forward to 2007. This completed the full cycle of FABS operation for them and they can now be considered fully integrated.

14. It is now necessary to devise the most appropriate ways to include in FABS other UNESCO institutes and centres. Since they vary considerably in size, budget and human capacity, different solutions may be required. While some may receive the same solution as IBE, IIEP and UIS, others may need a simpler solution, probably similar to that used in field offices. This work also depends on the availability of additional funds (see para. 25 below).

STEPS: Final preparations for the go-live (Phase I)

15. The effective start of the STEPS project in early 2006 was followed by intensive workshops with representatives of all key services concerned, including HRM, DCO, BB and DIT in order to discuss user requirements and to prepare the detailed solution design (blueprint). It should be recalled that due to budgetary constraints (see paras. 25-26 below), the STEPS project is implemented in phases.

16. Phase I of the project focuses on the introduction of a core system including payroll, staff and posts management, time management and travel. Therefore, only basic functionalities grouped around the payroll will be available after this phase of the project, such as basic data on posts and staff, personnel actions, payroll calculations, travel management and reporting. The most “value-added” functionalities that would make a visible difference in the HR management – such as e-recruiting, performance evaluation and personnel development, training, online self-services and workflows – are foreseen in Phase II, subject to the availability of additional funds.

17. By August 2006, the blueprint for Phase I was finished and validated by a Validation Committee, composed of representatives of all key services as well as sector AOs, allowing the realization phase to begin. By December 2006, most of the core customizing of the new system was done, as well as unit tests and data migration from the legacy system. Currently, the remaining customizing and testing necessary for the go-live is being completed. Furthermore, between October 2006 and February 2007, more than 150 staff members from HRM, BB and AO offices were trained in 66 training sessions in order to prepare them for their future roles in STEPS. In addition, users received help cards to support them while on the job. Furthermore, refresh courses and on-the-job coaching are foreseen for 2007, once the system has gone live.

18. In order to double-check the new system configuration and the data quality, while allowing the future key users in HRM and DCO to gain sufficient hands-on experience, it was decided that the old and the new systems would run in parallel for some time, with data entered in both and the payroll calculation in STEPS compared with that done in the mainframe. The full parallel run started in December 2006 and continued through February 2007, allowing to fine-tune the system configuration and to steadily reduce the number of errors and discrepancies.

19. The user participation and acceptance of the system have been exceptionally good, during both the training sessions and the parallel payroll run. Notably, key users in HRM and DCO have been showing sustained interest and strong motivation, despite an increased workload during this transition period. It is planned to put the new system in operation by the end of March 2007.

Preparations will then start for Phase II of the project which should allow the Organization to benefit fully from a modern and comprehensive HR management system.

Lessons learnt

20. The new integrated system is implemented in a very complex IT environment characterized by the continuing existence of a multitude of information systems developed over the years in order to respond to legitimate but not necessarily coordinated requirements of the different services. The resulting lack of coherence among fragmented systems requires users to deal with several different applications for the accomplishment of their daily tasks.

21. While the new system, including SISTER, FABS and STEPS, is expected to remedy, to a large extent, this situation replacing as it does many of the disparate legacy systems and applications, it is itself affected by the fact that its different components had to be designed and implemented at different points in time and by different teams. This is largely due to the fact that the Organization has not been able to endow itself with sufficient resources to plan and implement a comprehensive programme of reorganizing its IT systems in an integrated manner. Apart from financial resources, such a programme aimed at streamlining all IT systems and aligning them with user needs requires a well-defined strategic roadmap based on long-term strategic initiatives, as well as specific competencies and human resources. At the same time, most of the currently available resources are busy with short-term development and operational activities, which results in a chronic under-investment in the areas of IT organization and governance.

22. Should additional budgetary resources be available, they could profitably be invested in the rationalization of UNESCO's overall IT system and the improvement of its governance. One concrete measure in this regard could be the preparation and implementation of a long-term IT strategy, to ensure that UNESCO gets the best of modern IT support for its programme delivery.

Costs and budget for management tools

23. It will be recalled that at its 30th session (1999), the General Conference noted that the total funds needed to replace UNESCO's systems for budget, finance, human resources and payroll would be in the range of \$19 million, including some \$10.7 million for the finance and budget system to be implemented in 2000-2001 (30 C/Resolution 84). It will further be recalled that only \$5 million was budgeted at the time and, consequently, the implementation had to spread across several biennia inevitably resulting in cost increases (see Tables 1 and 2 in the Annex).

24. As at December 2006, the expenditure for these purposes since 2000 amounts to \$17.5 million. Another \$10.5 million has been spent on the operation and maintenance (recurrent costs) of FABS since its "go-live" in 2002. The overall expenditure of \$28 million over the last seven years, as at December 2006, has been financed by the regular programme funds, FITOCA and extrabudgetary contributions from Japan, the United Kingdom and Germany, as well as the interest earned (see Table 2 in the Annex).

25. The funds budgeted in 2006-2007 for activities within the framework of 30 C/Resolution 84 included \$4 million⁴ for FABS (covering FABS maintenance and, partially, rollout to the field) and \$1 million for STEPS. At the same time, the launching of STEPS Phase I alone required at least \$1.8 million (including contract with SAP, project staff and equipment, and excluding user training). In the absence of any new extrabudgetary contributions, the missing funds for STEPS had to be secured through internal redeployment from the FABS Special Account thus delaying the implementation of a number of FABS activities, in particular those related to the rollout of the MM and TV modules and the inclusion in FABS of other UNESCO institutes as described in paragraphs 11 and 14 above. The completion of the FABS rollout, including the UNESCO Brasilia Office, would thus require some \$1.5 million of additional funds which are yet to be identified.

⁴ Instead of \$5 million in the previous biennium.

26. As far as STEPS is concerned, thanks to further internal redeployment (staff cost savings) the available budget currently stands at around \$2.4 million (including funds for user training from the house-wide training budget for 2006-2007).⁵ Based on the price of the implementation contract with SAP and the costs of additional equipment, temporary assistance and user training, the total implementation cost for STEPS at Headquarters may exceed \$3.5 million. As was already anticipated in document 171 EX/6 Part II and reiterated in document 174 EX/6 Part II, the new HR system will therefore be introduced in phases, starting in 2007, with priority given to the implementation of the payroll component to minimize the risk inherent in the existing legacy system.

27. With regard to SISTER (not covered by 30 C/Resolution 84), the related costs are met under the regular budget provision of \$400,000 in document 33 C/5 plus a provision of \$180,000 for staff costs under FITOCA.

Proposed draft decision

28. The Executive Board may wish to adopt a decision along the following lines:

The Executive Board,

1. Recalling 174 EX/Decision 5 (II),
2. Having examined document 176 EX/6 Part II,
3. Takes note of the progress made in the implementation of the integrated management information system, covering programming and budgeting (SISTER), finance and accounting (FABS) and human resources management (STEPS);
4. Further takes note that the funds identified so far are insufficient to complete the deployment of the system, in particular as regards the completion of the FABS rollout to the field and the implementation of STEPS;
5. Also takes note of the lack of appropriate resources, both financial and human, required for the development and implementation of a comprehensive long-term IT strategy;
6. Reiterates its appeal to the Member States for voluntary contributions (174 EX/Decision 5) so as to enable the Secretariat to complete the integrated management information system as well as to rationalize the overall IT system and the development of any new IT tools;
7. Invites the Director-General to pursue the implementation of the integrated management information system and to submit to it at its 179th session a progress report thereon.

⁵ Another \$500,000 is included in the \$25 million package to be funded by voluntary extrabudgetary contributions (and thus cannot be considered as secured).

ANNEX

Costs and budget of UNESCO's new financial and human resources systems

Table 1: Initial estimates and actual expenditure (in million US \$)

	Initial estimates ¹ 2000-2001	Expenditure (as at December 2006) 2000-2006	
	Development	Development	Operation ²
FABS	10.7	15.4	10.5
HR system	8.3	2.1	0.0
Total	19.0	17.5	10.5

¹ 30 C/Resolution 84.² Not included in the initial estimates.

Table 2: Budgetary provisions and allocations (in US \$)

	Budget 2000-2001	Budget 2002-2003	Budget 2004-2005	Budget 2006-2007
FABS	9,640,000	8,183,500	6,577,000	4,368,000
Regular programme (C/5)	5,000,000	5,000,000	5,000,000	4,000,000
Redeployment to STEPS	-	-	-	- 800,000
RP (carry-over)	-	1,100,000	-	-
RP (staff cost savings)	2,175,600	-	-	-
RP (training funds)	-	-	100,000	-
Extrabudgetary	2,000,000 ³	1,969,000 ⁴	1,358,000 ⁵	1,168,000 ⁵
Interest earned	464,400	114,500	119,000	-
STEPS	-	-	-	2,371,300⁶
Regular programme (C/5)	-	-	-	1,000,000
Redeployment from FABS	-	-	-	800,000
RP (training funds)	-	-	-	260,000
Extrabudgetary	-	-	-	311,300 ⁵
Total	9,640,000	8,183,500	6,577,000	6,739,300

³ Voluntary contribution by Japan.⁴ Including voluntary contributions by United Kingdom (\$1,100,000) and Germany (\$440,000) plus project staff costs funded from FITOCA (\$369,000).⁵ Project staff costs funded from FITOCA.⁶ Another \$500,000 is included in the \$25 million package to be funded by voluntary extrabudgetary contributions (and thus cannot be considered as secured).