



PAN AMERICAN HEALTH ORGANIZATION  
WORLD HEALTH ORGANIZATION



## 130<sup>th</sup> SESSION OF THE EXECUTIVE COMMITTEE

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*Provisional Agenda Item 6.2*

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### **STATEMENT BY THE REPRESENTATIVE OF THE PASB STAFF ASSOCIATION**

The Staff Association presentation to the 130<sup>th</sup> Session of the Executive Committee is geared towards the views of the Association on matters that concern the staff, and, therefore, the Organization. The issues contained in this document were discussed during the XXI Council Meeting of the Staff Association, held in Puntarenas, Costa Rica, on 12-16 November 2001.

The issues covered in this document relate to the amendments to the Staff Rules, collective bargaining, security in the field, and career development.

The Staff Association respectfully requests the Executive Committee Members to review its suggestions and proposals for consideration. The Association makes this request with the conviction that, through safeguarding the well-being of the staff, it is also a participant in the constant improvement of the quality of the Organization's services and cooperation to Members States.

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## **1. Introduction**

The PAHO/WHO Staff Association would like to express its appreciation for the opportunity to address the Executive Committee, which it has done since 1978. The primary focus of the presentation is the proposed changes in Staff Rules. However, the Association would also like to bring attention to other important issues such as collective bargaining, staff security, and career development.

## **2. Changes to Staff Rules**

For the past four years, the Staff Association has participated in the annual WHO Global Staff Management Council (GSMC) meetings, which are held to discuss staff/management issues. During this time, discussions centered on determining the proposed changes to the staff rules, which were adopted by the WHO Executive Board in January of this year. In March, the GSMC met to discuss implementation of the staff rule changes.

The Council of the PAHO/WHO Staff Association, which is the highest organ of the Staff Association, has already gone on record saying it will not agree to any changes proposed by the WHO human resource reform efforts unless they are the product of a collective bargaining agreement. Notwithstanding this general position, the Staff Rule changes made by WHO, that PAHO's Executive Committee will consider at this meeting, require us to call attention to some particularly important concerns of the staff.

### **(a) RIF Procedure**

We object strenuously to the abolition of the Reduction in Force (RIF) procedure, Staff Rule 1050, which has been replaced with a new separation procedure. The new procedure means that staff can no longer compete for retention if their post is abolished, based on the following criteria: (1) performance, (2) seniority, and (3) career appointments. Instead, the incumbent of any abolished post is the person automatically terminated if no vacancy is found for that person.

The competition phase of the RIF process provided a degree of job security to staff while ensuring that the Organization continued to be staffed by the highest quality personnel. With the change in Staff Rule 1050, both of these benefits cease to exist. Under the new rules, it is conceivable that a staff member with 20 years of service and excellent performance appraisals could be fired while a newly hired staff person who is still on probation would remain on board. Under the old rule, the more senior staff member would have "bumped" the newly hired staff member, maintaining the globally accepted civil service concept of "First-In-Last-To-Go."

The new separation procedures are a drastic change to the staff members' conditions of employment. Under the current rules, staff had a degree of job security. Now, they have none. The Staff Association feels that this has affected the acquired rights of the staff who were hired before this change. The Association has made this clear during continuous correspondence with WHO and PAHO over changes to the RIF procedure. Part of that correspondence was a petition, the Declaration of Puntarenas, signed by our Council delegates last year and sent to the Director of PAHO and the Director-General of WHO and which is attached for your information.

We hereby request the Executive Committee of PAHO either to (1) not approve the proposed change to Staff Rule 1050, or (2) make the proposed change apply only prospectively, i.e. only to staff hired on or after the effective date of the change. In this way, current staff can continue to enjoy a degree of job security.

(b) Performance Evaluation

The proposed Rules indicate, as do the present Rules, that the continuation of contracts, reassignment in case of abolition of post, and presumably promotions would be dependent on the satisfactory performance of a staff member. In principle, the Staff Association has always agreed that staff who perform well should be rewarded while those who do not perform well should not be rewarded. However, we are very concerned with the whole issue of performance evaluation.

Specifically, the understanding is that with the adoption of WHO's changes to Staff Rule 530, PAHO might change its performance appraisal system. PAHO presently has its own Performance Planning and Evaluation System (PPES), which was designed especially for the needs of PAHO staff and based on input from many staff members over a long period of time. It is of concern that PAHO will be abandoning its own PPES for WHO's as yet unknown performance appraisal system.

One of the arguments given to support the idea of complying with the WHO changes is that as a matter of policy PAHO generally tries to make its terms of employment similar to those of WHO for the sake of having equal working conditions between the two sets of staff. Nevertheless, PAHO's Manual and Rules reflect many significant employment differences, for example, in the appeal process, classification process and selection process.

These differences underscore the fact that, in the final analysis, PAHO is a separate organization from WHO. PAHO's basic documents provide for its independent decision-making. With this in mind, the staff urge PAHO's Executive Committee to not automatically follow the lead of WHO with respect to the concerns about the RIF procedure and performance evaluation.

### **3. Collective Bargaining**

Collaboration between staff and management in all stages of organizational planning is crucial for the success of any venture. To facilitate this process, the Staff Association has been considering for several years the idea of collective bargaining. Collective bargaining requires both sides to negotiate in good faith to try to reach an agreement on given issues without requiring either side to agree to anything. Where there is no agreement, management does what it considers best. Where there is agreement, the agreement cannot be unilaterally voided. It remains obligatory until the term of the agreement expires, unless both parties agree to amend the agreement during its term.

Collective bargaining is not a new concept to the United Nations. In fact, the International Labour Organization (ILO) Staff Union enjoys it, and therefore, PAHO would not be the first common system organization to implement this process. At the recent GSMC meeting, staff representatives renewed a proposal which they first made two years ago to change the format of the meetings from consultation to negotiation. The staff associations were invited to prepare a proposal for consideration at the next GSMC meeting and are hopeful that the proposal will receive a favorable response.

In keeping with this upcoming agenda item, the Association hereby proposes that this issue be studied in PAHO by a joint staff-management committee in the hope that a joint proposal can be taken to the next GSMC meeting.

### **4. Security in the Field**

Physical security in the field continues to be a problem. The Staff Association has had reports of offices that have been moved from one location to another, presumably with an eye only to financial and political expediencies. The Association believes that management should demonstrate its commitment to the managerial principle that PAHO's human resources are its most important resource by considering the well-being of staff to be the paramount consideration when decisions of this type are contemplated, and especially to bear in mind those staff who are most in need of protection—women, staff working late, staff living in remote or high-crime areas, etc.

The Staff Association also requests that a security plan be developed for nationally recruited staff, in case a natural disaster occurs or when there is political unrest. This action would ensure that both categories of staff, internationally recruited and nationally recruited, along with their family members, are placed in a secure location until the situation is resolved or a decision for further action is made. The present security plan automatically considers this option only for internationally recruited staff. Despite the many instances where staff work under conditions of unrest and danger, they do so

immersed in a sense of mission, convinced of the importance of the task they perform. The Staff Association believes that the Organization must protect all categories of staff to give them maximum attention and support when working under dangerous conditions.

Social security is also a concern. The Staff Association is pleased that proposed Staff Rule 720.1.2 would bring the benefits of the Staff Health Insurance to temporary staff and their families. The importance of health insurance to all is self evident. That a health organization has provided less than optimum health insurance to its temporary staff is embarrassing, and so the change is very welcome.

The value of pensions is also a growing problem in the field for GS staff. Because of currency devaluations, the dollar value of their pensions in many countries actually declines the longer they stay in service with PAHO. Obviously, the universal expectation is that one's pension will grow the longer one works.

The basic reason for this phenomenon is the Flemming Principle. This is the principle by which GS salaries are established throughout the common system. The Flemming Principle says that GS staff will have conditions of employment that are among the best in the local labor market. So, if the local currency is devalued by, say, 20% overnight, the Flemming Principle does not require any adjustment to salary. All salaries in a given country are equally affected by a currency devaluation, and so the UN salary scale remains among the best in the local market even after a devaluation. Therefore, no adjustment to salary is triggered by a devaluation. However, a 20% devaluation always reduces the contributions made to the Pension Fund by 20%, because Pension Fund contributions are made in dollars. Therefore, if one was contributing \$100 a month to the Pension Fund prior to devaluation, one's contribution is reduced to \$80 per month after devaluation even though one's local salary is unchanged. When devaluations occur every few years, the result over the course of a career is that one's pension shrinks as one works longer.

A solution is not simple, but this should not be a reason to avoid finding a solution. An amendment to either the Flemming Principle as concerns the Pension Fund or the manner of calculating pensions to restore the normal expectation that one's pension will grow the longer one works.

## **5. Career Development**

The Staff Association is pleased to inform that the last GSMC agreed to put issues relevant to career development on the agenda of its next meeting in 2003. This refers to subjects like job rotation that had long been discussed only in very general and extremely unfocused ways. It is the Staff Association's opinion that a policy of career development for current staff is an integral part of the sustainable development of our Organization. Presently, our efforts towards training and staff development concentrate primarily on improving the skills of our staff. But how can there be true upward mobility and career development if staff merely keep improving what they already know how to do? We need to expand our views and limitations further, every so often, in order to truly move forward and develop—both as staff members and as an Organization.

## **6. Conclusion**

In closing, the Staff Association would like to acknowledge the amicable relationship that exists between the Association and the Administration. Monthly meetings are held with the Director, Assistant Director, and the Personnel Department to discuss items of interest to all parties. We hope that the open dialogue will continue to develop with wisdom, fortitude, and honesty in the best interests of staff and the Organization.