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Age structure of human resources in the organizations of the United Nations system

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled “Age structure of human resources in the organizations of the United Nations system” (JIU/REP/2007/4).



AGE STRUCTURE OF HUMAN RESOURCES IN THE ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

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EXECUTIVE SUMMARY

Age structure of human resources in the organizations of the United Nations system JIU/REP/2007/4

Objective: To make an assessment of the age structure of the staff across the United Nations system organizations, to assess the overall dimensions of the average ageing of staff and its impact on human resources management policies, including succession planning, and its financial implications, with a special emphasis on the Professional staff.

Main findings, conclusions and recommendations

- The human resources reports submitted over the last few years to the governing bodies of United Nations organizations have provided only general statistics on gender, geographical distribution and the basic demographic profile of staff. Most reports do not pay sufficient attention to age-related issues, lack analytical details about the consequences of the existing age structure, and do not call the attention of Member States to the likely impact of the age structure. Often these reports are submitted either for the purposes of “information” or “taking note of” and rarely contain proposals to address age-related issues.
- The average age of staff in the organizations of the United Nations system ranges from 42.6 years of age in the Office of the United Nations High Commissioner for Refugees (UNHCR) to 48.9 years of age in the World Meteorological Organization (WMO) and the International Civil Aviation Organization (ICAO). In the United Nations, which has the highest number of staff, the average age is 45.9 years. In the last 10 years, the overall average age of staff has moderately increased in several organizations.
- The average age of entry on duty (EOD) in the organizations of the United Nations system is relatively high. It ranges from 33.3 years of age for UNHCR to 43.6 years of age for WMO. It is even higher for the Professional staff. This is an established trend due to the low number of junior posts in the system. Employment in the United Nations system is often a second career after some experience in national governments or the private sector.
- The recruitment and retention of young professionals continues to be a challenge across the system. There is increasing competition from other international or regional organizations and non-governmental organizations (NGOs), which offer attractive and flexible packages for young professionals. Career development and long-term prospects for young professionals in the United Nations system need to be strengthened.
- There is an increasing number of retirements across the United Nations system. Among the staff in the United Nations system with contracts of one year or more, 22.7 per cent are over the age of 55 and will reach the mandatory retirement age of 60 or 62 in the next five to seven years. One of the challenges relating to the increase in retirements is the task of identifying replacements, where proactive planning is needed.
- Succession planning as a human resources management tool is implemented in very few United Nations organizations, and is at an inceptive or early stage of development. In many of the organizations, there are no formal, defined and approved succession-planning policies. Succession planning is done as part of vacancy management, and in most cases it does not go beyond filling vacancies.
- Present regulations relating to retirement need to be reviewed to determine whether a change in the mandatory, as well as the normal, age of separation is advisable. The present regulation is

based on the demographic and social conditions that prevailed decades ago. Significant social and demographic changes have taken place, directly affecting the labour market. The increase in life expectancy at the age of 60 has prolonged the productive phase of professional life. Most staff members aged 60 or 62 are unlikely to have reached the limits of their productive, useful and efficient professional life, and could still be of benefit to the United Nations system organizations.

- The current regulations concerning the financial limits for the employment of retirees are not very helpful, and various options such as increasing the annual financial ceiling or fixing the number of months per year that retirees can be employed irrespective of their salary level should be considered.
- Listed below are the recommendations for the consideration of the legislative bodies. Other recommendations (Recommendations 3, 4, 6 and 8), proposed for the consideration of executive heads, can be found in the main text of the report. These recommendations are made with the aim of creating a balanced age structure, and establishing a combination of both younger and older Professional staff, able to provide the needed capacity, knowledge and expertise to implement the variety of programmes and activities of the United Nations system in an efficient and cost-effective manner.

Recommendations for the consideration of the legislative bodies

- **The legislative body of each organization of the United Nations system should (a) request its executive head to provide detailed and analytical information regarding age structure and other related information as part of a periodic human resources management report; and (b) set targets, establish benchmarks, and use them to monitor the measures taken by the organization concerned to address the potential impact of ageing of its staff members (paras. 16 – 19).**
- **The legislative body of each organization of the United Nations system should request its executive head to review the staffing structure of his or her organization in order to establish a balanced staff grade structure. To rejuvenate the staffing structure, more junior level posts (at P-2 and P-3 levels) should be established to attract young professionals. To achieve this, adequate cooperation and coordination between the human resources/finance divisions and the substantive divisions should be ensured (paras. 25 – 28).**
- **Legislative bodies of the United Nations system organizations should request the executive management to (a) submit regular reports showing retirement forecasts; (b) establish performance indicators to forecast replacement needs, and monitor their implementation; and (c) take adequate measures to ensure proper knowledge transfer and safeguard institutional memory (paras. 37 - 44).**
- **The General Assembly should request the Secretary-General of the United Nations, in his capacity as the chairperson of CEB, to initiate a review, with the involvement of the United Nations Joint Staff Pension Fund (UNJSPF) Board and ICSC, on the possibility of changing the mandatory age of separation in view of the number of impending retirements in the United Nations system, with due consideration to the increase in life expectancy at the age of 60 (paras. 53 – 59).**

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ABBREVIATIONS

ASHI	after-service health insurance
CEB	United Nations System Chief Executives Board for Coordination
DPKO	United Nations Department of Peacekeeping Operations
EOD	Entry on duty
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
JIU	Joint Inspection Unit
JPOs	junior professional officers
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
NCE	National Competitive Examinations
NGOs	non-governmental organizations
NPOs	National professional officers
OECD	Organisation for Economic Co-operation and Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNWTO	United Nations World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. INTRODUCTION

1. The ageing of the general population, including the ageing of the labour force, is a worldwide phenomenon of growing magnitude. The world is experiencing dramatic improvements in longevity and increased life expectancy at birth and at age 60. In the second half of the twentieth century, 20 years were added to the average lifespan, bringing global life expectancy at birth to its current level of 66 years. However, differences exist between countries. In the least developed regions, men reaching the age of 60 can expect 14 more years of life and women another 16 years, while in the developed regions life expectancy at age 60 is 18 more years for men and 22 years for women.¹ These demographic developments have resulted in important changes in the potential support ratio.

2. Alongside the ageing phenomenon, the labour market in many parts of the world has also been affected by the retirement of the “baby boom generation”, that is, people born immediately after the Second World War. At the national level, the significant growth in longevity has wider implications for the labour market, which faces a growing challenge to optimize, in a cost-effective way, the necessity to employ the younger generation, with the availability of a large cohort of healthy, experienced older workers or employable retirees.

3. Based on its management assessments and other studies on human resources management, the Joint Inspection Unit (JIU) is of the view that there are good reasons to believe that the age structure and the ageing of human resources are also beginning to impact the United Nations system, and that this might warrant special attention and merit specific focus. Therefore, the Unit included a report on the age structure of human resources in organizations of the United Nations system in its work programme for the year 2006.²

4. Studies undertaken by JIU have shown that the average age of staff is relatively high, and the ageing of human resources in the United Nations system indicates that large numbers of staff will soon reach retirement age. These issues deserve increased attention. A particular age structure with the associated proportion of retirements/separations might increase replacement needs and generate increased or decreased financial burdens for the United Nations organizations in the future. In order to address increasing replacement needs, preserve institutional memory and manage the political, professional and human experience and knowledge attached to the present and departing human capital, special measures are needed for retirement, succession and recruitment policies and training. The impact of this demographic situation on the pension, after-service health insurance and other post-retirement related costs needs to be analysed and addressed.

5. The objectives of the report are to make an assessment of the age structure of the staff across the United Nations system organizations, and to assess the overall dimensions of the ageing of staff and its impact on human resources management policy, including succession planning. The report also reviews the policies and practices currently in place to address these issues. It also attempts to provide best practices and broad benchmarks prevalent in a limited number of non-United Nations entities in addressing age-related issues.

¹ ST/SEA/SER.A/251 – “Population ageing 2006” by Population Division, Department of Economic and Social Affairs, United Nations.

² A/61/34.

6. In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing this report included a detailed desk review, data collection and interviews. An in-depth review was done on human resources management related reports and documents submitted by the secretariats of the United Nations system organizations to their respective governing bodies, and the relevant resolutions and decisions of the governing bodies. In order to minimize direct requests to the organizations themselves, human resources related data was extracted, with their consent, from the databases of the United Nations System Chief Executives Board for Coordination (CEB) and the United Nations Joint Staff Pension Fund (UNJSPF). The Inspectors, on the basis of a standard interview guideline, interviewed human resources managers and other officials of 16 participating organizations in New York, Geneva, Rome, Vienna, Paris and Bern, in person and/or via videoconference.

7. Using the latest available information in the database of CEB, which contains system-wide data on staff appointed for a period of one year or more as of 31 December 2004, the main trends in the demographic profile and age structure of United Nations system staff were identified. UNJSPF data, covering a wider scope of staff members (those with over six months of employment) than the CEB database, was used mainly to test and validate the reliability of the identified trends. The Inspectors wish to underscore that in the trend analysis, staff employed with contracts of less than one year were not included. The national professional officers (NPOs) and junior professional officers (JPOs) employed by the organizations were also not included in this review. The report is intended to identify major trends and not to update statistics or make any projections in terms of specific numbers. In the opinion of the Inspectors, the databases of CEB and UNJSPF are comprehensive and were sufficient for the broad statistical samples required for making informed conclusions and formulating recommendations. Therefore, no detailed statistics were requested from the organizations.

8. On 20 December 2006 JIU sent the draft report to the participating organizations for factual corrections and comments. The comments received have been reflected, as appropriate, in the current report. At the request of the participating organizations, the Human Resources Network of CEB, at its meeting from 14 to 16 March 2007, discussed the draft report and expressed its opinion on the major recommendations. In accordance with article 11.2 of the JIU statute, this draft report has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

9. To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, annex VII contains a table indicating whether the report is submitted to the organizations concerned for action or for information. The table identifies those recommendations relevant for each organization, specifying whether they require a decision by the organization's legislative or governing body or can be acted upon by the organization's executive head.

10. The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report, and particularly to those who participated in the interviews and shared their knowledge and expertise.

II. FINDINGS AND RECOMMENDATIONS

11. The age structure and ageing of staff has a direct impact on the overall efficiency of the United Nations system organizations, affecting, among other things, recruitment and training needs, knowledge management, succession planning, separation benefits and accrued liabilities. It has to be proactively managed and effectively monitored. In this regard, the efforts of the United Nations system organizations should be guided, not by a prior goal to have a younger or an older staff, but to secure, maintain and develop an optimal intellectual and professional capacity, among other methods through a balanced age structure. A balanced age structure, in the view of the Inspectors, signifies a combination of professionals from younger and older age groups capable of providing the required knowledge, expertise and capacity to implement the various programmes and activities of the organizations in an efficient and cost-effective manner.

12. The paramount objective of human resources policies and practices should be to secure the necessary influx of young professionals, who have the benefit of a modern education and up-to-date knowledge, and to balance this with an adequate number of experienced staff with in-depth knowledge of the organizations of the system. In order to achieve this objective, measures need to be put in place, such as creating more junior level posts and having flexible regulations on the retirement and retention of experienced professionals in the oldest groups. The results of these measures may appear to be contradictory, but they are not mutually exclusive. Changes at both ends of the spectrum are needed to achieve a balanced age structure. In this regard, targeted human resources actions and measures are needed at every stage of the career of staff members, including induction and retirement phases.

13. The demographic profiles of the staff in the United Nations system organizations have shown, besides certain general characteristics, significant differences among the organizations. These differences are partly attributable to the mandate and dynamics of the activities of the organizations, and in some instances to their administrative and budgetary history. For example, the average age of staff in the World Food Programme (WFP), a field-based operational organization, is different from an overwhelmingly headquarters-based organization with a basic regulatory, norm setting and monitoring role such as the World Meteorological Organization (WMO). Similarly, an organization like the Office of the United Nations High Commissioner for Refugees (UNHCR), having had to increase its activities and therefore the size of its staff during the Balkan crisis, has a marked age structure, as long-term contracts have been agreed with a large proportion of the staff.

14. The nature of the organizations, with their varying proportions of field operations, regulatory, norm setting or consulting activities, requires professionals with different areas of expertise, skills and experience. These requirements also have an impact on the age structure of that organization. It is easier for larger organizations with a wide scope of activities to influence and manage a balanced age structure, whereas it is more difficult for smaller organizations, with a stagnating number of staff members, to do so. No single or unified criteria can be established for achieving a targeted age structure. The age structure of an organization has to be viewed against the particular mandate and objectives to be accomplished by each organization at a given time.

15. It is to be noted that the prevailing human resources policies and practices also play an important role in determining the age structure of staff. While recognizing the objective limits of

human resources policies to rapidly influence age structure, they can play an important role in the long term through adequate human resources planning and sustained efforts.

A. Limited attention to age-related human resources issues

16. Detailed information on human resources and related issues are regularly included on the agenda of the governing bodies of the United Nations system organizations. The General Assembly and the governing bodies of most of the specialized agencies receive periodic reports on the composition of staff in their organizations. In organizations such as the United Nations, World Health Organization (WHO), International Labour Organization (ILO), United Nations Food and Agriculture Organization (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Atomic Energy Agency (IAEA), submission of such reports, either annually or biennially, is mandated by the governing bodies, and they are often discussed together with other human resources management related agenda items. The United Nations Secretariat submits the most detailed and comprehensive report. Organizations such as IAEA, ILO, FAO, UNESCO, WHO and WFP also provide comprehensive information to their respective governing bodies. In several organizations, human resources managers monitor staff composition and related issues, and provide periodic reports only to the executive head and not to the governing body. The main reason for this is a lack of initiative and attention on the part of the governing bodies, motivated either by a lack of established practice or by their overloaded agendas.

17. The reports submitted to the governing bodies generally provide statistics relating to gender and geographical distribution and the broad demographic profile of the staff on a comparative basis over the last few years. To a lesser extent these reports also contain information relating to recruitment, separation and retirement projections. The Inspectors note that these reports do not pay sufficient attention to age-related issues, lack analytical details about the potential consequences of the existing age structure, and do not call the attention of Member States to the likely impact of the age structure on the human resources policies of the organization. Often these reports are submitted to the governing bodies either for the purposes of “information” or “taking note of”, and rarely contain proposals, measures or actions to address age-related issues.

18. The Inspectors believe that the executive management and governing bodies of the respective organizations should be sensitive to the implications of an ageing workforce, and adopt measures to monitor the age structure proactively. These measures should be built into their human resources strategies and human resources action plans. The Inspectors wish to point out that the progress achieved in improving the gender and geographical balance of staff across the United Nations system was due to the oversight of Member States that resulted in target setting, benchmarking and the close monitoring of these targets. The Inspectors believe that a balanced age structure can be achieved through a similar approach.

19. In order to monitor effectively age-related issues, the organizations should have a comprehensive human resources information system. In the United Nations, ILO, FAO, WHO and the United Nations Industrial Development Organization (UNIDO), efforts are underway to strengthen and improve the human resources information systems to facilitate the monitoring and analysing of the demographic profile. All organizations should strengthen their databases to effectively monitor human resources issues. At the United Nations system level there is an

operating database which can provide the most important data for that purpose. The CEB database provides system-wide information on many aspects of the United Nations system's staffing profile, such as category, grade, gender, nationality, age, length of service and duty station. The report generated from this database includes comparisons, trend analysis, gender ratios, the age profile and the proportion of Professional and General Service staff. The International Civil Service Commission (ICSC) and the Human Resources Network of CEB use this database widely for various statistical information and comparisons. The Inspectors believe that the implementation of the following recommendation will lead to improvement in human resources management and effective oversight by Member States.

Recommendation 1

The legislative body of each organization of the United Nations system should (a) request its executive head to provide detailed and analytical information regarding age structure and other related information as part of a periodic human resources management report; and (b) set targets, establish benchmarks, and use them to monitor the measures taken by the organization to address the potential impact of ageing of its staff members.

B. Average age of staff is relatively high

20. The average age of staff in the organizations of the United Nations system, as shown in annex V, ranges from 42.6 years in UNHCR to 48.9 years in WMO and the International Civil Aviation Organization (ICAO). In the United Nations, which has the most staff, it is 45.9 years. In the last 10 years, the overall average age of staff has moderately increased in several organizations, while there has been a slight decrease in some others. The average age of staff in the Professional category is higher than among the General Service staff, but the difference is not very significant, ranging from one to four years among the respective organizations. The General Service staff tend to start younger and serve for longer in the organizations than the Professional staff.

21. The average age of Professional staff in the United Nations, which has the highest number of Professional staff, is 46.2 years. The average age of Professional staff in the United Nations Population Fund (UNFPA), FAO, the International Maritime Organization (IMO), the International Telecommunication Union (ITU), UNESCO, UNIDO, ICAO, WHO, WMO and IAEA, is higher. In the United Nations Development Programme (UNDP), UNHCR, the United Nations Children's Fund (UNICEF), Universal Postal Union (UPU) and WFP it is lower. Organizations with dynamic operational activities and an extensive network of field offices have younger Professional level staff, whereas organizations with a high technical orientation and/or regulatory or normative activities have older Professional staff. In organizations with consultancy or technical cooperation activities like FAO and ILO, the average age is higher.

22. Considering the unique nature of the United Nations system organizations, the Inspectors recognize that it may be difficult to establish any objective standards or comparators with non-United Nations entities to determine whether or not a particular average age of staff is high. However, comparisons with other international organizations, national civil services and the private sector, where information is readily available and comparable, can provide broad

references with which to compare the situation of the United Nations system organizations. The Inspectors note that the average age of staff in the European Commission is 44 years³ and in the Organisation for Economic Co-operation and Development (OECD) it is 45 years of age.⁴ They have a slightly younger staff than the United Nations system, while the mandatory age of retirement is 65. Similarly, a representative survey covering European governmental institutions indicated that the average age in national governments is approximately four years younger than in the United Nations system.⁵ Various studies in the private sector and in labour market publications indicate that the average age in the private sector is well below that of the public sector, due to a deliberate policy of rejuvenation carried out by private sector human resources management. For example, the average age of employees of Ericsson in Sweden is 41 years, and in Nestle International Headquarters in Switzerland it is 41.6 years of age.⁶ The Inspectors emphasize that this data should only be taken as indicative, and is not necessarily representative of the private sector as a whole.

23. The relatively high average age of staff in the United Nations system is mainly due to the low proportion of staff in the younger age groups and the higher proportion of staff in the over 50 age group. As shown in annex III, in 17 out of 21 JIU participating organizations, at least 40 per cent of the Professional staff are 50 or older, and in 16 out of the 21 organizations, at least 20 per cent are over 55 years of age. While 22.5 per cent of the Professional staff in the entire United Nations system are over 55, only 12.5 per cent are younger than 35 years old. While the age structure in the United Nations Secretariat is close to the United Nations system average, the differences among specialized agencies are significant: WMO, ICAO, ILO, WHO, UNIDO, IAEA, IMO, the United Nations World Tourism Organization (UNWTO), the World Intellectual Property Organization (WIPO) and ICAO have the smallest group of staff members under the age of 35. At the same time – with the exception of WHO – 50 per cent or more of the staff of these organizations are 50 years old and above. This proportion is the highest in WMO (77.4 per cent), ICAO (63.2 per cent) and UNWTO (63.1 per cent). Moreover, in the cases of ICAO and WMO, the number of staff over 55 is exceptionally high (41.1 per cent and 56.6 per cent).

24. On the basis of these comparisons, the Inspectors believe that the average age of the Professional staff in the United Nations organizations is high, and the staff age structure is unbalanced. During interviews, the Inspectors observed a growing awareness among the human resources management teams of the ageing of human resources and the need to rejuvenate the staff profile. The Inspectors were informed of instructions by some executive heads to address age-related issues. In the United Nations, FAO and ILO, the rejuvenation of staff has been included in human resources strategies and action plans. The United Nations system should increase efforts to attract highly qualified young professionals from all possible sources.

C. Average age of entry on duty (EOD) is relatively high

25. The average age of entry on duty (EOD) of all staff in the organizations of the United Nations system, as shown in annex V, is high. It ranges from 33.3 years of age for UNHCR to 43.6 for WMO. The average age of EOD is even older for Professional staff, being 35 in the

³ Comref 07/ 2006 - Statistical bulletin of Commission staff at <http://ec.europa.eu>.

⁴ GOV/PGC/HRM (2004) 3/ FINAL - OECD Staff Profile Statistics.

⁵ Study of the Cranfield University School of Management.

⁶ Data received during personal interviews.

United Nations, 38 in UNESCO, 43.5 in FAO, 44 in WHO, 44.8 in WMO, 45 in UPU and 40.8 in IAEA. This is likely to be a lasting trend, as the number of young professionals joining the United Nations system is stagnating. In the United Nations system, the proportion of staff under 35 years of age is consistently around 12 per cent. Also, working in the United Nations system is often a second career for many staff, who join after serving in their national governments or elsewhere. Another factor affecting the high average age of EOD in some organizations is the need to recruit experts with many years of experience.

26. The major issue regarding the high average age of EOD relates to the low number of junior level posts available for the recruitment of young professionals. In the entire United Nations system, the average grade distribution of the Professional posts is as follows: P-1 is 1 per cent, P-2 is 12 per cent, P-3 is 24 per cent, P-4 is 29 per cent, and P-5 is 22 per cent. The number of P-4 posts across the system is higher than the number of P-3 posts, and in UNFPA, ILO, the United Nations Office for Project Services (UNOPS), IMO, WMO and UNIDO there are more P-5 posts than P-4 posts. The grade pyramid in the Professional posts is top heavy and is not a “pyramid” in shape. This grade distribution pattern is a constant in all the organizations.

27. Many factors contribute to the particular grade structure of an organization. The mandate and type of activity of the organization is a major factor. It is only possible to recruit the best, internationally recognized expertise required by some organizations through the attractive conditions associated with higher grades. Also, some United Nations organizations, such as IAEA, WHO and ICAO, are facing growing competition in attracting the required technical expertise from other international organizations and from the private sector. Notwithstanding these factors, the Inspectors believe that a careful analysis of the present grade structure and the possible restructuring and reclassifying of part of the senior Professional posts to a more junior level needs to be explored. The Inspectors note encouraging initiatives in some organizations in this regard, but a more systematic review of the present grade structure needs to be made across the United Nations system.

28. The Inspectors are encouraged by the growing awareness among the organizations of the need to recruit more young professionals. Efforts are underway in organizations such as UNIDO, UNESCO and WHO to reclassify higher level vacant posts to more junior posts. ILO, as part of its human resources strategy for 2006-2009, is reclassifying one third of the P-5 posts expected to become vacant to more junior posts. It is obvious that such efforts need a long-term approach, a certain level of mobility, and proactive human resources and career development planning. The Inspectors encourage a similar approach by other organizations.

29. The eligibility requirements for junior posts at the P-1 to P-3 levels are a limiting factor to the influx of young professionals. In many vacancy announcements for junior posts, there is an over-emphasis on the required years of relevant experience. The ICSC guidelines determine the required years of experience for different grades for recruitment to the Professional category and above. These guidelines, which are not interpreted uniformly across the UN system, emphasize relevant experience as a criterion for selection to junior level posts, with less emphasis on educational qualifications, technical skills and potential performance, which limits the eligibility of young professionals with limited experience. As a consequence, there are few young professionals holding junior posts. As shown in annex IV, only 19 per cent are under 30 years of age at the P-1 and P-2 levels, and another 42 per cent are between 30 and 35. Similarly, at the P-3 level, only 16 per cent are under 35 and 24 per cent are between 35 and 40 years of age. While the

Inspectors recognize that several years of experience may be important for junior level posts in small field offices, it is their firm belief that as a general rule, experience should not be given undue consideration for junior level posts.

30. In order to promote the rejuvenation of staff, there is a need to revise the eligibility requirements for junior level posts, placing more emphasis on educational qualifications, technical skills and potential performance. The use of modern tools to assess the competencies and potential performance of young candidates may provide better guarantees for the quality of recruitment than the current reliance on years of relevant experience. In this regard, the proposed establishment of the Dedicated Recruitment and Staffing Centre within the Office of Human Resources Management in the United Nations, as part of the framework of human resources management reform of the Secretary-General,⁷ is a promising measure to promote the influx of young professionals. The implementation of the following recommendations is intended to enhance efficiency in human resources management.

Recommendation 2

The legislative body of each organization of the United Nations system should request its executive head to review the staffing structure of his or her organization in order to establish a balanced staff grade structure. To rejuvenate the staffing structure, more junior level posts (at P-2 and P-3 levels) should be established to attract young professionals. To achieve this, adequate cooperation and coordination between the human resources/finance divisions and the substantive divisions should be ensured.

Recommendation 3

Executive heads of each United Nations system organization should review, in consultation with ICSC and the CEB Human Resources Network, the standards of eligibility requirements for posts at and below P-3 level, placing more emphasis on educational qualifications, technical skills and potential performance.

D. Challenges in the recruitment and retention of young professionals

31. The United Nations system needs the dynamism, creativity and innovative spirit of the younger generation, who have the benefits of a modern education, up-to-date knowledge and technological awareness. Combined with the experience and wisdom of the older generation, their knowledge and dynamism will be an asset to the United Nations system in meeting the challenges facing the world. The National Competitive Examinations (NCE), the Junior Professional Officers (JPO) Programme, the Internship Programmes, the National Professional Officers (NPO) Programmes and field operations, including peacekeeping, continue to be good channels for attracting young professionals into the United Nations system. Organizations such as the United Nations, WHO, FAO, UNICEF and UNESCO are increasingly relying on these sources for recruiting young professionals. The Inspectors believe that the administrative limitations that exist in some organizations relating to the immediate recruitment of professionals from these channels should be reviewed. The regulations should be made more flexible to enable these

⁷ A/60/692.

sources to be transformed into an effective means of recruiting young professionals. In addition, the Inspectors suggest special recruitment drives should be undertaken in higher educational, research and academic institutions around the globe, to attract young professionals.

32. In today's competitive environment, the United Nations system should not only try to attract young professionals, but also remain attractive, so that some of them settle for a long career. There is increasing competition from other international and regional organizations, non-governmental organizations (NGOs) and the private sector offering attractive and flexible packages for young professionals. Furthermore, there is a perceptible change among young professionals as to what constitutes a good and attractive work place. Besides the traditional benefits of public employment, like job security, seniority-based promotion, competitive benefits and pension, new ones are gaining ground. Competitiveness and challenge, enhancing of technical skills, predictable career prospects, mobility and shorter employment with better remuneration have also become attractive among young professionals. The United Nations system needs to recognize this in modelling career development programmes.

33. Career development and long-term prospects for staff continue to be a challenge for human resources managers across the United Nations system. A recent survey entitled "A picture of the United Nations Staff", published in 2005, revealed that the most de-motivating aspect of employment with the United Nations is the lack of career and promotion prospects.⁸ The Inspectors believe that the system needs to embark on strengthening career development programmes, and enhance training and staff development activities, to be competitive in the labour market and to build and maintain the required professional competence of staff members.

34. In recent years, increased attention has been paid to career development throughout the United Nations system. In the United Nations, career development and support is an important element of the Secretary-General's human resources management reform proposed in the report "Investing in the United Nations: for a stronger Organization worldwide". The report envisaged an increase in resources for career development and support, systematic development of entry-level professionals, and the development of career models with potential career paths.⁹ Among the United Nations system organizations, the Leadership Development Programme (LEAD) and Talent Management Programmes of UNDP, and the Young Professional Programme of UNICEF are good examples. Comprehensive career development programmes have also been elaborated and introduced in UNESCO, ILO and WHO.

35. Regarding training, the United Nations system is making significant efforts and has invested financial resources in strengthening staff development and learning. The CEB recommendation to dedicate at least 1 per cent of staff costs for staff development is significant, but is not sufficient in relation to the practices followed previously in the United Nations system. Based on discussions with some private sector companies, the Inspectors note that 2 to 4 per cent of staff costs and 5 per cent of working time are considered a reasonable investment for staff training and career development. In the United Nations, the biennial training budget grew from US\$ 4 million to US\$ 19 million in the last 10 years. UNESCO recently increased its training budget significantly to US\$ 6 million, which is 1.7 per cent of its staff costs. Similar steps have been taken in WHO with 2 per cent, and in ILO more than 2 per cent, of the staff costs budgeted for training. In other organizations, the training budget is close to 1 per cent of staff costs. The

⁸ A picture of United Nations staff 2005 ST/Geneva (02) P611.

⁹ A/60/692.

Inspectors welcome these efforts and underline the necessity to continue them, including special attention for the induction, mentoring and training of young professionals.

36. Family-related issues are another factor that adversely affect the retention of young professionals. In some of the major duty stations there are restrictions on the employment of the spouses of United Nations staff members. Furthermore, most field missions are non-family duty stations, where taking the family is prohibited for various reasons. These factors at times affect every staff member and particularly become a disincentive for the mobility and career advancement of young professionals. The implementation of the following recommendation will enhance efficiency in human resources management.

Recommendation 4

Executive heads of each United Nations system organization should (a) undertake special measures to ensure the influx of young professionals through special recruitment drives; (b) strengthen the career development prospects for young professionals through enhanced training and staff development; (c) allocate adequate resources for training and staff development activities; and (d) adequately address the work/life issues of staff members with special attention to the family-related issues of young professionals.

E. The increase in the number of retirements

37. In the current age structure of the United Nations system, staff members aged 50 years or over are dominant. Among this group there is a significant proportion of staff over 55 years of age. 22.7 per cent of staff in the United Nations system with contracts of one year or more are aged over 55, and they will reach the mandatory retirement age of 60 or 62 in the next five to seven years. In 16 out of 21 JIU participating organizations, at least 20 per cent of the staff are over 55 years of age. There are only a few organizations where this age group accounts for less than 20 per cent of staff: WIPO (17 per cent), UNDP (15 per cent), UNHCR (13 per cent) and WFP (11 per cent). In some organizations the percentage of staff belonging to this age group is particularly high: WMO (52 per cent), ICAO (41 per cent), UNIDO (33 per cent), IMO (33 per cent) and ILO and FAO, both with around 30 per cent (annex III). This age structure forecasts a high number of expected retirements in the near future.

38. The number of staff employed on a regular basis after the age of 62 is not significant. Furthermore, notwithstanding the mandatory retirement age of 60 or 62, the average age of retirement is 59.4 years for General Service and 60.8 years for Professional staff, as many staff members take early retirement packages after the age of 55. The number of retirements in the coming years will be influenced mainly by the mandatory retirement age, but there is also reason to believe that the percentage of retiring Professional level staff will be higher, due to some taking early retirement.

39. According to the available statistics, as shown in annex VI, the number of retirements projected for the period from 2006 to 2010 is expected to be higher than the number of retirements between 2001 and 2005. The increase varies from organization to organization. In organizations such as UNEP and WFP, the number of retirements will remain more-or-less stable with some increase. In the United Nations, UNDP, FAO, WHO, UNICEF and UNESCO there

will be a steady increase. The number of anticipated retirements as shown in annex VI is only a conservative estimate, as the annex includes only age-related mandatory retirement. It does not include early retirement, as this is difficult to project. Based on the pre-2005 trends, the actual number of retirements for the period 2006 to 2010 will be more than the numbers shown in annex VI.

40. As shown in annex IV, in the next five to seven years, the increase in retirement will be particularly high in the P-5 level and above. It will be about 35 per cent at P-5, 48 per cent at D-1, and 59 per cent at the D-2 level. Beyond the system-wide average figures, there are significant differences among the organizations. During the next five years in the United Nations Secretariat, 29.6 per cent of P-5 staff and 39.0 per cent of Directors will retire, while the figures in UNESCO are 40 per cent and 46 per cent, and in UNICEF 22 per cent and 33 per cent respectively. In IAEA, expected retirement in the next five years is not significant; however, there will be serious replacement needs due to the age composition and the mandatory system of rotation for the majority of the staff. One of the challenges relating to the increased number of retirements is the task of identifying replacements, where proactive planning is needed.

41. The task of identifying replacement needs will be further exacerbated with the implementation of the mobility policy introduced by the General Assembly in resolutions 55/258 and 57/305, and the Inter-Agency Mobility Accord issued in November 2005. According to the strategy for implementing the mobility policy in the United Nations, starting in May 2007, managed mobility will be implemented level-by-level in a gradual, phased manner spread over time; P-3 and G-7 staff from May 2007 to October 2007; P-4 and G-6 staff from November 2007 to April 2008; P-5 and G-5 staff from May 2008 to October 2008; and D-1 and D-2 staff from November 2008 to April 2009.¹⁰ In the next five years, due to the combined effects of the increase in the number of retirements and the implementation of the mobility policy, special attention should be paid to secure replacement needs without disrupting the substantive activities of the organizations.

42. In many organizations, the expected number of retirements and the efforts to identify replacement needs is one of the monitored performance indicators. However, expected retirements are handled primarily as a vacancy management issue that will provide human resources managers with an opportunity only to achieve gender balance or remedy an imbalanced geographical representation. Only in a few organizations have the increasing replacement needs received special attention, addressing problems associated with retirements like the potential loss of continuity in managerial positions and preserving the knowledge and institutional memory of the organization.

43. The Inspectors understand, from interviews conducted for this report, that issues of knowledge transfer and business continuity, including continuity of leadership at managerial positions, are not addressed systematically, and few measures are in place to establish an organized, formalized and coherent form of knowledge transfer. In most of the organizations, retirement-related knowledge transfer is done on a case-by-case basis, mostly at the initiative of the retiring staff members themselves. Also, this informal knowledge transfer is not possible in most cases, as vacancies are filled long after the staff member has retired. Knowledge transfer and the safeguarding of institutional memory are further limited when the posts are kept vacant for

¹⁰ Human Resources Management Reform Part III, 18 May 2006 – <http://iseek.un.org>.

long periods to alleviate budgetary constraints. Human resources management should pay special attention to this issue, particularly in those organizations with high numbers of staff retiring from managerial posts.

44. The Inspectors wish to mention that JIU is currently preparing a report on knowledge management and knowledge sharing in the United Nations system. The report will review knowledge management strategies, and the ways and means to ensure the transfer of knowledge in the United Nations system. Therefore, the Inspectors do not intend to discuss knowledge management related issues in this report. However, they would like to stress that in view of the increasing number of retirements, there is an additional need to address knowledge transfer related issues, and to establish organized methods of knowledge transfer and strengthen knowledge management capacities in the United Nations system organizations. The implementation of the following recommendation will improve human resources management and enhance its effectiveness.

Recommendation 5

Legislative bodies of the United Nations system organizations should request the executive management to (a) submit regular reports showing retirement forecasts; (b) establish performance indicators to forecast replacement needs and monitor their implementation; and (c) take adequate measures to ensure proper knowledge transfer and safeguard institutional memory.

F. The increase in the number of retirements underscores the need for succession planning

45. The increasing number of retirements, particularly in senior management positions where a sizable number of staff will become eligible to retire between 2006 and 2010, could result in a potential loss of leadership continuity, institutional knowledge and expertise. The Inspectors stress that United Nations system organizations have to make sure that the substantive programmes will not be jeopardised if large numbers of managers retire. Therefore, succession planning is becoming a distinct strategic imperative that will help the organizations to deal with, in particular, the potential loss of continuity, intellectual capital and leadership at the managerial level that will result from senior management retirements. The Inspectors also believe that placing appropriate emphasis and attention on succession planning will help organizations ensure that they have a well prepared, qualified and diverse group of people available to fill the positions falling vacant.

46. The Inspectors note that succession planning as a human resources management tool is implemented in very few of the organizations, and is at an inceptive or early stage of development. The Human Resources Network of CEB has had some informal consultations on succession planning, but has never included it on the agenda of its regular meetings for detailed discussion. In many of the organizations, there are no formal, defined and approved policies for succession planning in place. It is done as part of the vacancy management exercise and in most cases it does not go beyond filling vacancies. In the opinion of the Inspectors, succession planning should be an integrated process that goes beyond replacing individuals, and engages in strengthening and developing leadership talent at all levels of the organizations. It should be a

comprehensive, ongoing strategic process that provides for forecasting executive needs, identifying and developing potential managers, and selecting individuals from a pool of qualified and diverse candidates to meet human resources needs.

47. In some organizations initiatives have been made to introduce succession planning in a systematic way. Most of the organizations with diverse field activities and country offices have established policies and procedures, and have designed and initiated formal succession planning. However, these efforts are limited and not coordinated to include best practices of other organizations. UNICEF has established a global “succession pool”, initially for staff members at the P-5 and D-1 levels. Staff members are identified, provided competency based training and are treated as potential candidates to be posted to the country offices when a vacancy arises. UNFPA is developing a succession-planning model for the representatives and deputy representatives of their country offices. A talent pool is being created based on a competency assessment of the staff, and staff so identified will be included on a roster for assignment to suitable posts. The appropriate appointment and promotion body would approve the roster. Similarly, UNDP has adopted a management succession-planning programme for staffing its field offices.

48. The United Nations Department of Peacekeeping Operations (DPKO), to meet the changing needs of its field operations, has introduced the Senior Mission Administration and Resource Training (SMART) programme, in which a pool of Chief Administrative Officers and Senior Administrative Officers have been identified, trained and made ready to move to a field mission. The Management and Leadership Development Programme of ILO, in its first phase, trained and developed a pool of managers at the P-5 and D-1 levels for succession to future vacancies. In the second phase, which is currently under implementation, staff at the P-4 level are being targeted. In WHO, the Global Leadership programme has been established for staff members at P-5 level and above, which uses assessment centres to identify the competencies of staff members for promotions. In WFP, as part of succession planning for the executive staff, human resources prepares a list of internal candidates which is then approved by the competent board with a ranking system.

49. The Inspectors stress the importance of succession planning as a good management practice for any human resources planning effort. They reiterate the necessity, particularly in an environment of likely continued budget constraints, for the United Nations system organizations to implement human capital strategies, including succession planning, that focus on strengthening both the current and future organizational capacity to meet emerging challenges. In these efforts, the Inspectors believe that the CEB Human Resources Network should take a proactive, systematic approach to assess the current status of succession planning in the United Nations system organizations, by way of a survey. CEB should develop a set of tools or models to assist the organizations in implementing succession planning and to strengthen existing plans.

50. During interviews with the human resources managers of the various organizations, the Inspectors noted a lack of clarity about how to approach succession planning. Human resources and line managers often face challenges, which need to be recognised and addressed, in tailoring succession planning for their organization. Such challenges include discontinuous senior executive leadership guided by political appointments, and challenges in implementing an effective succession selection process that abides by the principles of open competitive recruitment, gender and geographical balance and budgetary constraints. Human resources management should seek to secure the necessary resources and tools to identify, train and develop

in-house capacity with the required professional managerial skills and competencies, as potential replacements.

51. Considering the challenges of the succession-planning effort and its evolving nature in the United Nations system, the Inspectors do not propose the adoption of a particular model for organizations to follow. However, based on the best practices currently available in the United Nations system, and identified during discussions with other public and private sector organizations, the Inspectors propose a set of broad benchmarks that should guide the Human Resources Network of CEB to agree on a succession-planning model for the United Nations system, to be fine-tuned as appropriate by each organization.

52. The Inspectors believe that a successful succession-planning effort should (i) be linked to the strategic human resources framework of the individual organization and be approved by the respective executive head of the organization and endorsed by the governing body; (ii) identify the competencies and critical skills available in the whole organization and list them in a skills inventory, particularly at all supervisory, managerial and executive levels, for both Professional and General Service staff ; (iii) give high potential staff challenging and career developing assignments in addition to formal training courses; (iv) address organization-specific human resources planning challenges, like ensuring gender and geographical balance; and (v) facilitate the retention of good, qualified staff members. The implementation of the following recommendation is expected to lead to management improvement through the development and dissemination of best practices.

Recommendation 6

Executive heads of the United Nations system organizations should request the CEB secretariat, through its Human Resources Network, to assess the current status of succession planning in these organizations, and include succession planning on the agenda for in-depth discussion at its regular meetings, with a view to developing policies and a framework for succession planning, using the broad benchmarks provided in this report, for adoption by the United Nations system.

G. Low mandatory age of retirement

53. The mandatory age of separation and/or normal age of retirement in the United Nations system is 60 or 62 years, except in FAO, where it is 62. The normal retirement age, at which a retiree is entitled to receive full retirement benefits, is 60 years, or 62 years for participants whose participation commenced or recommenced on or after 1 January 1990, as set out in the Regulations of UNJSPF as amended by General Assembly resolution 44/199 of 21 December 1989.¹¹ The mandatory age of separation is the age beyond which staff members are not normally retained on active service, and is regulated by the United Nations organizations in their staff regulations and staff rules.

54. General Assembly resolution 44/199, which increased the normal retirement age to 62 years, was part of a package of measures aimed at restoring the actuarial balance of UNJSPF to

¹¹ Annex 1 of the resolution.

secure an adequate level of benefits under the Fund. This decision was motivated primarily by financial reasons, although certain developments in the demographic profile of the labour force were also taken into account. At present, the financial situation of UNJSPF is stable and solid; therefore there is no impending necessity to increase the contributions to the Fund by increasing the normal retirement age.

55. Notwithstanding the Fund's stable financial situation, the Inspectors believe that there is a need to comprehensively review the present retirement regulations, which were established on the basis of the demographic and social conditions that prevailed at the time of the establishment of the Pension Fund, to determine whether a change in the mandatory age of separation is required. The review may be necessary now due to the significant social and demographic changes that have taken place, directly affecting the labour market and pension systems globally. There has been a significant increase in life expectancy at the age of 60 and the productive phase of professional life is now prolonged. Many staff members aged 60 or 62 are unlikely to have reached the limits of their productive, useful and efficient professional life, and could still be an asset to their organization. In this context, it could be useful to review the merits of an established age of separation and the merits of altering the normal retirement age. This question is raising a very broad range of reactions among the human resources management teams of the organizations, from adamant objections to the principle of a mandatory age of separation as presently set to the perceived absence of any problem with the present system.

56. Furthermore, the normal retirement age of 60 or 62 in the United Nations system is low, compared to other international or regional organizations and many national governments. In most of the international organizations outside the United Nations system, like the European Commission, OECD and the World Bank, the retirement age is 65. In most of the OECD countries the retirement age for all employees is 65, and other OECD countries are in the process of increasing it to 65. In Germany, Sweden and the United States of America it is 67, or will be increased to that level. However, the retirement age is lower in developing countries, due to the lower life expectancy in those countries.¹²

57. Reforms are taking place in a number of national pension systems. The reforms are driven partly by long-term efforts to maintain the sustainability of the pension systems and partly by the changing social or demographic situation. The main areas of these reform efforts are: increasing pension contributions, discouraging early retirement, raising the normal age of retirement, changes in the number of years used in pensions benefit calculation, partial transfer of risk from the employer to the employee, increasing the reward for continuing to work, and so on. There are efforts to differentiate between normal retirement age and the mandatory age of separation. Improving physical and mental health, and the prolongation of the working capability of people belonging to the older age groups, play an important role in these efforts.

58. Any changes to the United Nations system pension scheme would be of a long-term nature, and would need careful, comprehensive consideration before any decision is taken. For the time being, as shown by the latest actuarial studies of UNJSPF,¹³ there is no pressing urgency to make changes from the perspective of the financial sustainability of the Fund.

¹² World Population Prospect: The 2004 Revision.

¹³ UNJSP Board report on the 28th Actuarial valuation of the UNJSPF prepared as of 31 December 2005, JSPB/53/R.4.

59. The United Nations system has to address the low mandatory age of separation/ retirement to ensure the adequate and most rational utilization of the available human resources. The Inspectors recognize the complexity of this issue, the possible consequences on the pension system and its impact on the human resources policies and practices of the participating organizations. However, they are of the firm opinion that it is time for the General Assembly to initiate steps leading to a review, with the involvement of the UNJSPF Board and ICSC, aimed at studying the current trends in retirement in the United Nations system and the international labour market, with due consideration to the increase in life expectancy at the age of 60 and the efficient use of human resources in the United Nations system. An increase in the mandatory age of separation would also reduce the long-term liability of after-service health insurance (ASHI), hence also reduce the contribution of Member States, and will further improve the sustainability of the Pension Fund. The review should focus on the possibility of changing the present mandatory age of separation in the United Nations system. The implementation of the following recommendation is intended to enhance efficiency in human resources management and would result in significant financial savings on a recurrent basis.

Recommendation 7

The General Assembly should request the Secretary-General of the United Nations, in his capacity as the chairperson of CEB, to initiate a review, with the involvement of the UNJSPF Board and ICSC, on the possibility of changing the mandatory age of separation in view of the number of impending retirements in the United Nations system, with due consideration to the increase in life expectancy at the age of 60.

H. Rigid regulations and practices relating to the employment of retirees

60. In the United Nations, the retention in service of staff beyond the mandatory age of separation and the employment of retirees, including the criteria, procedure, general conditions and contractual arrangements, are defined and regulated in detail according to ST/AI/2003/8. There are similar instructions in other United Nations system organizations. Retention in service of staff members beyond the mandatory age of separation is an exception to the provisions of the staff regulations, and is usually only granted when a suitable replacement cannot be identified in a timely manner. It implies that the non-availability of a qualified candidate is the precondition, and there is little or no consideration for the interests of the organization and whether it needs the experience and expertise of a given person after his or her normal retirement age.

61. According to the existing regulations, a former staff member who is in receipt of pension benefits from UNJSPF may not earn more than US\$ 22,000 for work performed and/or services rendered during a calendar year, and their cumulative period of service shall not exceed six months per calendar year. For language service staff this restriction is the monetary equivalent of 125 days of work during a calendar year. This limitation is an obstacle to efficiently using the expertise of qualified retired personnel within the United Nations system. Due to the constraints imposed by the financial limit, it may not be possible to recruit for a sufficient period of time experienced former staff members who retired at high grades. As more staff retire and expected replacement needs increase, the demand for employment of retirees may soon become inevitable.

62. In many organizations these regulations cause difficulties and limit the possibility of using the most qualified former staff members' experience. In order to get qualified retirees on board, some of the organizations resort to indirect employment methods, like subcontracting through consultancy firms or other economic or legal entities, which is often more costly. In these cases the contract is given to an employer, who then utilises the services of the retirees. Such employment may be legally correct, but it contradicts the spirit of the rule, therefore such practices are questionable.

63. The Inspectors believe that setting inflexible financial limits for the employment of retirees is not very helpful and that various options, such as increasing the financial ceiling, as mentioned in paragraph 61 above, or fixing a limited number of months of employment of retirees irrespective of their final salary, should be considered. These options may facilitate the employment of the most experienced and highly qualified former staff whose expertise would be useful and cost-effective to the organizations. The implementation of the following recommendation is intended to enhance efficiency in human resources management and help organizations to ease the consequences of the future retirement wave.

Recommendation 8

Executive heads of the United Nations system organizations, in coordination with CEB and ICSC, should review the existing regulations and financial limits relating to the employment of retirees, with a view to making them more flexible, and submit an appropriate proposal to their respective legislative bodies.

I. Financial implications of the increasing number of staff retirements

64. The United Nations system provides retired staff members who have met certain eligibility requirements with after-service medical and dental coverage, as well as other post-termination benefits, such as accrued annual leave and a repatriation grant. Accrued annual leave and the repatriation grant are in general paid and expensed at the time of the separation of the staff member. They are one-time payments having no accumulated impact for the organizations after the time of separation. Although with the increasing trend in retirements these liabilities are likely to grow, their absolute volume is relatively low compared with annual staff costs, and is foreseen in the budgeting process.

65. The accrued ASHI liability has more substantial financial implications for the organizations and will increase many times with the increase in the number of retirements. In addition to the cost of the organization's premium to cover future retirees, the major issue of the ASHI programme relates to its accrued liability and funding. Accrued liability for ASHI represents the present value of future benefits for which active staff and retirees have already rendered service. Starting from the 1960s, when the ASHI programme began in the United Nations system, the number of participants has steadily increased. With the increasing number of retirements, the membership will grow. The related cost in providing health coverage for retirees has increased many times due to soaring medical costs and increases in utilization of services. As mentioned in the Secretary-General's report, the average ASHI enrolment more than doubled from the biennium 1984-1985 to the end of the biennium 2002-2003, and the medical benefits

paid out increased almost tenfold over the same period.¹⁴ The overall cost of medical care for retirees is expected to spiral upwards in the future with increased retirements and the increase in life expectancy of the retired population.

66. Based on actuarial studies, it was estimated that the accrued liability for the ASHI coverage for the entire United Nations system for the period up to 31 December 2003 was approximately US\$ 4.0 billion as stated in the above-mentioned Secretary-General's report. Historical trends indicate the liability will substantially increase in the future. The General Assembly, in its resolution 60/255, recognized the end-of-service accrued benefit liabilities for the United Nations, and requested that steps be taken to disclose these liabilities in the United Nations financial statements.

67. The Inspectors do not intend to discuss in detail the cost of ASHI schemes and related issues; however, they wish to point out that the Unit has finalized a report included in its work programme on United Nations system staff medical coverage, and this report will provide proposals to the organizations on how to deal with the emerging problems faced by their health insurance schemes, resulting from the soaring costs of medical coverage and the need to guarantee medical coverage to their staff and retirees and their dependants. However, the Inspectors felt it was necessary to bring to the attention of Member States the fact that the forthcoming increase in the number of retirements will accelerate the future growth of and the financial burden related to ASHI.

¹⁴ A/60/450 and Corr.1, annex IV, para. 9.

ANNEX I

Number of staff by category and organizational location as at 31 December 2004

ORGANIZATION	HEADQUARTERS				OTHER ESTABLISHED OFFICES				PROJECT				TOTAL		
	PROF	GS	TOTAL	% TOTAL	PROF	GS	TOTAL	% TOTAL	PROF	GS	TOTAL	% TOTAL	PROF	GS	TOTAL
United Nations, funds and programmes															
UN	2266	2626	4892	31	4014	6317	10331	66	315	0	315	2	6595	8943	15538
UNRWA	63	7	70	53	46	2	48	36	15	0	15	11	124	9	133
UNHCR	551	420	971	20	939	2938	3877	80	0	0	0	0	1490	3358	4848
WFP	460	329	789	29	0	1197	1197	43	754	21	775	28	1214	1547	2761
UNDP	490	323	813	17	1008	2866	3874	83	0	0	0	0	1498	3189	4687
UNFPA	150	118	268	25	231	578	809	75	0	0	0	0	381	696	1077
UNOPS	79	83	162	28	251	161	412	72	0	0	0	0	330	244	574
UNICEF	492	318	810	14	211	203	414	7	1312	3187	4499	79	2015	3708	5723
Specialized agencies and IAEA															
ILO	515	594	1109	44	212	503	715	28	325	392	717	28	1052	1489	2541
FAO	1080	1109	2189	59	314	823	1137	30	133	270	403	11	1527	2202	3729
UNESCO	720	794	1514	66	318	440	758	33	10	0	10	0	1048	1234	2282
ICAO	241	365	606	70	85	104	189	22	75	0	75	9	401	469	870
WHO	791	734	1525	37	533	1295	1828	44	419	374	793	19	1743	2403	4146
UPU	67	89	156	100	0	0	0	0	0	0	0	0	67	89	156
ITU	304	483	787	94	20	20	40	5	7	1	8	1	331	504	835
WMO	119	143	262	96	5	4	9	3	0	2	2	1	124	149	273
IMO	132	169	301	91	0	0	0	0	10	21	31	9	142	190	332
WIPO	447	481	928	99	6	1	7	1	0	0	0	0	453	482	935
UNIDO	212	329	541	79	49	58	107	16	32	7	39	6	293	394	687
UNWTO	38	58	96	100	0	0	0	0	0	0	0	0	38	58	96
IAEA	932	1121	2053	97	38	34	72	3	0	0	0	0	970	1155	2125
TOTAL	10149	10693	20842	38	8280	17544	25824	48	3407	4275	7682	14	21836	32512	54348

Source: CEB database

ANNEX IIGrade distribution of Professional staff as at 31 December 2004¹⁵**HEADQUARTERS AND OTHER ESTABLISHED OFFICES**

ORGANIZATION	P1	P2	P3	P4	P5	D1	D2	UG	TOTAL
United Nations, funds and programmes									
UN	58 (1)	779 (12)	1930 (31)	1906 (31)	1009 (16)	376 (6)	137 (2)	85 (1)	6280 (100)
UNRWA	2 (2)	12 (11)	12 (11)	42 (38)	23 (21)	15 (14)	1 (1)	2 (2)	109 (100)
UNHCR	9 (1)	207 (14)	528 (35)	446 (30)	209 (14)	72 (5)	16 (1)	3 (0)	1490 (100)
WFP	16 (3)	84 (18)	112 (24)	105 (23)	86 (19)	31 (7)	21 (5)	5 (1)	460 (100)
UNDP	29 (2)	239 (16)	266 (17)	350 (23)	343 (23)	188 (13)	72 (5)	11 (1)	1498 (100)
UNFPA	12 (3)	43 (11)	34 (9)	80 (21)	149 (39)	48 (13)	12 (3)	3 (1)	381 (100)
UNOPS	0 (0)	34 (10)	62 (19)	85 (26)	107 (32)	30 (9)	10 (3)	2 (1)	330 (100)
UNICEF	2 (0)	107 (15)	131 (19)	209 (30)	158 (22)	70 (10)	20 (3)	6 (1)	703 (100)
Specialized agencies and IAEA									
ILO	0 (0)	12 (2)	126 (17)	212 (29)	280 (38)	67 (9)	19 (3)	11 (2)	727 (100)
FAO	21 (2)	175 (13)	262 (19)	420 (29)	329 (24)	127 (9)	45 (3)	15 (1)	1394 (100)
UNESCO	44 (4)	216 (21)	250 (24)	212 (20)	203 (20)	70 (7)	32 (3)	11 (1)	1038(100)
ICAO	1 (0)	32 (14)	61 (23)	156 (35)	52 (24)	17 (3)	5 (1)	2 (0)	326 (100)
WHO	1 (0)	87 (7)	218 (16)	292 (22)	483 (37)	174 (13)	45 (3)	24 (2)	1324 (100)
UPU	0 (0)	4 (6)	23 (34)	22 (34)	8 (12)	7 (10)	3 (4)	0 (0)	67 (100)
ITU	6 (2)	39 (12)	93 (28)	84 (26)	80 (25)	14 (4)	3 (1)	5 (2)	324 (100)
WMO	0 (0)	2 (2)	13 (10)	40 (33)	44 (35)	12 (10)	10 (8)	3 (2)	124 (100)
IMO	0 (0)	19 (14)	25 (19)	28 (21)	38 (29)	15 (11)	6 (5)	1 (1)	132 (100)
WIPO	1 (0)	66 (15)	103 (23)	123 (26)	89 (20)	47 (10)	17 (4)	7 (2)	453 (100)
UNIDO	2 (1)	23 (9)	60 (23)	66 (25)	75 (29)	29 (11)	5 (2)	1 (0)	261 (100)
UNWTO	5 (13)	9 (24)	9 (24)	13 (34)	2 (5)	0 (0)	0 (0)	0 (0)	38 (100)
IAEA	4 (0)	65 (7)	288 (30)	336 (35)	233 (24)	33 (3)	4 (0)	7 (1)	970 (100)
TOTAL	213 (1)	2254 (12)	4606 (25)	5227 (28)	4000 (22)	1442 (8)	483 (3)	204 (1)	18429 (100)

Source: CEB database

¹⁵ Percentage is rounded and provided in the brackets.

ANNEX III

Age distribution of Professional staff at headquarters and other established offices as at 31 December 2004¹⁶

ORGANIZATION	LESS THAN 30 YRS.	30 YRS. TO LESS THAN 35 YRS.	35 YRS. TO LESS THAN 40 YRS.	40 YRS. TO LESS THAN 45 YRS.	45 YRS. TO LESS THAN 50 YRS.	50 YRS. TO LESS THAN 55 YRS.	55 YRS. TO LESS THAN 60 YRS.	60 YRS. TO LESS THAN 65 YRS.	65 YRS. AND OVER	TOTAL
United Nations, funds and programmes										
UN	165 (3)	645 (10)	824 (13)	1051 (17)	1040 (17)	1212 (19)	1088 (17)	231 (4)	24 (0)	6280 (100)
UNRWA	3 (3)	11 (10)	20 (18)	16 (14)	18 (17)	17 (16)	20 (18)	3 (3)	1 (1)	109 (100)
UNHCR	41 (3)	179 (12)	230 (15)	259 (17)	309 (22)	272 (18)	180 (12)	19 (1)	1 (0)	1490 (100)
WFP	33 (7)	76 (17)	88 (19)	78 (17)	79 (17)	55 (12)	42 (9)	9 (2)	0 (0)	460 (100)
UNDP	82 (6)	254 (17)	202 (13)	216 (14)	271 (18)	250 (17)	192 (13)	30 (2)	1 (0)	1498 (100)
UNFPA	20 (5)	46 (13)	31 (8)	41 (11)	62 (16)	88 (23)	76 (20)	17 (4)	0 (0)	381 (100)
UNOPS	9 (3)	27 (8)	51 (15)	51 (15)	65 (20)	62 (19)	51 (15)	12 (4)	2 (1)	330 (100)
UNICEF	14 (2)	72 (10)	109 (16)	112 (16)	108 (15)	138 (20)	120 (17)	28 (4)	2 (0)	703 (100)
Specialized agencies and IAEA										
ILO	4 (1)	41 (6)	73 (10)	96 (13)	134 (18)	159 (22)	184 (25)	35 (5)	1 (0)	727 (100)
FAO	30 (2)	126 (9)	143 (10)	189 (14)	229 (17)	265 (19)	306 (22)	101 (7)	5 (0)	1394 (100)
UNESCO	42 (4)	107 (10)	137 (13)	118 (11)	138 (13)	207 (20)	247 (25)	41 (4)	1 (0)	1038 (100)
ICAO	3 (1)	9 (3)	19 (6)	28 (9)	61 (19)	72 (22)	94 (28)	39 (12)	1 (0)	326 (100)
WHO	19 (1)	71 (5)	134 (10)	215 (16)	260 (20)	296 (23)	288 (22)	39 (3)	2 (0)	1324 (100)
UPU	1 (1)	5 (7)	7 (10)	12 (18)	8 (12)	17 (26)	15 (23)	2 (3)	0 (0)	67 (100)
ITU	6 (2)	38 (12)	45 (14)	48 (15)	45 (14)	70 (21)	65 (20)	6 (2)	1 (0)	324 (100)
WMO	0 (0)	0 (0)	4 (3)	9 (7)	15 (12)	32 (26)	45 (36)	17 (14)	2 (2)	124 (100)
IMO	3 (2)	7 (5)	11 (8)	14 (11)	22 (17)	31 (23)	30 (23)	13 (10)	1 (1)	132 (100)
WIPO	12 (3)	31 (7)	76 (17)	99 (22)	88 (19)	69 (15)	54 (12)	24 (5)	0 (0)	453 (100)
UNIDO	5 (2)	14 (6)	27 (10)	35 (13)	41 (16)	53 (20)	74 (28)	11 (4)	1 (0)	261 (100)
UNWTO	1 (3)	2 (5)	5 (13)	3 (8)	3 (8)	12 (32)	11 (29)	1 (3)	0 (0)	38 (100)
IAEA	14 (1)	58 (6)	84 (9)	134 (14)	199 (21)	211 (22)	197 (20)	70 (7)	3 (0)	970 (100)
TOTAL	507 (3)	1819 (10)	2320 (13)	2824 (16)	3195 (17)	3588 (19)	3379 (18)	748 (4)	49 (0)	18429 (100)

Source: CEB database

¹⁶ Percentage is rounded and provided in the brackets.

ANNEX IVAge and grade distribution of Professional staff as at 31 December 2004¹⁷

AGE BRACKET (YEARS)	P1	P2	P3	P4	P5	D1	D2	UG	TOTAL
LESS THAN 30 YRS.	109	490	80	1	0	0	0	0	680
30 YRS TO LESS THAN 35 YRS	98	1245	841	173	14	0	0	0	2371
35 YRS TO LESS THAN 40 YRS	21	475	1358	843	173	11	0	0	2881
40 YRS TO LESS THAN 45 YRS	9	247	1209	1412	573	89	15	6	3560
45 YRS TO LESS THAN 50 YRS	15	199	848	1537	1084	280	47	11	4021
50 YRS TO LESS THAN 55 YRS	11	141	738	1415	1476	466	158	43	4448
55 YRS TO LESS THAN 60 YRS	15	106	428	1151	1437	637	228	72	4074
60 YRS TO LESS THAN 65 YRS	4	11	63	188	336	149	93	61	905
65 YRS AND OVER.	0	0	1	1	16	9	6	33	66
TOTAL	282	2914	5566	6721	5109	1641	547	226	23006

Source: CEB database

¹⁷ The table covers all 28 organizations of the United Nations common system, not only JIU participating organizations.

ANNEX V

Staff average age and average age of entry on duty (EOD)

Orgs	Staff average age			Average EOD age		
	P	GS	Average	P	GS	Average
United Nations, funds and programmes						
UN	46.2	45.4	45.9	35.0	31.9	33.1
UNHCR	45.4	41.2	42.6	33.6	33.1	33.3
UN-Habitat	46.3	43.2	45.1	39.6	32.3	36.7
UNDP	44.3	47.0	44.7	38.2	34.0	37.5
UNFPA	46.9	43.6	44.5	37.9	35.9	36.6
UNICEF	44.5	43.0	44.0	36.0	33.0	35.0
WFP	44.0	43.0	44.0	37.0	32.0	36.0
Specialized agencies and IAEA						
ILO	44.3	47.1	45.6	37.7	31.8	34.6
FAO	49.4	46.8	47.9	43.5	34.6	39.8
UNESCO	47.0	46.0	47.0	38.0	36.0	38.0
ICAO	51.4	47.2	48.9	data under verification		
WHO	49.0	45.0	47.0	44.0	37.0	40.0
UPU	47.0	42.0	44.0	45.0	28.0	34.0
ITU	48.0	46.5	47.1	38.2	33.4	35.1
WMO	51.5	46.5	48.9	44.8	40.0	43.6
IMO	49.4	47.5	48.4	38.0	36.2	37.0
WIPO	44.7	43.6	44.1	40.25	N/A	N/A
UNIDO	49.6	47.5	48.2	43.0	39.0	42.0
UNWTO	N/A	N/A	N/A	N/A	N/A	N/A
IAEA	49.2	45.5	46.9	40.8	31.8	35.3

Source: Latest data provided by organizations in August 2006.

ANNEX VI

Number of retired staff and anticipated retirements

Orgs	Number of retired staff					Number of anticipated retirements				
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
United Nations, funds and programmes										
UN	241	280	293	305	321	347	308	382	435	412
UNHCR	23	21	22	42	36	44	46	62	75	106
UN-Habitat	3	1	6	7	8	3	5	3	3	19
UNDP	15	26	16	22	22	9	43	38	68	69
UNFPA	11	11	12	17	12	8	16	23	24	38
UNICEF	24	30	35	26	10	29	102	125	139	151
WFP	N/A	12	15	15	21	10	23	26	31	38
Specialized agencies and IAEA										
ILO	N/A	N/A	N/A	N/A	N/A	25	61	60	63	63
FAO	275	252	208	217	205	99	92	105	135	114
UNESCO	90	75	63	70	92	71	71	72	81	86
ICAO	27	18	23	30	33	37	41	27	43	28
WHO	92	70	84	80	91	36	128	142	147	149
UPU	4	6	5	6	8	8	4	9	4	7
ITU	29	27	20	45	24	19	16	19	29	40
WMO	14	19	5	25	11	5	12	16	8	13
IMO	9	13	10	3	17	12	11	13	10	10
WIPO	13	14	9	13	17	12	8	14	23	N/A
UNIDO	30	37	38	17	22	9	30	30	29	33
UNWTO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IAEA	58	70	96	67	48	23	50	53	49	56

Source: Latest data provided by organizations in August 2006.

Annex VII
Overview on actions to be taken by participating organizations on JIU recommendations

		United Nations and its Funds and Programmes											Specialized Agencies and IAEA													
		United Nations *	UNCTAD	UNODC	UNEP	UN-HABITAT	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	[OTHER]	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
Report	For action	X					X		X	X	X	X	<input type="checkbox"/>	X	X	X	X	X	X	X	X	X	X	X	X	X
	For information and review	<input type="checkbox"/>	X	X	X	X	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendation 1							L		L	L	L					L		L	L	L	L	L	L	L	L	
Recommendation 2		L					L		L	L	L	L		L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 3		E					E		E	E	E	E		E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 4		E					E		E	E	E	E		E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 5		L					L		L	L	L	L		L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 6		E					E		E	E	E	E		E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 7		L																								
Recommendation 8		E					E		E	E	E	E		E	E	E	E	E	E	E	E	E	E	E	E	E

Legend:

L: Recommendation for decision by legislative organ

E: Recommendation for action by executive head

Blank: Recommendation does not require action by this organization

- Covers all entities listed in
- ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-HABITAT, UNHCR, and UNRWA.