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**REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS:
NEW CONTRACTUAL ARRANGEMENTS IN UNESCO'S PERSONNEL POLICY**

SUMMARY

This document was prepared pursuant to paragraph 5 of 160 EX/Decision 3.1.2, which reads as follows:

“Invites the Director-General to accelerate the introduction of new modalities for recruiting experts on contracts for projects of limited duration, to propose measures and to report to it at its 162nd session.”

Decision required: paragraph 19.

Introduction

1. In his report on the reform process to the 160th session of the Executive Board (160 EX/6), the Director-General touched upon the significant changes that are taking place within the United Nations system regarding contractual arrangements. It was recognized that the multiplicity of contract types were too complex, too rigid, administratively complicated and out of step with current organizational needs. He therefore announced his intention to review contractual arrangements in use throughout the United Nations system, including short- and fixed-term contracts, Special Service Agreements (SSA), Appointments of Limited Duration (ALD) and continuing contracts, with the objective of making the improvements required to UNESCO's arrangements.

2. In response, the Executive Board invited the Director-General to accelerate the introduction of new contractual arrangements for recruiting experts for projects of limited duration, to propose measures and to report to it at its 162nd session (160 EX/Decision 3.1.2(I), para. 5). The purpose of the present paper is to report on the progress made by the Secretariat to that end.

3. The goal of the reform is to identify contractual arrangement(s) that would enable the Organization to react quickly and adequately to emerging issues in its field of competence. Due to the shifting nature of needs and priorities in the Organization's programmes, it is expected that the use of posts with limited duration in the Professional category will increase in UNESCO. The versatility of the Secretariat to grapple with these fluctuations will largely depend on a category of staff whose contracts provide the Organization with the necessary fluidity in terms of appointment, tenure, turnover and skills required. However, the contractual status of staff currently holding appointments with the Secretariat would continue to be respected.

Current situation

4. The Secretariat has hitherto used mainly three types of contractual arrangements – fixed-term appointments or temporary appointments, both governed by the Staff Regulations and Staff Rules and consultant contracts under the provisions of the UNESCO Administrative Manual. An attempt was also made to introduce fixed-term appointments under the 200-1 to 212-4 series of the Staff Regulations and Staff Rules for specialists.

5. These devices that were designed for recruiting regular staff, do not permit the necessary flexibility needed in projects of limited duration. They have proved to be inadequate tools for engaging the services of individuals quickly, as the recruitment process has often proved cumbersome. They have inevitably given rise to the expectation of renewal of contracts and longer term employment.

6. The existing short-term contractual arrangements are also inappropriate to cover mid-term operational needs. Designed to cater for temporary assistance in dealing with peak workloads, they do not confer the protection of staff member status and appropriate social security coverage.

Appointments of limited duration

7. After examining most contractual arrangements in use throughout the United Nations system, the Director-General considers that the contractual arrangement developed by the United Nations Secretariat under the 300 series of its Staff Rules for appointments for limited duration provides an appropriate model for UNESCO's adaptation. It has enabled the United

Nations Secretariat to react quickly to emerging issues (e.g. peacekeeping, humanitarian missions, technical cooperation in the field and other emergency operations) and to recruit and deploy large numbers of staff much faster than with regular appointment modalities, largely owing to the administrative simplicity of the pay package. No contractual obligations or expectations were created in the long term with staff recruited under that arrangement. Administrative simplicity, cost effectiveness and optimization of resources had resulted from the use of this contractual arrangement.

8. As the International Civil Service Commission (ICSC) has already authorized the use of this contractual arrangement throughout the common system, its introduction in UNESCO will align the Organization to other agencies of the United Nations system. The Organization will also spare its efforts and resources it would have otherwise expended if it were to create an original contract.

Main characteristics

9. Appointments of Limited Duration (ALD) are intended for assignments not expected to exceed three years, with a possibility of extension, exceptionally, for a fourth and final year. Under no circumstances will an extension beyond four years be granted. The ALD does not carry any expectancy of automatic conversion to any other type of appointment.

10. In addition to staff member status, the ALD provides adequate social security coverage including pension and medical insurance, in line with the concept of the United Nations system as a good employer. Salary is established as one lump sum amount. This amount is determined within a range or band corresponding to the net base salaries (gross base salary minus staff assessment) at current grades or groups of grades. Additions to this base take into account, *inter alia*, a number of allowances and benefits applicable to regular staff, which are incorporated in the lump sum remuneration.

11. The Director-General envisages to utilize this type of contract based on the principles and guidelines set out by the ICSC, as outlined below.

Principles

12. In the recruitment of staff under ALD, the highest standards of efficiency, competence and integrity will be the paramount consideration as for other staff. The independence and international character of the international civil service will be preserved. Due regard will also be paid to geographical and gender balance.

13. The ALD will not be used abusively to extend the employment of staff or be at the expense of the core international civil service. Care will be taken to ensure a reasonable correlation with the conditions of service of other groups of staff such as compatibility with job classification principles (equal pay for equal work). The ALD should not create competition for staff among United Nations agencies.

14. In line with the spirit of dialogue that governs staff-management relations, these arrangements will be developed with staff consultation, characterized by transparency and feedback.

Guidelines

15. ALD staff will be bound in their conduct by the obligations pertaining to the staff members of UNESCO. They will have the status of “Official” in terms of the Convention on

the Privileges and Immunities of the United Nations and the conventions of the specialized agencies.

16. In general, ALD staff will enjoy the same leave entitlements and service-incurred personal injury insurance coverage as staff governed by the UNESCO Staff Rules.

Implementation

17. The appointment of limited duration will be utilized for professional or programme specialist functions (i.e. not for support/clerical services) and will cover projects or activities of limited duration. As part of the move towards results-based programming and budgeting, it is expected that a clearer distinction will progressively be made between permanent, long-term activities and projects that are subject to sunset clauses. While regular activities will be the responsibility of the core staff, ALD staff will service projects of limited duration.

18. At the pilot stage of implementation of ALDs, the Director-General proposes to utilize them in areas of technical cooperation in the field and extrabudgetary projects. If the governing bodies will endorse his proposals, he intends to finalize the establishment of these contractual arrangements, in consultation with staff representatives.

19. In the light of the above, the Executive Board may wish to consider adopting the following draft decision:

The Executive Board,

1. Recalling 160 EX/Decision 3.1.2 Part I, paragraph 5,
2. Having examined document 162 EX/5,
3. Thanks the Director-General for the measures taken to date in order to develop a new type of contract for recruiting experts on contracts for projects of limited duration;
4. Endorses the main characteristics, principles and guidelines pertaining to the Appointments of Limited Duration proposed by the Director-General;
5. Invites the Director-General to continue his work to this effect taking duly into account the views expressed on the subject by the Executive Board at its 162nd session.