



FIFTH COMMITTEE REPORT

30 OCTOBER – 3 NOVEMBER 2006

This week the Fifth Committee held its general discussions on, *inter alia*, Human Resources Management. On 31 October, informal consultations were held on procurement reform while on November 2nd informal consultations were held on human resources management and the Joint Inspection Unit. Please find below a summary of the issues presented and raised.

PROCUREMENT REFORM CTD

OCTOBER 31, 2006

INFORMAL CONSULTATIONS ON PROCUREMENT REFORM

Document

Addendum five of *Investing in the UN: for a stronger Organization worldwide A/60/846/Add.5*

Secretariat's presentation on:

- Best Value for Money principle
- Statistics Clarification - Procurement from developing countries and countries in transition

The meeting reportedly dealt with questions that were left unanswered from the previous meeting as well as further *Questions and Answers* (Q&A) regarding the **Best Value for Money** principle. Answers were provided by Paul Buades (Chief of Procurement Service) and Jayantilal Karia (Director of Accounts Division). In addition, Paul Buades made a presentation on **Procurement from developing countries and countries in transition** which was also followed by a Q&A.

Summary of Karia's answers to previous questions

- Karia reiterated that currently the procurement division does not have the in-house capacity to deal with the increase of procurement, which went from 1.1 billion USD overall in 2001 to currently more than 1.8 billion USD, mostly due to an increase in peacekeeping missions which involves a great deal of complexities. The staffing resources have not kept in line with the increasing demands and that is why seventeen additional posts are requested. The reform process also takes staff time.
- As to internal controls, the Secretariat is undertaking a series of improvements in the areas of governance and ethics.
- Information on current tenders is available on the improved website.
- As to a brokerage commission, for certain types of awards, such as insurance or ship chartering, commissions are provided and these commissions are detailed in the proposals that procurement receives.
- As to the question on investigations, Karia explained that OIOS deals with this.
- As to the question about immunity, the Secretary General has clearly indicated that he will not hesitate to waive immunity when warranted, based on a case by case basis, and involving the local government.

Summary of Ruedas' answers to previous questions

- Regarding the delegation of authority, there is a clear chain of command. Appointment letters of procurement officers make it very clear that there are limits of delegation and that there are consequences in case of failure. Transferring delegation does not mean one still does not have authority and responsibility.

- As to the control environment, this is based on the function of the post, not on the specific individual.
- The procurement plan is meant to organize priorities and it is posted on the website as a good indicator of upcoming procurement for vendors.
- As to control of cumulative contract awards, the current system alerts procurement in this regard.
- A Vendor Review Committee will be established by the Secretariat in case of serious allegations as set out in Paragraph 29 of Addendum 5.
- As to the question of vendor performance, this is done by both Headquarters and the relevant Mission. Evaluations are done once a year.
- As to the question on the review of financial threshold (currently at \$200,000), an analysis is provided in Par. 4 of Addendum 5.
- The IT system of procurement currently works with two systems, and there is a gap which makes it necessary to make transfers between the systems. Addendum 5 goes into the pros and cons of options to improve this until the ERP (Enterprise Resource Planning) comes on board.
- As to the optimalization of UN acquisition, procurement works on this every day, bearing best practices from the corporate world in mind as well as e-commerce.
- Complexities especially occur in the case of procuring food and fuel which often involve more legal issues. These also increase the organizational risks.
- Backlogs in procurement cause delays and dissatisfaction among the customers and vendors.
- New staff will have to undergo an induction programme.

BEST VALUE FOR MONEY – SUMMARY OF SOME OF THE QUESTIONS AND ANSWERS

How does the procurement evaluation process work? How is the principle of Best Value for Money applied? How often has it been applied?

Ruedas reportedly explained the procurement evaluation process especially with regards to the various criteria that are applied. Procurement does a technical and financial evaluation and depending on various parameters (open market or monopolistic situation), different weights are attached to these varying from 30% to 70%. In a monopolistic situation, typically a 30% weight is attached to the technical evaluation and 70% to the financial evaluation. In the case of an off the shelf product, we only allocate 40% on the technical evaluation. In the case of limited risk, we apply the more conservative 50/50 weight to each. The principle of Best Value for Money was applied in 110 tenders in 2004 and 2005.

Who establishes the weights? What are the internal controls? Difficult and subjective choices have to be made by procurement personnel – what is in place to help them make the decisions? How is it transparent – do vendors know how and when it will be applied?

The technical and financial aspects are discussed with those that make the requisition. An evaluation of the criteria results in a pass or fail. Other criteria taken into account are the lifecycle costs, impact on the environment etc. The group of criteria should be satisfying to the customer. Financial health of a supplier is important as is their capacity. Best Value for Money is applied according to the rules in the procurement manual. The allocation of percentages is not disclosed to vendors, only to HCC as a recommendation. [One state noted that last year Member States were informed that vendors were notified about the percentages from the beginning.] The controller gives final approval ensuring internal control. HCC will not make changes regarding the weights but rather reject the recommendation altogether. Another report from OIOS is forthcoming on the Best Value for Money principle.

Have there been disadvantages when applying the principle? Why was it introduced?

There are no clear disadvantages but sometimes there is no added value, e.g. in cases of acquisition of equipment which is mostly a routine process. It was introduced because it is generally considered best practice and it is part of the financial regulations. The GA approved it.

How do you rate your experience with the principle? To which areas are the principle applied – all services or are there limitations?

The Secretariat can provide more background on how the principle has been applied and in which sectors and countries. The Secretariat cannot provide the names of relevant companies as such information is not made public.

Can we have organigram explaining how the decision on weights is made, showing procured from inception to awards – maybe this will clarify things? The flowchart which we saw earlier was never discussed.

It might help if we had examples of procurement cases, e.g. peacekeeping (helicopter). How is it done in practice, compared to food, e.g. rice?

When regulations were breached, was legal action taken, were penalties handed out?

Yes, if there is a contractor that does not meet its obligations, we exercise our authority by e.g. collecting on the performance bond. Sometimes legal actions will be contemplated also. Within the UN, we usually go through an arbitration process.

When requests are made, does procurement consider whether the right thing has been requested?

If a requisition is made for an exotic car we would question it. But mostly, it is up to the certifying officers - those who make the requisition - it is their responsibility.

When was the procurement manual last updated?

The procurement manual was last updated in August 2006

Who are the members of the working group on procurement reform? How many are they – do the same members go to all meetings? What is it supposed to do? What sections are they from? Does it come up with proposals?

The Secretariat explained that it is not a practice to provide names. Members are from the Department of Management and the Department of Peacekeeping at D1 and P5 levels. They come from contracts and procurement, DPK logistics and mission support services. A report will be provided on the working group.

PRESENTATION: PROCUREMENT FROM DEVELOPING COUNTRIES.

Paul Buades (Chief of Procurement Service) provided a slide presentation [[link](#)] on procurement from developing countries.

Comments and questions reportedly included:

- Are there more innovative ways to increase procurement in developing countries apart from holding seminars? What else can we expect to increase capacity building in developing countries?
- Is one P3 (professional staff, level 3) enough to improve procurement in developing countries?
- What has been the outcome of the seminars?
- Can we have a schedule of upcoming seminars?
- What is the role of host countries where the seminars are held? Are the costs shared? When was this decided?
- As to procurement in developing countries, we would like to receive a breakdown on food, vehicles etc. Can the Secretariat provide intuitive figures, graphs?
- Are seminars held in particular regions? Isn't the impact limited if not many companies are operating in those regions?

The Secretariat answered that the P3 plans and coordinates the seminars and liaises with the host country. Others from the Secretariat are involved. Section chiefs participate and conduct the seminars. Six seminars are planned for next few months. For the near future, 12-18 more are planned. The local expenses are not in our budget and are borne by the host country. The Secretariat pays for the DSA (Daily Subsistence Allowance) and travel costs of Secretariat staff.

Though the current system is limited, the Secretariat will do its best to provide intuitive tables and graphs on procurement in developing countries.

Seminars should indeed not be held in regions where few possible vendors operate.

Klaus de Rijk, chair, closed the meeting explaining that there will be one more Q&A session, not next week but in the week after that. Delegations are requested to put additional questions in writing so that answers can be provided before the next meeting.

The briefing on the *Lead Agency Concept* and the *Contract Award Protest* (formerly, 'Bid Protest') will take place at a later time.

HUMAN RESOURCES MANAGEMENT

GENERAL DISCUSSION ON HUMAN RESOURCES MANAGEMENT

October 30-November 2, 2006

Background

"Investing in People – Report of the Secretary General," A/61/255, deals with topics relating to reform measures regarding the UN's human resources management framework. In particular, in the area of recruitment and staffing, the document discusses previous reforms and then continues by discussing the impact of these reforms. One of the major impacts is that the reforms undertaken have resulted in greater consistency in recruitment and staffing through the institutionalizing of organizational standards and encouragement of proactive human resources planning. Consistency and objectivity have been enhanced in the review of cases, and the use of the human resources action plan has resulted in enhanced planning, monitoring and accountability as well. There is still work to be done and the report proposed specific measures to further the reform process. Proposal 1 included steps for the development of a more proactive, targeted and speedy recruitment system which includes:

1. More extensive outreach based on strategic workforce planning
2. Use of rosters of pre-screened candidates
3. Establishment of a recruitment staffing centre to support managers in their selection of staff
4. Reduction of the advertising time for vacancy announcements to 30 days
5. Expedited recruitment processes for surge needs
6. Expanded career opportunities for serving staff and the creation of a broader pool of talent by eliminating eligibility restrictions
7. Revision of examinations and job profiles to match current needs
8. Strictly enforced compliance with geography and gender targets
9. Aiming to reduce average recruitment times by one half.

It is expected that these proposals will enhance the Organization's ability to attract and retain high-quality staff who meet organizational standards; give the Organization important tools to expedite and streamline the staff selection process; facilitate more consistent application of organizational standards throughout the Secretariat, thus enabling the Organization to full benefit from its global pool of talent; better workforce planning and overview of the staffing situation and needs, including field operations; allow the Organization to be proactive and strategic in identifying candidates who profiles meet the needs; and reduce high vacancy rates and allow for rapid deployment of personnel by streamlining the administrative process. Managers, the Office of Human Resources Management, and central review bodies and staff will be responsible for ensuring effective and efficient implementation of these measures.

For Summaries of Member States Statements at the General Discussions please see:
DPI Press Releases of October 30th, November 1st and 2nd.

INFORMAL CONSULTATIONS ON HUMAN RESOURCES MANAGEMENT

2 NOVEMBER, 2006

Ms. Jan Beagle, Assistant Secretary General, Office of Human Resources Management (OHRM), was present at the Informal Consultations, chaired by Mr. Morteza Mirmohammad of the Islamic Republic of Iran, on November 2nd in order to answer questions raised by Member States on the issue of Human Resources Management Reform.

Member States' concerns touched upon some of the main issues included in A/61/255, namely the establishment of a new recruitment center within the OHRM, pre-screened candidates rosters, reduction of recruiting times, geographical and gender targets and accountability among others.

Establishment of a Recruitment Center

Member States asked the Secretariat to explain the purpose of establishing a "Recruitment Center." What would be its mandate, what activities it is supposed to be carrying out etc...

Ms. Beagle explained that the establishment of a new recruitment center - which could be also a unit or department - is an important asset meant to professionalize recruiting. Currently, the process of recruitment is only passive, when it should instead be active. Recruiters are still not able to obtain the profiles needed so that it is easier to meet the gender, geographical and technical requirements. More specialized personnel with knowledge of the job market as well as better screening tools, such as staffing systems to manage all the applications that are received, are needed. The recruitment unit within OHRM would be charged with these tasks.

Reduction of advertising time

Member States raised a number of objections to the reduction of the time for the advertisement of positions:

- Considering that the bottleneck that is slowing down the recruiting process seems not to be the time a position is advertised (60 days), but rather the time it takes to review the applications (114 days out of the 174 days that the total process takes on average). To speed up recruiting, the latter part of the process should be addressed rather than reducing the time for the advertisement of a position.
- Reducing the time of advertisement of positions from 60 to 30 days would be detrimental to applicants from developing countries where individuals do not have equal access to technology as individuals from developed countries do.
- There are currently two systems of recruitment, one is internal and requires approximately 30 days for the advertisement of the position while the other is external and requires 60 days for the advertisement. How many people are being employed through the internal system? How many through the external? Statistics of this type of data would be welcomed. Will this system remain in place with the new recruiting process?
- In terms of the kind of positions that would see their advertising time reduced to 30 days, what does the Secretariat mean by "specific vacancies"?

Ms. Beagle explained that reducing the time of advertisement of the positions is only one of the elements that will improve recruitment. The Secretariat is trying to put up in place a series of mechanisms that will speed up the recruitment process. The shorter duration of the postings (from 60 days to 30 days) will only affect specific vacancies for which recruitment is needed immediately and for which there is a very specific job description. This will only happen for very specific positions and job profiles and will be very few.

The reason why we are taking such a long time to review applications is because the staff is doing that in addition to their daily tasks. Thus, working upfront to build pre screened rosters where managers are able to find suitable candidates that have been already screened should obviate this problem and substantially reduce the recruiting time.

Of course, if Member States decide that they prefer to keep the 60 day advertisement period, we will not adjust it.

With the new system everyone would be on the same footing and thus distinctions between internal and external candidates will be eliminated. Also, general service staff will be able to compete while this is currently not possible.

Geographical and Gender imbalances

Member States raised a number of concerns related to the lack of implementation of geographical and gender requirements in the recruiting of UN personnel:

- Nothing tangible seems to have been done on the question of geographical representation. How are you currently addressing this issue? How do you plan to address it with the new system? How would it liaise with DPKO and with the agencies on the field?
- How would you ensure representation of geographical requirements with specific positions when the advertisement time is reduced?
- Will the recruitment unit itself be geographically and gender balanced?
- How do you ensure that geographical and gender requirements are enforced? Where does accountability lie? How many years of failing to comply with geographical and gender requirements does it take for delegation of authority to be withdrawn? Who makes this decision?

The Secretariat explained that in terms of how they are currently trying to meet the geographical and gender targets, a Human Resources action plan was issued and senior management of Human Resources departments were asked to comply with it. There has been some progress, but more needs to be done. Currently, departments are requested to justify the recruitment of candidates that do not meet geographical and gender requirements.

Departments that do not meet geographical and gender targets will be monitored and if there is no improvement in how the required targets are met, delegation of authority will be taken away. It has also been decided that when recruitment of overrepresented gender and countries occurs it has to be thoroughly justified and will be approved by OHRM. The amount of time that delegation of authority will be taken away will be decided by Central Human Resources at Secretary General level.

The new recruitment system will work very closely with DPKO, with whom OHRM is already working in tandem, and with local agencies.

Pre-screened candidates rosters

Member States raised a number of questions with respect to how the use of rosters of pre-screened candidates will improve the recruitment process. Whether with this kind of rosters the positions available will still be advertised and, if not, would this not be detrimental to the successful application of candidates from unrepresented and underrepresented countries. Member States also asked whether there would be a ranking on the roster, how many pre-screened rosters will be created, what will be the criteria used and how will candidates be selected from a broader pool for specific positions. Questions were raised also in regards to the treatment of candidates on the rosters and their expectations.

The Secretariat explained that the reason why the current roster is not working is that now rosters are created only for single positions, the system is old, fragmented and not integrated. The concept of how we recruit personnel with the new system will be different. People now apply for posts and while some are selected, some others go on the roster. With the new system, the intention would be that of recruiting for group vacancies against specific job profiles. First, we will review the applications through Human Resources IT screening and then a group of experts - comprised of staff from the area/department which asked for that particular position - will look at the candidates' applications. Candidates meeting the criteria will be included in the rosters and will be retained in the rosters for two years. There is no ranking of candidates in the rosters.

This system will be managed by better technology, as opposed to "galaxy" which is the homegrown system used to date. The new technology will be able to indicate candidates from underrepresented countries or women candidates. Better technology will be an important asset in trying to cut the time of recruitment of personnel as well as to address geographical and gender imbalances.

With respect to the number of pre-screened rosters to be created, this will depend on the number of rosters we think will be necessary. As far as staffing of missions and staffing of "tsunami-like" situations, we would have a formula for expedited recruitment and pre-screened rosters will help us to do it more efficiently.

As far as the treatment of candidates is concerned, this will depend on how efficient our IT system will be in enabling personnel to be more easily in touch with candidates on the roster.

JOINT INSPECTION UNIT

INFORMAL CONSULTATIONS ON THE JOINT INSPECTION UNIT

NOVEMBER 2, 2006

The meeting was chaired by Mr. Andriy Nikitov (Ukraine) and focused on **waivers of immunity**. The chairperson of the JIU and staff from the Office of Legal Affairs (OLA) were present to answer questions from Member States. In case of a criminal investigation conducted by a Member State, the UN Secretary General may waive the immunity of the relevant UN official. Issues reportedly raised at the meeting concentrated on whether there are specific guidelines or procedures in place for waiving immunity; when the Secretary General has to inform the General Assembly or its President about the waiver (prior to the waiver or post facto in certain cases); and whether the Convention on Privileges and Immunities can overrule procedures detailed in the Code of Conduct.

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