



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



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CONTRACT REFORM IN PAHO

1. Under PAHO's current Staff Rules and Staff Regulations, three types of United Nations contracts are recognized: Fixed-term, Service and Temporary. As of April 2007, PAHO had 1,019 staff members employed under one of these three contractual mechanisms. Until recently, WHO used these same three contract types to hire staff. However, WHO has recently made significant changes to its Staff Rules and to the contractual mechanisms it uses to employ UN staff. Those changes will take effect on 1 July 2007. Changes to non-staff member contracts will follow in 2008.

2. Last year, a Contract Reform Working Group was established in PAHO to review, analyze and discuss the new WHO framework and to ascertain how similar changes might be made in PAHO in order to maintain consistency with WHO and other agencies within the UN common system. Subsequently, the Working Group made a series of recommendations to PAHO's Executive Management. Those recommendations were approved and the Staff Rule amendments needed to implement those recommendations have been submitted by the Director to the 140th Session of the Executive Committee for confirmation. Note that there are no direct costs associated with the reform as it will be implemented in PAHO.

3. PAHO proposes to simplify its contractual arrangements through the use of only three types of staff appointments for all PAHO functions (fixed-term, continuing and temporary) and the consolidation of all non-staff employment contracts under the category of "consultant contracts."

Fixed-Term and Continuing Appointments

4. Under PAHO's Contract Reform, fixed-term appointments will continue to be granted for a fixed period of time (normally two years) after which the appointment will expire automatically. Action by a staff member's supervisors and the PAHO's Human

Resources Management (HRM) Area will be required for each contract renewal and staff will continue to be subject to a probationary period and annual performance appraisals.

5. A staff member who has completed five years of continuous service on fixed-term appointments and whose performance and conduct have been satisfactory is eligible for a continuing appointment. A continuing appointment has no specified time limit and will be granted subject to the ongoing need of the Organization for the staff member's services. Staff on continuing appointments are subject to annual performance appraisals and may be terminated for poor performance or conduct, or due to abolition of post.

6. Recommendations for conversion to a continuing appointment are made by the staff member's supervisors six months before the end of the fifth year of continuous service and must be confirmed by HRM. If the staff member meets all of the requirements, his or her fixed-term appointment will be converted to a continuing appointment and no further action is required during the staff member's career to extend his or her contract.

7. If a staff member is not recommended for a continuing appointment at the end of five years, he or she may be separated with three months' notice and will receive all applicable separation benefits. A staff member may be required to serve a sixth and final year under a fixed-term appointment if it is determined that improvements are needed with respect to his or her performance or conduct. If, after the sixth year, the staff member is not recommended for a continuing appointment, he or she may also be separated. Recommendations to defer the granting of a continuing appointment or to separate a staff member will be sent to a Continuing Appointment Committee. The Committee will review the matter and recommend appropriate action to the Director.

Temporary Appointments

8. Under PAHO's reform, a temporary appointment will continue to be a time-limited appointment. The maximum duration of such an appointment will be an uninterrupted period of two years after which a 30-day break in service will be required. Staff members on temporary appointments currently are not subject to a probationary period and this policy will continue under the reform.

9. Temporary appointments of 60 days or less will continue to be used to meet conference and other short-term service needs. Typical examples would be short-term needs arising from unexpected staff absences or in relation to support services, for instance, services for conferences. These appointments are not intended to address program or operational emergency needs expected to last for more than 60 days nor for the procurement of expert services for which a consultant contract should be issued.

10. Temporary appointments of more than 60 days will only be used where the activity to be carried out is limited in time (a maximum of 24 months) and/or funding. If a temporary function is needed beyond two years, the manager must request – well in advance – that it be created as a longer-term position (e.g., fixed-term post or post of limited duration) or that other arrangements be made (e.g., secondment of a qualified individual from another agency).

11. Where an unexpected and urgent programmatic need arises for a long-term function, temporary staff may be used for a maximum period of nine months during which time a selection/recruitment process will take place. Once an individual has completed the maximum period of service on one or more temporary appointments, he or she may not be re-employed by the Organization on another temporary appointment unless more than 30 calendar days have elapsed.

12. Unlike WHO, PAHO is not proposing any changes to the entitlements or benefits for this category of staff. Under the WHO reform, one of the most significant changes proposed for temporary staff is that they will now be eligible for the majority of benefits and entitlements currently available to staff with fixed-term and service appointments. The projected cost of implementing this aspect of WHO's reform in WHO for the period 1 July through 31 December 2007 is US\$ 8.6 million. Full implementation of this aspect of the WHO reform in PAHO would have raised the cost of temporary appointments by 30-35% per year (approximately \$4.5 million for 2006).

Non-Staff Appointments – *Consultants*

13. As noted above, PAHO's contract reform will result in only three types of staff member appointments – fixed-term, continuing, and temporary. All other appointment types will fall under the non-staff member category of "consultants." The consultant category will include the current PAHO contracts for Short-Term Consultants (STC), PAHO's National Professionals (NAPs), and individuals hired under Contractual Service Agreements (CSAs).

14. HRM and other working group members have begun analyzing how PAHO might improve its local hiring mechanisms and also clarify a number of issues related to non-staff appointments. From those discussions, new policies will be implemented shortly on the following issues:

- A policy establishing a maximum allowable tenure for persons working in PAHO Country Offices and Centers under NAP, Ministry, and employment agency contracts. Currently there is no limit on the length of service with PAHO under these types of contracts. This creates significant legal problems for the

Organization and morale problems for these individuals who may carry out functions similar to UN staff but do not receive similar salary or benefits.

- A new methodology for calculating the salary scales applicable to PAHO's non-UN personnel at its Country Offices and Centers. Currently, these scales are regularly calculated in PAHO Headquarters by HRM. The methodology is complex and relies on Consumer Price Index rates for each country, which are not always a reliable reflection of local cost increases.
- Clarification on the benefits and entitlements of these personnel and the functions they may be assigned.

15. In conclusion, this information is provided to the committee for its consideration as it takes up Agenda item 6.2 *Confirmation of Amendments to the PASB Staff Rules*.

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