



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



## **SECOND SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE**

*Washington, D.C., USA, 10-12 March 2008*

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*Provisional Agenda Item 6.2*

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### **UN CONTRACT REFORM IMPLEMENTATION IN PAHO: PROGRESS REPORT**

#### **Background**

1. During the Executive Committee's 140th Session, the Director's contract reform proposal (and related Staff Rule amendments) was approved with effect from 1 January 2008. While the Director's proposal is generally consistent with the 2007 reform of contractual arrangements in WHO, the Executive Committee conditioned implementation of PAHO's reform on approval of new contractual arrangements for the United Nations (UN) common system by the 62nd Session of the United Nations General Assembly.

#### **Progress Report**

2. The General Assembly held its 62nd Session between October and December of 2007. Submitted for its consideration was the 17 August 2007 Report of the Secretary General (A/62/274) outlining a proposal for implementation of streamlined United Nations contractual arrangements. The Secretary General proposes to reduce the number of types of appointments within the U.N. system to three, namely, fixed-term, continuing and temporary and specifically notes that the proposal is designed in conformity with the International Civil Service Commission's (ICSC's) framework for contractual arrangements.<sup>1</sup> The reform implemented in WHO in 2007 and that approved by PAHO's Executive Committee during its 140th Session are also consistent with the ICSC framework.

3. In his report, the Secretary General noted that the separately-administered funds and programs will continue to have the flexibility in the implementation of new contractual

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<sup>1</sup> A/62/274 at paragraph 22.

arrangements in respect of their own staff, taking into account their respective operational needs.<sup>2</sup>

4. The General Assembly deleted consideration of the Secretary General's Report from its 62nd Session agenda. Consideration of the Secretary General's report will now be undertaken during the General Assembly's spring 2008 Session.

5. In order to be positioned to implement PAHO's reform once the United Nations General Assembly has approved a framework for its own staff, PAHO's Human Resources Management Area is currently working on a number of draft policies and procedures.

6. WHO's contract reform implementation is well underway with the majority of changes taking effect during 2007. This has had an unexpected impact on PAHO on a number of fronts, particularly in the area of staff health insurance.

7. Specifically, in September 2007, WHO amended its Staff Health Insurance (SHI) Rules to reflect the new contractual framework for fixed-term, continuing and temporary appointments. Noteworthy is the broader range of health insurance benefits now being made available to temporary staff (*i.e.*, short-term professionals and short-term general service staff with contracts of more than 60 days) in WHO under the new framework. Because PAHO staff members participate in the WHO health insurance program and their insurance coverage is governed by the terms of the SHI Rules, the amendments to the SHI Rules apply to PAHO staff members as well. Nevertheless, PAHO has informed WHO that it cannot implement the broader range of benefits for temporary staff or any other aspect of the SHI Rule changes intended to implement contractual reform, as these same contractual reform changes have not been approved for PAHO. This situation has resulted in confusion for PAHO staff members and imposes potential liability for PAHO.

8. The most significant proposed changes to the SHI Rules applicable to temporary staff include:

- a) Making full SHI coverage mandatory for temporary staff. Currently, temporary staff have the option of electing full coverage for themselves and certain family members (spouse and children under 18 years of age);
- b) Making full SHI coverage effective from the first day of employment for temporary staff with contracts of more than 60 days. Currently, these temporary staff may elect coverage only after three months of continuous service with PAHO;

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<sup>2</sup> A/62/274 at paragraph 10.

- c) Providing full coverage for the dependant children of temporary staff up to the age of 25. Currently, the dependant children of temporary staff are covered only up to the age of 18;
- d) Extending full coverage to the secondary dependents of temporary staff. Currently, secondary dependants' coverage is not available to temporary staff.

9. The estimated cost to PAHO of implementing these changes to the SHI coverage for short-term professional and short-term general service staff is estimated at approximately US\$ 100,000 per year.

### **Proposal**

10. To ensure PAHO's ability to continue participating in WHO's health insurance scheme, it is necessary that PAHO agree to offer the same benefits provided under that scheme. Consequently, the Director proposes to exercise her authority to broaden the health insurance benefits for short-term professional and short-term general service staff in order for this to be consistent with the WHO SHI Rules currently in effect.

### **Action by the Subcommittee on Program, Budget, and Administration**

11. The Subcommittee is asked to take note of this report, review the proposal contained in paragraph 10, and instruct the Secretariat accordingly.

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