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PERSONNEL MATTERS, INCLUDING COMPOSITION OF THE SECRETARIAT

Report by the Director-General

Summary

Provides information on the implementation of the staff separation and redeployment programme including financial and budgetary aspects, composition of the Secretariat and other personnel-related issues.

CONTENTS

Introduction

1. The present document provides information on the following matters: (a) the implementation of the staff separation and redeployment programme, including financial and budgetary aspects; (b) composition of the Secretariat; (c) system-wide developments and consequent amendments to schedules I and III to the staff regulations; and amendments to appendices A and C to the staff rules; (d) UNIDO Staff Pension Committee; and (e) action required of the Board.

I. IMPLEMENTATION OF THE STAFF SEPARATION AND REDEPLOYMENT PROGRAMME

Abolition of posts

2. The General Conference at its seventh session in decision GC.7/Dec.16 approved the 1998-1999 programme and budgets, which reflected a 20 per cent budget reduction including a net abolition of 143.5 posts. This number excludes the new General Service posts approved for the field and the possible reduction of posts in Buildings Management Service should this service be transferred to another organization in 1999.

Staff separation

3. In document IDB.18/15/5/Rev.1, Member States were provided with an estimate of the number and cost of staff separations on the basis of the 143.5 abolished posts foreseen in the 1998-1999 programme and budgets. The estimate of 123 staff (43 P and 80 GS) at a cost of $15.9 million took account of: (a) vacant posts in programmes having post abolitions; (b) the transfer of posts to the field; (c) the placement on UNIDO posts of Professional-level field staff financed from United Nations Development Programme funds in 1997; (d) the financial vacancy factor in the 1998-1999 budget; and (e) the limited possibilities for redeployment to vacant posts of staff occupying posts to be abolished, having regard to the programmatic requirements of the Business Plan and the approved programme and budgets.

4. Based on decision GC.7/Dec.17, a voluntary separation programme was promulgated on 9 January 1998, following staff management consultations, as foreseen in Article V of the Staff Regulations. The impact of the voluntary programme in terms of staff numbers is shown in table 1.

5. The voluntary separation programme was so conducted as to take account of the policy and guiding principles adopted by Member States in decision GC.7/Dec.17 as well as the severe financial constraints facing UNIDO and the resulting imperative to contain the cost of the staff separation programme.

Table 1. Personnel impact of voluntary separation programme

	Profes-sional	General Service	Total
(1) Applications from staff	28	89	117
(2) Applications rejected	9	16	25
(3) Separating staff	19	73	92
(4) Staff due to retire[a]	5	2	7
(3) + (4) Total staff	**24**	**75**	**99**

[a]Charged to the Separation Indemnity Fund (SIF).

Programme budget considerations—Cash availability

6. The financial impact of the voluntary separation programme is presented in table 2. In implementing the staff separation programme, the Director-General recognized that the budgetary approval for the staff separation programme in decision GC.7/Dec.17 was not backed by cash resources. The securing of funds to finance the programme was of utmost importance to avoid a severe financial crisis. To this end, the Director-General reduced cash outflows through the introduction of stringent controls on expenditures and disbursements. The cash resources thus secured, together with the cash surplus from the 1992-1993 unutilized balances and the remaining balance of the 1996 staff separation reserve, were utilized to finance the immediate costs of voluntary separations. Of the estimated cost of the voluntary separation programme of $10.8 million, an amount of $8.3 million had been disbursed/committed as at 31 March 1998.

7. In the absence of the necessary cash resources to fully implement staff separations in line with the programmatic demands of the Business Plan and the approved programme and budgets, the targets of the mandated budget reductions had to be achieved while containing related expenditures and, as a result, the number of staff separations. Thus, the voluntary separation programme was combined with a staff redeployment programme, whereby staff members who encumbered posts abolished or, as a result of programme and budget provisions, were without post and who were not included in the voluntary separation programme were, under the 1998-1999 budgetary provisions, redeployed to programmes having vacant posts or were assigned to programmes on vacant posts provisionally borrowed from other programmes. The decision to limit the number of separations through staff redeployment was taken after giving careful attention to the following budgetary and programmatic considerations:

(a) From a budgetary viewpoint, it was important to ensure that overencumbency of 1998-1999 posts be avoided, i.e. budgetary resources for 1998-1999 should not be overspent;

(b) From a programmatic viewpoint, it was necessary to ensure that resource allocations in terms of posts be utilized in accordance with programmatic requirements.

Table 2. Financial impact of voluntary separation

	Number of approved applications	Full-time equivalents	Staff due to retire (costs charged to SIF)	Total charged to SIF	Cost US$
	(1)	(2)	(3)	4 = (2+3)	(5)
Professional	19	19	5	24	3,970,714
General Service	73	65.5[a]	2	67.5	6,772,811
Total	92	84.5	7	91.5	10,743,525

[a]Excluding General Service field staff.

8. As it was not feasible to fully reconcile both the budgetary and programmatic demands in the absence of cash resources to effect further separations, the Director-General determined that budgetary considerations should take precedence in the short term.

9. Therefore, through the voluntary separation programme and redeployment of staff, the Director-General achieved the necessary budgetary reduction and was able to ensure that the financial credibility of the budget was maintained. However, in view of the possible negative impact on the programmes affected by such assignments, a further review of staff redeployments and utilization of redeployed posts will need to be made having regard to programmatic requirements. Thus, a staff separation programme may still be necessary in cases where the skills profile of redeployed staff does not meet programmatic needs, or alternatively, where staff members have been redeployed to posts provisionally borrowed from other programmes.

10. Table 3 provides a reconciliation of the estimates presented to Member States in document IDB.18/15/5/Rev.1 and the current estimates. The projected unutilized balance of $5.1 million reflects a number of factors related to the number of staff separating and the average cost of separations. These factors include: (a) reduced expenditures due to the lower actual number of staff separated and charged to the SIF; (b) actual costs compared to estimates; and (c) the shorter period of overencumbency of posts.

Table 3. Reconciliation of estimates

	Staff			Provisional costs (millions of US$)		
	P + above	GS	Total	P + above	GS	Total
IDB.18/15/5/Rev.1	43	80	123	7.9	8.0	15.9
Voluntary separations (full-time equivalents, including staff due to retire charged to SIF)[a]	(24)	(67.5)	(91.5)	(4.0)	(6.8)	(10.8)
Staff transferred to otherfunds[b]	(8)	-	(8)	-	-	-
Change in vacancy assumptions	-	(2.5)	(2.5)	-	-	-
Staff not separated/unspent balance	11	10	21	3.9	1.2	5.1

[a]See table 2.

[b]Extrabudgetary and ad hoc posts.

11. Table 4 shows the situation as at 1 April 1998 with regard to established posts and staff on board on such posts following the implementation of the voluntary separation programme.

Table 4. Budgeted posts and staff on board (1 April 1998)

	Profes-sional	General Service	Total
Established posts 1998-1999	288	279.5	567.5
Staff on board on established posts	264	272.0	536.0
Budget vacancy factor (5% for Professional, 3% for GS posts)	14	8.0	
Available posts	10	(0.5)	

Notes: 1. Excludes Buildings Management Service and field GS staff.

2. Nine GS posts will be abolished as of 1 January 1999.

12. In view of the number of vacant posts as at 1 April 1998, a limited opportunity exists in budgetary terms to utilize the resources from vacant posts to employ staff. This will assist in the acceleration of programme implementation following the disruptive process of staff separation and organizational restructuring.

II. COMPOSITION OF THE SECRETARIAT

13. Following the review of applications described above, a total of 19 applications from staff in the Professional and higher categories were approved, of which 6 (32 per cent) were from women staff members, and 73 applications from staff in the General Service category. Of the 25 applications rejected, 9 were from Professional-level staff of which 3 were from women.

14. Table 5 indicates the total number of staff who had separated as of 28 February 1998 or will separate after special leave without pay in connection with voluntary separation. Table 6 shows the total number of staff who separated through natural attrition during the period 1 January through 28 February 1998. The figures are broken down by category, gender and division under the organizational structure applicable prior to the new structure announced in Director-General’s bulletin UNIDO/DGB(M).79 of 9 February 1998 and subsequent bulletins. Table 7 shows the total number of staff in the Professional and higher categories and in the General Service category before and after the implementation of the voluntary separation programme, and takes into account natural attrition and recruitment. Table 8 shows the geographical representation of staff in the Professional and higher categories whose appointments are subject to geographical distribution before and after the implementation of the voluntary separation programme and takes into account natural attrition.

Table 5. Staff separated in the voluntary separation programme
(as of 28 February 1998)

Category	**GM**	**CFD**	**RPD**	**HEPD**	**ISED**	**ITPD**	**DA**	**TOTAL**
Professional	3	6	0	2	3	4	1	19
Female	2	3	0	0	1	0	0	6
Male	1	3	0	2	2	4	1	13
General Service	5	13	5	5	9	5	31	73
Female	5	12	4	5	9	5	24	64
Male	0	1	1	0	0	0	7	9
Total	8	19	5	7	12	9	32	92
Female	7	15	4	5	10	5	24	70
Male	1	4	1	2	2	4	8	22

Table 6. Other staff separated, 1 January-28 February 1998

Category	GM	CFD	RPD	HEPD	ISED	ITPD	DA	TOTAL
Professional	1	1	1	0	1	1	0	5
Female	0	1	0	0	0	0	0	1
Male	1	0	1	0	1	1	0	4
General Service	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0
Total	1	1	1	0	1	1	0	5
Female	0	1	0	0	0	0	0	1
Male	1	0	1	0	1	1	0	4

Table 7. Comparative table of staff[a]

	31 December 1997				1 March 1998[b]				
Category	Male	Female	%[c]	Total	Male	Female	%[c]	Total	Change
P5 and above	95	13	12	108	95	13	12	108	0
P1 to P4	132	53	29	185	121	47	28	168	-17
Subtotal	227	66	23	293	216	60	22	276	-17
General Service	152	316		468	144	255		399	-69
Total	379	382		761	360	315		675	-86

[a]Headquarters staff, including UNIDO Offices at Geneva and New York and those on assignment in the field.

[b]Figures take account of natural attrition, the voluntary separation programme and recruitments.

[c]Percentage of females in total staff.

Table 8. Professional staff, by List of States[a]

	31 December 1997				1 March 1998				
List of States	Male	Female	%[b]	Total	Male	Female	%[b]	Total	Change
A and C	73	21	22	94	69	18	21	87	-7
B	90	36	29	126	82	32	28	114	-12
D	33	1	3	34	33	1	3	34	0
Others	18	5	22	23	14	5	26	19	-4
Total	214	63	23	277	198	56	22	254	-23

[a]In posts subject to geographical distributions.

[b]Percentage of female in total staff.

III. SYSTEM-WIDE DEVELOPMENTS

A. Amendments to schedules I and III of the staff regulations

15. As provided in Article 11.5 of the UNIDO Constitution, "The conditions of service of staff shall conform as far as possible to those of the United Nations common system". In accordance with that principle, staff regulation 13.3 provides that the Director-General is authorized, within the budgetary level approved by the General Conference, to make appropriate amendments to the schedules and annexes to the staff regulations so as to bring them into conformity with any relevant decisions that may be taken by the General Assembly of the United Nations on the recommendation of the International Civil Service Commission (ICSC).

16. In section I.C of resolution 52/216 on the United Nations Common System, the General Assembly recalled section I.H of resolution 44/198, by which it established a floor net salary level for staff in the Professional and higher categories by reference to the corresponding net base salary levels of officials in comparable positions serving at the base city of the comparator civil service (the federal civil service of the United States of America). Accordingly, following the recommendation of ICSC, it approved with effect from 1 March 1998 a revised base scale of gross and net salaries for staff in the Professional and higher categories and changes in the staff assessment rates for staff in these categories with neither a dependent spouse nor a dependent child. The revised base/floor salary scale reflects an upward adjustment by 3.1 per cent with implementation on a "no loss, no gain" basis. Consequently, concomitant with the introduction of the revised scale on 1 March 1998, post adjustment multipliers applicable at all duty stations were scaled down by 3.1 per cent and revised multipliers for all duty stations, including Vienna, were promulgated by ICSC effective 1 March 1998.

17. Pursuant to staff regulation 13.3, schedule I (salary scales for the Professional and higher categories) and schedule III (staff assessment) of the UNIDO staff regulations have been amended as explained below.

Schedule I: Salary scales for the Professional and higher categories

18. The revised salary scales are contained in annex I to the present document.

Schedule III: Staff assessment

19. The revised table entitled "Assessment (continued)", as it relates to staff without primary dependents, is contained in annex II to the present document.

B. Appendices A and C to the staff rules

Appendix A to the staff rules

20. Staff regulation 6.5 (a) provides that "The Director-General shall fix the salary scales for staff in the General Service and related categories, normally on the basis of the best prevailing conditions of employment in the locality, taking into account the recommendations of the International Civil Service Commission." Based on the approved ICSC methodology, which takes into account changes in the consumer price and wage indices over a period of 12 months, and in consultation with the other Vienna-based organizations, the Director-General implemented an interim adjustment of the salary scales for General Service and related categories of 0.82 per cent, effective 1 April 1997. This scale applies to a limited number of staff members in the General Service category recruited on or after 1 October 1996.

Appendix C to the staff rules

21. In accordance with the procedure approved by the General Assembly in its resolution 41/208 for adjusting the pensionable remuneration in between comprehensive reviews, and following the promulgation by ICSC of the revised scales of pensionable remuneration, appendix C to the staff rules was amended to show the revised scales of pensionable remuneration for the Professional and higher categories, effective 1 November 1997.

22. The revised appendices A and C are contained in annexes III and IV to the present document.

C. Related financial implications

23. The implementation of the revised base/floor salary scale for staff in the Professional and higher categories is coupled with a corresponding downward adjustment in the post adjustment portion of remuneration, based on the "no loss, no gain" formula. Thus, the overall remuneration amount (base salary plus post adjustment) remains the same, and there are no financial implications in terms of net salary levels. Financial implications relate to the mobility and hardship allowance for staff who are eligible to receive the allowance, and end-of-service entitlements such as repatriation grant and termination indemnity, as the base/floor salary scale is used to determine these entitlements.

24. The additional costs to UNIDO for the biennium 1998-1999, based on the eligibility of UNIDO staff for the mobility and hardship allowance and staff separations through retirement would amount to $20,100 under the regular budget and $10,800 under the operational budget. These costs can be absorbed under the budgetary provision of 1.9 per cent per annum covering anticipated

cost increases in salaries and related common staff costs in the Professional and higher categories. Should there be additional staff separations in these categories, additional costs would be incurred in terms of termination indemnity and repatriation grant.

25. The financial implications of the adjustments to appendices A and C to the UNIDO Staff Rules are minimal and can be absorbed within the staff cost allocations contained in the programme and budgets, 1998-1999.

IV. REPRESENTATION OF THE UNIDO GOVERNING BODY ON THE UNIDO STAFF PENSION COMMITTEE

26. The UNIDO Staff Pension Committee established by the General Conference in decision GC.1/Dec.37 held four meetings (in five sessions) and one informal brainstorming meeting in 1997.

27. The following representatives of the General Conference, who, by decision GC.7/Dec.20, were elected for the biennium 1998-1999, presently hold office for a term ending 31 December 1999:

Members:	Mr. S. O. Fatunla (Nigeria) Ms. M. Bruck-Friedrich (Austria)
Alternate members:	Mr. J. Pogany (Hungary) Mr. M. Katra (Lebanon)

28. Owing to the departure of Mr. Fatunla from Vienna, the post of one member will become vacant. In this connection it is recalled that in GC.7/Dec.20 the General Conference "authorized the Industrial Development Board to proceed with the election for any of the above-mentioned posts which might become vacant before the General Conference holds its eighth session." Accordingly the Board may wish to proceed with the election for this post.

V. ACTION REQUIRED OF THE BOARD

29. The Board may wish to consider the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information contained in the report by the Director-General on personnel matters (IDB.19/9);

"(b) Notes the amendments made, in pursuance of staff regulation 13.3, to schedules I and III of the staff regulations to bring them into conformity with the decision of the General Assembly set out in its resolution 52/216, section I.C;

"(c) Also notes the amendments to appendices A and C to the staff rules as reflected in paragraphs 20 and 21 of document IDB.19/9;

"(d) Recalls General Conference decision GC.7/Dec.20 concerning election to the UNIDO Staff Pension Committee for the biennium 1998-1999;

"(e) Notes that the post of one member, Mr. S. O. Fatunla (Nigeria), has been left vacant;

"(f) Decides, in accordance with paragraph (b) of General Conference decision GC.7/Dec.20, to elect .... (...............) as member for that vacant post for the remainder of the biennium 1998-1999."