



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



143rd SESSION OF THE EXECUTIVE COMMITTEE

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Provisional Agenda Item 5.1

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U.N. CONTRACT REFORM IMPLEMENTATION IN PAHO

Background

1. During the Executive Committee's 140th Session, the Director's contract reform proposal (and related Staff Rule amendments) was confirmed; however, at that time the Executive Committee conditioned implementation of PAHO's new contractual arrangements on United Nations (UN) General Assembly approval of a similar framework for the U.N. common system.
2. During the March 2008 meeting of the Subcommittee on Program, Budget and Administration (SPBA), the Secretariat gave a brief update on the status of contract reform in the U.N. system and in WHO. With respect to the U.N., it advised that the U.N. General Assembly had decided to continue its consideration of the issues of contractual arrangements and conditions of service for U.N. staff at its sixty-third session, with a view to the implementation of the new arrangements and conditions on 1 July 2009.¹
3. The Secretariat also reported that WHO's implementation of changes to its contractual framework is virtually complete. The resulting divergence of appointment types and contractual mechanisms between WHO and PAHO, however, has led to a number of challenges for PAHO, both large and small. The most significant problems were outlined to the SPBA and continue to require constant monitoring and management by the PAHO administration. One issue presented to the SPBA regarding insurance benefits for PAHO short-term professionals and short-term general service staff was discussed during the SPBA meeting and, as a result, the SPBA endorsed the PAHO Director's decision to move forward with expanded health insurance benefits for this category of staff. The expansion of benefits was necessary in order to continue PAHO's participation in WHO's Staff Health Insurance (SHI) program.

¹ A/RES/62/248

4. One other matter originally raised at the 140th Session of the Executive Committee as part of PAHO's June 2007 contract reform proposal continues to be of great concern to PAHO and is becoming a significant challenge as time progresses. That matter is as follows:

Short-Term Consultants (STCs)

5. On 1 July 2008, WHO implemented extensive changes to its policy regarding the hiring of consultants. Prior to these changes, WHO consultants were considered staff members of WHO and entitled to certain benefits, including participation in the United Nations Joint Staff Pension Fund (UNJSPF), leave, and income tax reimbursement. The same is currently true in PAHO. WHO has amended its staff rules to convert consultant contracts to non-staff contracts. WHO's new policy:

- streamlines a number of WHO temporary contracts into a single consultant contract mechanism;
- clarifies the status of consultants as non-U.N. staff;
- establishes clear parameters for the use of the new consultant contractual mechanism;
- establishes procedures for the selection of consultants;
- establishes compensation guidelines.

6. As a result of their new non-staff member status, WHO consultants are no longer insured under WHO's Staff Health Insurance (SHI) policy but under a private insurance policy which provides an equivalent level of coverage; they no longer participate in the UNJSPF; they are not entitled to annual or sick leave; and they are not entitled to income tax reimbursement by WHO.

7. Similar changes to the status of PAHO short-term consultants (STCs) were wrapped into PAHO's contract reform proposal. Consequently, PAHO has been unable to implement a similar change regarding its STC contracts. This situation has created an immediate difficulty regarding health insurance coverage for the 67 STCs PAHO currently employs. Consultants at WHO Headquarters and in WHO regional offices are no longer covered under WHO's SHI policy but under private insurance. PAHO's STCs cannot participate in the private insurance plan – since they continue to be PAHO staff members – but maintaining them in the WHO SHI program was not anticipated by WHO. PAHO's Human Resources Management Area is currently negotiating with WHO to maintain STCs under WHO's SHI policy until such time as PAHO can move forward to change the status of its consultants to non-staff.

8. Moreover, PAHO must still continue to contribute, on a monthly basis, an amount equal to 15.8% of an STC's salary to the United Nations Joint Staff Pension Fund (UNJSPF) on behalf of the STC staff members who have chosen to participate in the Fund. Total pension fund contributions by PAHO on behalf of its STCs during 2007 were approximately US\$189,900.

9. Also, due to their current status as U.N. staff members, PAHO's STCs continue to be eligible for sick leave at full pay. They also may receive up to two days of leave in a one-month period if they hold contracts of more than two months duration, and adoption leave. Under a non-U.N. staff contract, there would be no leave entitlements for PAHO's consultants.

10. In addition, PAHO must still continue to reimburse income tax payments for United States citizens and residents holding STC contracts, as well as half of their social security contributions. While the amounts paid to the U.S. government are refunded to PAHO, there is an associated administrative cost for processing STC income tax and social security payments, that PAHO continues to incur. If PAHO is allowed to implement a new non-U.N. staff consultant contract, all consultants would be responsible for ensuring that they comply with the tax laws applicable in their country of residence.

11. In light of the above, PAHO is seeking the Executive Committee's approval to implement, with effect from 1 January 2009, those Staff Rule amendments which were confirmed during the 140th Session of the Executive Committee and which would change the status of PAHO's STCs to non-U.N. staff.

12. Finally, there remain two important issues which were confirmed during the Executive Committee's 140th Session and whose delayed implementation continues to be of concern to PAHO – the establishment of continuing contracts in PAHO and also the amendment of the contract length of temporary staff from a maximum of 11 months to a maximum of 24 months. While the delay in moving forward with these two initiatives is not currently creating significant problems for PAHO, the administrative burden of continuing with PAHO's current processes for renewing and extending contracts, as well as the disparity that now exists between WHO's and PAHO's hiring processes, is cause for concern. PAHO looks forward to resolving these issues in the near future.

Action by the Executive Committee

13. In light of the above, the Committee may wish to consider the following proposed resolution:

THE 143rd SESSION OF THE EXECUTIVE COMMITTEE,

Considering those Staff Rule amendments confirmed during the 140th Session of the Executive Committee (CE140.R14) related to the reform of PAHO's contractual mechanisms, for which implementation is pending approval by the Executive Committee;

Acknowledging that consultants within the majority of U.N. agencies are not U.N. staff members and that the issue of consultants' status is not part of the U.N. reform contractual framework;

Acknowledging the need to reduce the administrative burden associated with the management of short-term consultant contracts in PAHO; and

Recognizing the need for uniformity of conditions of employment of consultants of the Pan American Health Organization and the World Health Organization,

RESOLVES:

To authorize the Director to implement, with effect from 1 January 2009, those Staff Rule amendments which were confirmed during the 140th Session of the Executive Committee and which would change the status of short-term consultants in PAHO to non-U.N. staff.

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