



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



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HIRING UNDER LOCAL CONDITIONS OF EMPLOYMENT FOR THE MOBILIZATION OF
NATIONAL RESOURCES

It will be recalled that this agenda item was presented initially by the Chief, Office of Legal Affairs to the Executive Committee at its 97th Meeting in June 1986. The purpose of the presentation related to the establishment of a national contracting system which would permit the attainment of "greater efficiency and effectiveness in the use of the financial resources available to the Organization," which called for fresh approaches, permitting "the Organization to secure the qualified personnel it needs."

The Executive Committee discussed the proposal at length and "endorsed it as a useful and necessary response to the present situation in regard to international cooperation and the actual availability of funding." The Committee, in consequence, passed the subject matter on to the XXII Pan American Sanitary Conference, held in September 1986, for further review and consideration.

The Conference, in turn, adopted Resolution XIX, contained in Annex I, which approved the revision of Article I of the Staff Regulations by the addition of Articles 1.12, 1.13, 1.14 and 1.15. The resolution likewise requested the Director, *inter alia*:

To issue such rules as he may deem appropriate to regulate contracts of this type for national personnel, subject to confirmation by the Executive Committee....

To provide the Executive Committee with annual interim reports on the implementation of these amendments to the Staff Regulations, and with a full report, prior to 31 May 1989,...together with his recommendations regarding this new system.

The Conference delegated to the Executive Committee the authority to determine if these amendments to the Staff Regulations should remain in effect after 30 September 1989 (see Annex I). As requested by the Conference, the Secretariat has provided the Executive Committee at its 99th (1987) and 101st (1988) Meetings with "interim reports" on the

implementation of the above-mentioned resolution. Similar reports have been submitted to the Subcommittee on Planning and Programming of the Executive Committee at its Eighth (1987), Tenth (1988) and Twelfth (1989) Meetings.

The resolution and resultant program have also been the object of discussions within the Secretariat, particularly on the occasion of meetings of technical and administrative managers in the field and at Headquarters. In addition, there have been consultations with the representatives of the Staff Association. These reports and discussions covered all the areas relating to the effective implementation of the program at all decision-making levels. In April 1987 the Secretariat presented to the Eighth Meeting of the Subcommittee on Planning and Programming of the Executive Committee a new set of Staff Rules to apply to "national staff members." By the decision taken by the 99th Meeting of the Executive Committee in June 1987, the new Staff Rules were confirmed, effective 1 July 1987. These Rules, which incorporated the suggestions made by the Staff Association, delegations to the Subcommittee on Planning and Programming, and delegations to the Executive Committee, have remained in effect without addition, modification, or deletion. These Rules are considered to be effective in determining the rights and entitlements of this category of staff and have provided the required stability.

To ensure proper application of the Rules, the Secretariat has issued a number of directives regarding the new personnel system. Emphasis has been placed on the substantive portion of the resolution, i.e., the intention of the Governing Bodies that the implementation of the system be "on a limited basis" and be "cost effective." These directives also covered establishment of specific posts, the importance of salary surveys and adjustments, competitive selection processes, performance appraisals, and the need for reporting anomalies.

Each of the posts created under Resolution XIX has been assigned a serial number, starting with the numeral "9," to distinguish this category of posts from those which fall under the United Nations Common System of salaries and allowances. Collaboration with the Office of Internal Audit, the Budget Department, and computer resources of the Organization has also been used to ensure adequate control in the application of the new Rules. Since July 1987, all the "9" series posts have been made a part of the Staff Information Roster. Beginning with the biennial 1990-1991, the "9" series posts will be reflected in the program and budget documents of the Organization. In a rather brief span of time, the program under the Rules has been given its own identity. There are personnel actions related to appointments, reclassifications, promotions, transfers, resignations, and terminations for reasons such as unsatisfactory service, misconduct, etc.

The Executive Committee may also wish to note that the Secretariat has been vigilant in ensuring that the operation of the system be "on a limited basis." The establishment of the posts under the new Rules has therefore been "limited" to 225 posts at four locations (see Annex II, Table I), most to regularize the employment conditions of persons already working for the Organization for along time or to substitute for UN posts that were eliminated. Moreover, of the 12 posts added between the years 1988 and 1989, eight were the result of substitutions or deletions of the "United Nations" posts, with the consequent net savings of US\$25,000 (see Annex II, Table II). It is important to note in this connection that none of the staff currently serving the Organization has been prejudiced by the establishment of the new recruitment system, and in this connection the Secretariat has ensured compliance with operative paragraph 4 of the resolution. The attached tables provide details of the posts established by location since the inception of the system; provide comparisons in the evolution of the system between April 1988 and April 1989; provide a list of the type of posts for which recruitment is normally conducted under the system, with particular reference to the period March 1988-March 1989; and provide the distribution, by gender, of personnel assigned under this program at various locations.

It is estimated that, by 1992, the total number of posts under the system will not exceed 275, i.e., an addition of 50 posts including approximately 35 in CLAP. Requests for use of this type of personnel contract have been received from locations other than those indicated in the attached tables but have been rejected because of lack of feasibility or because of inadequate number of personnel to justify the institution of a separate program. Other requests might be made in the future; however, no commitment has been made in this connection as each request would need careful study and review prior to any decision being made. As indicated, it is planned to continue the operation of the system "on a limited basis" and mainly at Center locations, where it is expected that UN posts which will become vacant may be converted into national posts under the system, in accordance with the content of operative paragraph 4 of the resolution and without prejudice to the rights of the existing staff serving under international UN posts at Centers.

For the time being, and for the next few years, the Secretariat plans to "limit" the application of the system to secure the services of support personnel such as secretaries, administrative assistants, maintenance technicians, printing clerks, general services helpers, guards, messengers and drivers at Centers (see Annex II, Table III). Similarly, the operation of the system will continue at the PAHO/WHO Representation in Brazil having under its jurisdiction programs funded by extrabudgetary sources, e.g., Integrated Maternal and Child Health Program, and Technical Cooperation in Rural Sanitation Areas. It is not anticipated that the system will be utilized to recruit professional personnel for the time being, as the existing mechanisms under the Rules of the Organization will continue to remain applicable.

For the Secretariat, the implementation of Resolution XIX has entailed a continuing period of consolidation and adjustment at Headquarters as well as in the field. At its initial stage, the general operation of the system was at times difficult, as the areas to which the program has been applied have been characterized by high inflation. To minimize the difficulties confronted in this and other areas of personnel management, the Chief of Personnel and his staff, as well as other officials, have traveled to the field in order to provide guidance. By these efforts, plus daily familiarization with the operation of the program, sufficient experience has been gained to enable the Secretariat to state that the system is functioning with adequate control and efficiency.

It was to further facilitate this process of adjustment that an orientation and training seminar was held at Headquarters for the field administration staff responsible for the implementation of the new local conditions of employment system for support personnel. The seminar was intended to ensure that the staff at field locations would be able to think in the same way as the staff at Headquarters on issues related to Resolution XIX, as well as on those related to the personnel management policies and procedures concerning establishment and classification of post, recruitment, compensation, supervision and performance evaluation.

This program has benefited the staff hired under Resolution XIX in a sense that it has legalized their former non-status to that of national staff within the Organization. It has enabled them to have access to benefits normally provided by national legislation and has strengthened their relationship with PAHO and its officials. Complaints received from the individuals about promotions, salary adjustments, requests for reclassification, etc., are reviewed by officials of the Department of Personnel and the Department of Finance, as applicable.

Prior to the institution of the program, staff in this category had little, if any, access to the pool of advice available at Headquarters. Likewise, the Organization has benefited by the system as the Staff Rules approved and procedures established enable the Secretariat to administer, coordinate and control personnel matters more effectively. Before instituting the program, the names of the personnel under this program were unknown to Headquarters. Now their names are in the official PAHO Roster, their posts are specifically budgeted, starting with the 1990-1991 Biennial Program Budget. Staff can help them and their families with advice, benefits, etc. This has been accomplished with the existing structures, without any additional administrative overhead, and with more concentrated efforts. Before the institution of this program there were no formal selections, while the new Staff Rules provide competitive processes which are reviewed at Headquarters and which include staff participation.

It is felt that, on the whole, the Secretariat has met the criteria enunciated by Resolution XIX of the XXII Pan American Sanitary Conference concerning hiring under the local conditions of employment for mobilization of national resources. The system has been operating in accordance with the Staff Rules confirmed by the Executive Committee. The system has been applied "on a limited basis" for support personnel at four locations. It has been demonstrated that the system is not only useful for the administrative and technical activities of the Organization, but also "cost effective." The Secretariat has reported to the Governing Bodies on the cost of the posts under this program and, as reported to the April 1989 meeting of the Subcommittee on Planning and Programming of the Executive Committee, it is possible to state at this stage that the savings on such posts range from 30 to 55%. The system has not been rejected by the staff assigned to the posts established under Resolution XIX. The Secretariat has gained sufficient experience and is confident that, by the end of 1989, the program could be integrated into the normal personnel operations at Headquarters, side by side with other personnel systems of the Organization. The Secretariat has adhered to the language, intent and spirit of Resolution XIX and has found that the program under this resolution is not only viable but will also be useful in the future, particularly at Centers.

For the foregoing reasons, the Secretariat intends to maintain the system on a limited basis as envisaged by the XXII Pan American Sanitary Conference. A resolution (Proposed Resolution A) has, therefore, been prepared for consideration.

As one member delegation of the Subcommittee on Planning and Programming indicated the possible need for extending the trial period to allow the Organization more time to obtain experience with the system before a final decision is made with regard to its continuation, an alternative proposed resolution (Proposed Resolution B) has been prepared for consideration.

Proposed Resolution A

THE 103rd MEETING OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the subject of "Hiring Under Local Conditions of Employment for the Mobilization of National Resources" (Document CE103/14);

Having noted the report of the Twelfth Meeting of the Subcommittee on Planning and Programming of the Executive Committee in relation to the subject; and

Bearing in mind Resolution XIX of the XXII Pan American Sanitary Conference,

RESOLVES:

1. To approve the personnel system established by the Director in accordance with Resolution XIX of the XXII Pan American Sanitary Conference.

2. To endorse the proposal of the Director to retain Articles 1.12, 1.13, 1.14 and 1.15 of the Staff Regulations beyond 30 September 1989.

3. To request the Director to continue his efforts to monitor and evaluate the implementation of the personnel system, on the basis of the content of the Document CE103/14, and to report to the Executive Committee at its 109th Meeting in 1992 on such measures as he may adopt to improve the quality of the system.

Proposed Resolution B

THE 103rd MEETING OF THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the subject of "Hiring Under Local Conditions of Employment for the Mobilization of National Resources" (Document CE103/14);

Having noted the report of the Twelfth Meeting of the Subcommittee on Planning and Programming of the Executive Committee in relation to the subject; and

Bearing in mind Resolution XIX of the XXII Pan American Sanitary Conference,

RESOLVES:

1. To take note of the report presented by the Director concerning the personnel system established in accordance with Resolution XIX of the XXII Pan American Sanitary Conference.

2. To request the Director to continue his efforts to monitor the implementation of the personnel system, on the basis of the content of Document CE103/14, and to report further on the results to the Executive Committee at its 107th Meeting in 1991.

3. Pending a full review of the matter to be completed prior to 31 May 1991, to extend the trial period until 30 September 1991 to allow the Secretariat to obtain additional experience with the system.

Annexes

ANNEX I

Resolution XIX

Hiring under Local Conditions of Employment for the Mobilization of National Resources

The XXII Pan American Sanitary Conference.

Having reviewed the Director's report (Document CSP22/28) on the local hiring of personnel;

Considering that the Organization possesses, in its own right, the legal capacity needed to issue its own legally binding rules on the appointment, qualifications, rights and obligations of its employees, and further possesses within the territory of each of its Member Countries the status of juridical person, endowing it with the capacity to take legal actions and enter into agreements of any nature; and

Mindful that these two capacities make it legally possible and fitting to establish two categories of personnel in the Organization, the first comprised of international staff members, whether internationally or locally recruited, who will continue to be governed, as hitherto, by the Staff Regulations and Staff Rules of PAHO, and the second, created by means of this resolution, consisting of national staff members appointed to such posts as the Director shall determine, who shall be governed in all their relations with the Organization by the labor laws and practices of the country in which they serve. This new category of personnel shall replace that of the present contractors and consultants in cases in which there actually exists an employer/employee relationship, and personnel in this category shall be referred to as national staff members because their conditions of employment shall be governed, in fact and in law, by the labor legislation and practices of the countries in which they serve,

Resolves

1. That effective immediately until 30 September 1989 (unless a differing recommendation be made by the Executive Committee in the interim), the Staff Regulations of PAHO shall be amended as follows:

- "1.12 The Bureau may hire under local conditions of employment national staff members (nationals of the country and aliens, whether residents or not, who legally qualify for employment there), to whom the Staff Regulations and Rules shall not apply save in regard to the present Article I on Duties, Obligations and Privileges as national employees and not as international functionaries. Respecting privileges, such employees shall be governed by the Basic Agreement on Privileges and Immunities between the Organization and the country in which they are employed.
- 1.13 The contracts of such national employees shall be governed in every aspect, including those of work-related accidents, social security and pensions, by the labor laws and practices of the country concerned.
- 1.14 The Director shall determine the posts to be subject to these rules and shall establish scales of salaries and allowances, in conformity with competitive conditions of employment of the locality in the type of work performed or related to the functions of the office.

- 1.15 National employees shall have access to arbitration or labor tribunals of the countries in which they are employed for the settlement of disputes, in accordance with their respective contracts, and shall therefore have no access to the Administrative Tribunal of the International Labor Organization, whose competence is not recognized in respect of national employees."
2. To request the Director to issue such rules as he may deem appropriate to regulate contracts of this type for national personnel, subject to confirmation by the Executive Committee pursuant to Staff Rule 015.2, and to incorporate them into the Staff Rules.
3. To request the Director to provide the Executive Committee with annual interim reports on the implementation of these amendments to the Staff Regulations, and with a full report, prior to 31 May 1989, to include such matters as identification of the positions involved, the cost implications, administrative adjustments, and general operations of the system of hiring under local conditions of employment, together with his recommendations regarding this new system.
4. To request the Director, pending completion of the review by the Executive Committee in 1989, to implement these amendments on a limited basis and to exclude from the application thereof any currently established posts under the Staff Rules and Regulations which are not or do not become vacant, unless the Executive Committee decides otherwise in advance.
5. To delegate to the Executive Committee the authority to determine if these amendments to the Staff Regulations shall remain in effect after 30 September 1989.

*(Approved at the tenth plenary session,
26 September 1986)*

ANNEX II

TABLE I

POSTS ESTABLISHED UNDER RESOLUTION XIX OF THE
XXII PAN AMERICAN SANITARY CONFERENCE^{1/}

	June 1987	April 1988	April 1989	No. of Posts Eliminated ^{2/}
PANAFTOSA	104 ^{3/}	116	124	26
CEPANZO	41	44	45	16
ECO	14	16	16	8
PWR-BRAZIL	2	37	40	3
TOTAL	<u>161</u> ===	<u>213</u> ===	<u>225</u> ===	<u>53</u> ==

1/ As reported to the Executive Committee and/or to the Subcommittee on Planning and Programming.

2/ Posts with conditions of employment based on the UN Common System.

3/ Recognition of the former CLT employees.

April 1989

TABLE II

POSTS ESTABLISHED UNDER RESOLUTION XIX OF THE
XXII PAN AMERICAN SANITARY CONFERENCE^{1/}

	April 1988	April 1989	Changes 1988 - 1989
PANAFTOSA	116	124	+ 8 ^{2/}
CEPANZO	44	45	+ 1
ECO	16	16	No change
PWR-BRAZIL	37	40	+ 3
TOTAL	<u>213</u> ===	<u>225</u> ===	<u>+12^{2/}</u> ===

^{1/} As reported to the Executive Committee and/or to the Subcommittee on Planning and Programming.

^{2/} Eight (8) posts under the UN Common System of salaries and allowances eliminated.

April 1989

TABLE III

NEW POSTS ESTABLISHED/SUBSTITUTED
MARCH 1988 - MARCH 1989

E S T A B L I S H E D				S U B S T I T U T E D			
POST NUMBER	TITLE	GRADE	E.O.D.*	POST NUMBER	TITLE	GRADE	DATE
<u>PANAFTOSA</u>							
9.8211	Chauffeur	4	vacant	.0719	Chauffeur	G.2	22/III/88
9.8214	Chauffeur	4	vacant	.3243	Chauffeur	G.2	1/VIII/88
9.8215	Gral. Services Assist.	4	vacant	.2054	General Assistant	G.2	1/VIII/88
9.8216	Gral. Assistant	5	vacant	.0670	General Assistant	G.3	31/VIII/88
9.8217	Technical Assistant	6	vacant	.1001	Lab. Assistant	G.4	31/VIII/88
9.8218	Technical Assistant	6	vacant	.3590	Lab. Assistant	G.4	31/VIII/88
9.8223	Chauffeur	4	vacant	.3248	Chauffeur	G.2	1/I/89
9.8224	Technical Assistant	9	vacant	.0653	Procurement Asst.	G.7	1/I/89
<u>PWR-BRAZIL</u>							
9.8220	Secretary	6	vacant				24/X/88
9.8221	Accounting Technician	9	vacant				8/XII/88
9.8225	Office Assistant	6	vacant				7/II/89
<u>CEPANZO</u>							
9.8219	Animal Caretaker	2	vacant				21/X/88

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TABLE IV

DISTRIBUTION OF NATIONAL STAFF BY DUTY STATION/GENDER

DUTY STATION	MALE	%	FEMALE	%	TOTAL
Martínez, Argentina	21	63.64	12	36.36	33
Azul, Argentina	5	100.00	-	-	5
Ramos Mejía, Argentina	1	33.33	2	66.67	3
Brasilia, Brazil	13	41.94	18	58.06	31
Rio de Janeiro, Brazil	76	69.09	34	30.91	110
Metepec Edo. de Mexico, Mexico	4	30.77	9	69.23	13
TOTAL NATIONAL STAFF	120	61.54	75	38.46	195

April 1989