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United Nations Common System

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith, for consideration by the General Assembly, a statement adopted by the High-Level Committee on Management at its fourth session (7-8 October 2002) on behalf of the United Nations System Chief Executives Board for Coordination (see annex).

Annex

Statement by the United Nations System Chief Executives Board for Coordination

The Executive Heads have repeatedly expressed concern over the lack of competitiveness, flexibility and responsiveness in the current pay and benefits system. They therefore welcome the proposals put forward by the International Civil Service Commission to reform that system. These proposals complement the management reforms being carried out in all United Nations system organizations. They also provide a much needed basis for the improvement of organizational performance. In particular, the Executive Heads consider the development of a more flexible job classification system and the creation of a senior management service to be among the most crucial elements of the Commission's reform proposals.

In this context, the Executive Heads reaffirm the importance they attach to updating the Noblemaire Principle, *inter alia*, to reflect, as they stated in 1994, the internationalization of the labour market. More than ever before, organizations are competing with a broad array of institutions for staff of the highest competence. It is imperative that this reality be reflected in the formula used to set pay in the United Nations system.

Concern for the competitiveness of United Nations conditions of employment has been expressed by the General Assembly and the governing bodies of other common system organizations on numerous occasions. For example, in section XII, paragraph 1 of its resolution 55/258 of 14 June 2001, the General Assembly endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions that a competitive package of conditions of service is a prerequisite if the reform of human resources management is to succeed.

The General Assembly and the Executive Heads have repeatedly requested that the existing imbalances in the current margin at different grade levels be addressed, not least in order to recognize and strengthen managerial capacity. The Executive Heads therefore fully support the recommendation of the International Civil Service Commission to restore the margin to its desirable mid-point by granting a differentiated salary increase for the Professional and higher categories.

The General Assembly plays a key leadership role in the determination of conditions of service not only for the United Nations but for all 23 organizations of the common system. In endorsing the proposals of the International Civil Service Commission, the Assembly has the unique opportunity to set in motion the most fundamental management reforms since the inception of the United Nations. Not only will these reforms uphold the common system, but they will strengthen the international civil service and help reinvigorate organizations to meet the missions they have been entrusted with for the twenty-first century.

The case for these reforms is compelling: the dangers of not reforming the system far outweigh the challenges associated with implementing these initiatives. The Executive Heads call on the General Assembly to request the Commission to give the highest priority to completing its work in this area.