

# FICSA CIRCULAR



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To: Chairs, Member Associations/Unions  
Members of the Executive Committee  
Chairs, Members with Associate Status  
Chairs, Associations with Consultative Status  
Presidents, Federations with Observer Status  
Chairs and Vice-Chairs of Standing Committees

From: Gemma Vestal, General Secretary

**STATEMENT BY  
THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA)  
TO THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY  
AT ITS 71ST SESSION  
Agenda Item 141: United Nations Common System  
(New York, 27 October 2016)**

*Delivered by the President of FICSA, Mr. Diab El-Tabari*

Thank you, Madame Chair,

Permit me first to extend my congratulations to two persons. To both Mr Antonio Guterres on his election to the office of Secretary-General and you, Madame Chair, on your election to this important Committee.

Distinguished Delegates,

I have the honour to address you today on behalf of the Federation of International Civil Servants' Associations, FICSA. As you know, the Federation represents thousands of staff members from diverse common system organizations as well as intergovernmental organizations and international financial institutions, many of which apply the United Nations common system of salaries, allowances and other conditions of service.

I will take this opportunity to address a number of critical issues relating to staff/management relations confronting staff as they endeavour to fulfil their organizations' mandates.

## **Review of the compensation package**

Although not fully satisfied with the outcome of the first phase of the ICSC review of the compensation package for the Professional and higher categories, FICSA will continue unabated its cooperation with both the ICSC and the organizations. This applies not only to the second phase of the review that will focus on National Professional Officers and the General Service and related categories. It will also apply to the implementation of the now approved first phase. We shall draw the attention of the ICSC to any anomalies emerging in that phase that call corrective measures.

One issue of major concern in the upcoming second phase of the review is the declared intention to use National Professional Officers to perform functions currently carried out by international Professionals and have them assume regional functions in multiple duty stations. This runs very much counter to the rationale for introducing the NPO category in the first place. NPOs were introduced to perform 'national' functions. Their remit did **not** include functions considered 'regional' or 'international'. In the course of the upcoming review, we shall doubtless encounter other concerns.

## **Separation payments/end-of-service severance pay**

When the ICSC and the General Assembly initially looked into this matter many years ago, most of the organizations were still issuing permanent contracts. Since then, the situation has changed drastically. Today the organizations employ a high percentage of their staff on temporary and fixed-term contracts. The result is an ever-increasing number of staff who have no access to the unemployment benefits offered by many national social security schemes. When their time-limited non-renewable contracts expire or down-sizing or restructuring exercises are introduced, those staff members find themselves laid off with no social security protection of any kind.

It thus seems reasonable to offer those colleagues end-of-service severance pay in lieu of unemployment benefits. It would greatly facilitate their re-entry into the local labour market upon separation from the United Nations. FICSA shares the view of the Human Resources Network that severance pay be introduced for staff separating from the organizations after five years of continuous service, as opposed to the ten years recommended by the ICSC. A social measure of this kind would mitigate the impact of the new workforce management strategies that organizations are now introducing.

## **Whistle-blowing**

FICSA has keenly followed the discussions on revising the whistle-blower protection policy at the UN. From past experience we know that policies adopted by the United Nations set the tone for the other common system organizations. However, we have also observed, from first-hand experience, that even the most robust policy is only as effective as those in charge of enforcing it.

Whereas we are encouraged by constructive staff/management relations in some organizations, a growing number of our member associations/unions have voiced grave concern over the deterioration of relations in their organizations. Their concern relates not only to the protection afforded to whistle-blowers, but also to the reluctance of organizations to hold the perpetrators of wrongdoings accountable for their actions - particularly when the latter are at the highest levels of an organization. In some organizations, the situation is most alarming

WIPO is very much a case in point. In its investigation report the OIOS found that, ‘The established facts constitute reasonable grounds to conclude that the conduct of Mr. Francis Gurry [WIPO Director General] may be inconsistent with the standards expected of a staff member of the World Intellectual Property Organization’. The OIOS recommended that ‘the Chair of the General Assembly of the World Intellectual Property Organization consider taking appropriate action against Mr. Francis Gurry’.

Most regrettably, after spending months of effort simply to obtain a copy of the OIOS investigation report that they themselves had commissioned, the members of the WIPO General Assembly have taken no action other than to decide that the whistle-blower policy should perhaps be strengthened. Strengthening the policy will serve no purpose as long as the senior most executives of WIPO have no intention of enforcing it. With the latter opting to ignore the findings, conclusions and recommendation resulting from the OIOS investigation into the WIPO Director General, the whistle-blowers find themselves completely unprotected. Retaliations have already set in. Who will now protect those staff members who placed their trust in the WIPO whistle-blower protection policy? Will they simply be left to their fates?

There is an alternative approach. Member States here in this Committee, which also govern WIPO, could decide to take concrete action and so demonstrate that they will not tolerate any wrongdoings in any organization, nor will they accept non-enforcement of the whistle-blower protection policies that they themselves put in place. FICSA urges that action be taken before it is too late. In the ultimate analysis, Member States have an obligation to protect the staff and guard against abuse.

### **Pension matters**

Over the years, FICSA has appreciated participating as an observer in the meetings of the UN Joint Staff Pension Board. It has always enjoyed positive and constructive interaction with the members of the Board and, in particular, with the participants’ group. However, at this year’s session of the Pension Board, the staff federations (FICSA and CCISUA) were denied the opportunity to deliver their joint statement to the Board. Our request that the joint statement be attached as an annex to the report of the meeting was likewise rejected. Some members argued that since the statement had not been delivered in session, it should not be attached to the report.

FICSA is deeply distressed by this form of censorship. It has thus attached that joint statement to its statement of today - strictly for reasons of transparency (Annex). It will offer members of the Fifth Committee an opportunity to take note of the staff views when reviewing the Report of the Pension Board.

FICSA acknowledges the soundness of the Board’s recommendations relating to the measures for overcoming the delay in and backlog of initial pension benefit payments. In that context and given the Pension Board’s decision to implement provisional payments to new retirees who do not receive their retirement benefit within three months of receipt of all documentation by the Pension Fund Secretariat, FICSA seeks the support of the General Assembly in revising that decision by having the clock for the three-month period start from the date of separation - and **not** from the date of receipt of the documentation. This would avoid discrimination against staff leaving organizations that are known to be slow in transmitting the requisite documents to the Fund’s Secretariat.

We stress that no additional costs would be incurred. The provisional advance payments would be reconciled at the time when the actual benefit is finally paid. This would reduce the undue financial hardship placed on new retirees who, as of last year and extending into this year, did not receive their first pension payments for many months.

A further major concern of FICSA is the low rate of return on the Fund's investments. Its other concerns relate to the newly proposed Financial Rules of the Fund and the lack of due process in the selection of the CEO/Secretary for the next term of office. Those issues were treated in greater detail in the Federation's statement to the Pension Board. We would urge all of you to read it.

### **Umoja/Global Service Centres**

The Federation has followed with interest the development of the Umoja system and its implementation. Based on the input received, FICSA fully supports an external assessment of the project so as to cast light on the new system's successes and failures. Staff are worried that the sole outcome of the exercise to date has been the introduction of a system that, in fact, makes staff do 'more with less'.

Our Federation fully understands the logic behind establishing Global Service Centres. However, we are concerned about the manner in which these centres are being set-up and the lack of planning when redeploying staff. FICSA fully supports a transparent external assessment of the initiative in order to appreciate better the achievements to date, as well as the challenges and setbacks encountered. Such an assessment would facilitate preparations for the way ahead.

Informed of, and sensitive to, the Member States' desire to reduce costs while improving efficiency at the UN and all other common system organizations, FICSA fully supports a complete reform of the organizations and the common system. This would ultimately contribute to better coordination and less duplication of activities. The Federation firmly believes in the need to conduct a full study, and subsequently prepare a plan relating to the redeployment of staff – both within and between agencies. In the private sector, staff are protected by national labour laws and regulations. It is important that such universal rights to employment security, as outlined in both Article 23 of the Universal Declaration of Human Rights and the ILO Convention on the Fundamental Principles and Rights at Work, be upheld for international civil servants.

### **Mandatory age of separation**

With respect to the General Assembly's decision last year to increase the mandatory age of separation to 65 for staff already on board prior to January 2014, FICSA is worried about some common system organizations dragging their feet on the implementation of that decision - and so failing to meet the deadline of 1 January 2018 set by the General Assembly. Based on information currently available to us, it seems that ICAO have postponed matters until 2019, while WIPO and FAO have still to announce when they intend to implement the decision.

### **Excessive and abusive use of non-staff personnel contracts**

In the context of the second phase of the compensation review focusing on National Professional Officers and the General Service and other categories, FICSA will continue to press for a limitation

of the number and use of non-staff contracts - especially in those instances where non-staff are hired to deliver core functions. This practice should be of extreme concern to staff representatives and governing bodies alike.

At its recent 32<sup>nd</sup> session, the High-Level Committee on Management discussed the review of the use of the common system workforce in the context of the 2030 Agenda. FICSA hopes to be actively involved in the process so as to ensure that the outcome is conducive to maintaining and retaining a truly motivated and efficient international civil service offering career opportunities that will ensure the independence of international civil servants in the years to come.

The global need for an efficient, independent and diverse UN workforce, consistent with the spirit and letter of Articles 100 and 101 of the UN Charter, still prevails today. It is the duty of all of us to ensure that those articles remain intact.

Distinguished Delegates,

In closing, please allow me to reiterate FICSA's appreciation of your support and commitment on a wide range of issues affecting staff. We would be more than pleased to meet with delegates, at your convenience, should you wish to discuss matters further.

We wish you a successful completion of this session.

Thank you.

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**Annex**

**JOINT WRITTEN STATEMENT BY  
THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA) AND THE  
COORDINATING COMMITTEE OF INTERNATIONAL STAFF UNIONS AND ASSOCIATIONS (CCISUA)  
TO THE 63<sup>RD</sup> SESSION OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (UNJSPB)**

Madame Chair, Distinguished members of the Board, Observers, Pension Fund staff, Ladies and Gentlemen,

Thank you for this opportunity to convey to you through this joint statement some of the views and concerns of the constituents of our two respective staff federations, the staff members of the United Nations common system. We appreciate this possibility of exchange as it provides the Board with an opportunity to hear the views of the staff, views which will hopefully be taken into consideration prior to final decisions being taken on important matters under consideration at this session.

Let us begin by firstly expressing our deepest appreciation and gratitude to those staff of the Pension Fund who have been working exceptionally hard over these past months under exhausting circumstances. Their efforts and dedication during these trying times must be commended.

This being said, we would now like to turn to some of the agenda items under discussion at this session of the Board. First and foremost, we would like to align ourselves with those Board members who consider that the most urgent and crucial issue to be addressed is the late payment of benefits and withdrawal settlements to new retirees. It is clear that this backlog constitutes mismanagement in the Fund's operations. When it is stated that the required information is sometimes not received from staff members or the organizations, we believe there is an important nuance which requires clarification. In the past, when the Pension Fund Secretariat received an incomplete claim, it was immediately returned to the sender for completion. We understand that today a claim can be pending with the Fund for months before the initial review even begins to determine whether or not there is a discrepancy.

The staff federations firmly believe that should this session of the Board take decisions which can be implemented in order to promptly correct this unacceptable hardship on new retirees, the Board will have taken an important step towards restoring the Fund's credibility. Furthermore, should the Board ensure the prompt processing of the backlog of requests for benefits from new retirees, the Board will have accomplished much more than any communication strategy by demonstrating that it cares about its participants and beneficiaries, and that normal operations in the Fund's Secretariat have been restored. Furthermore, the Board will have also complied with the instruction of the General Assembly in Resolution 70/248 to "take appropriate steps to ensure the fund addresses the causes of such delays".

In this respect, we assisted the Participants Group in drafting a conference room paper containing both short- and long-term measures which could be taken to eliminate the backlog. These

measures include payment of provisional benefits when there is no doubt of the beneficiary's identity and right to the entitlement. We were pleased to observe yesterday that the Board is giving its fullest consideration of these proposals. We hope that participants and beneficiaries will be quickly informed of the Board's decisions thereon.

Further down the road, we would ideally like to see the Fund be even more proactive by introducing the concept of provisional payments, as seen in many governments and some international organizations, whereby the first pension payment is paid as a provisional one shortly before a staff member retires so to assist the new retiree face the significant costs of the first month of retirement.

Our second concern is regarding the investments of the Fund. At last year's meeting of the Board we had expressed concern that the investment policy document had not yet been updated, and therefore expected it to be available for the Board's review at this session. Just before the beginning of this Board meeting, we were pleased to hear that apparently the updated version of the policy has been completed and signed. It would have been ideal to get these documents sooner rather than later in order for meeting participants to have sufficient time to critically review these important documents.

Meanwhile, staff would like to be assured that there will be no outsourcing of investment management. It is common knowledge that many pension funds have lost their capitals when outsourced. The success of the investments of our Fund is related to the fact that they have always, for the most part, been managed internally. We are, as we hope you are, deeply concerned about the preservation of the capital of our Fund, as well as achieving the targeted real rate of return on investments. It is on this basis that we have expressed concern over paragraph D.13 of the draft Financial Rules, which formalizes outsourcing of investments. Furthermore, we are disturbed by the Fund's investments in exchange tracker funds which include positions in arms and tobacco. At a time when our staff are engaged in peacekeeping and coming under weapon fire, and when the WHO is fighting tobacco use, we believe that the Fund should move away from investments of this nature.

The outsourcing of investment management carries multiple risks which are out of the Fund's control and therefore kindly request that they not be outsourced.

We have noted, with some disappointment, the reported real rate of return on investments. We concur with the view that a maturing fund of this nature will continually become more dependent on the targeted return rate of 3.5 per cent. Anything less will, in time, have important consequences.

In light of these multiple challenges we have not felt it wise for the Fund to be granted further autonomy through new financial rules.

The third concern that we would like to flag to the Board is the performance evaluation of the Fund's senior manager, and we would respectfully request the Board to take into account the absence of staff-management consultations as well as the breakdown in operations which has created enormous delays in the processing of benefit claims and withdrawal settlements for new retirees, delays which have been noted by the UN General Assembly itself.

The fourth and final point that the staff federations want to flag is related to the performance of the Fund's senior manager is the deteriorating staff-management relations in the Fund's Secretariat. We believe it is important to recall that, at last year's session of the Board, the staff federations had informed you that there were serious concerns in regard to staff-management relations in the Fund's Secretariat, and that there was a need for enhanced transparency, improved communication and consultation, not only with the Fund's staff, but also with the Staff Pension Committees and participants at large.

On numerous occasions, the Fund's staff representatives have expressed disagreement with the Fund's disrespect of the United Nations Staff Regulations and Rules. As stated at Article 7 of the Fund's Regulations and Rules, the Fund's staff are appointed by the UN Secretary-General. Therefore, they hold UN Secretariat contracts governed by the Staff Regulations and Rules of the United Nations. By virtue of these, staff must be consulted, through staff representatives, on conditions of service and policies related thereto. However, in May of this year a serious change was introduced without any such consultation. We are concerned by the fact that this change may allow for bypassing the existing checks and balances, such as hiring without selection panels and reduced career progression for existing staff. For example, a retiree can be hired for a year without the post being advertised, denying opportunities to capable internal staff members. Excessive flexibility to retain staff beyond the age of retirement is not needed, given that the mandatory age of separation will be increased to 65 for current staff. Furthermore, excessive use of retirees would discourage succession planning and opportunities for current staff.

It is problematic that staff have not been consulted concerning the proposals for the reorganization of the office. The staff federations are concerned that this constant refusal to conduct staff consultations has contributed to extremely low staff morale.

We were pleased that the Board, at its session of last year, when discussing the MoU and staff-management relations, had instructed the management of the Fund's Secretariat to begin consulting with the staff. However, we regret to have to inform you that the Board's decision relative to staff consultation has not been implemented, and we would like to respectfully request the Board to ensure that the management in the Fund's Secretariat will, without further delay, consult with the staff representatives of the Fund on all proposals concerning their welfare and conditions of service. It would also be highly conducive to improving staff relations if management were to consult with the staff representatives prior to submitting to the Board proposals which concern staff's conditions of service.

Taking into account all of the concerns expressed previously and the ongoing difficulties, we would like to express our hope that the Board will fulfill its oversight function accordingly. We understand that the Board will soon be establishing a Search Committee, and we would like to kindly request that the above-described preoccupations and concerns be taken into consideration by that Committee.

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Madame Chair, Distinguished members of the Board and Observers,



Today our Pension Fund is going through a difficult period, but let us not forget that our United Nations system has successfully addressed many challenges in the past. Therefore, we have full trust in the United Nations system, in the collective wisdom of the Board, as well as in the wisdom of the UN General Assembly and its subsidiary bodies. We firmly believe that this wisdom will allow us to overcome the current crisis, and ultimately restore the sound operation of the Fund, as well as its credibility and reputation.

Both current and future beneficiaries will be awaiting, with hope, the outcome of this Board meeting. On their behalf, the staff federations also hope that your actions will address their urgent concerns.

Thank you for your attention.

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