Statement to the Fifth Committee – Common System agenda item

Delivered by Ian Richards, President of the Coordinating Committee of International Staff Unions and Associations (CCISUA)

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Excellencies, distinguished delegates.

Firstly Madam Chair, allow me to congratulate you for your election.

Separation payments

We support separation payments for staff whose fixed term appointment is not renewed after ten years of continuous service.

We note that staff who have continuing appointments and staff whose fixed term appointments are cut short receive termination indemnities related to length of service, substituting for them not receiving unemployment benefit in their home country. However, those whose fixed-term appointments aren't renewed, even after 10 or 20 years of high performing service, receive nothing.

Turning to international practice, we note that our comparator, the US Federal Civil Service and Foreign Service provide unemployment benefit in the form of partial income replacement regardless of the manner in which a contract lapses.

The European Commission, which like the UN, works in an international context, provides indemnities following non-renewal after six months of service.

As both the EC and US delegations will be speaking this morning they may wish to expand further.

The World Bank provides indemnities after five years, OECD after six years.

The ICSC's proposal sets the bar low, at ten years.

In the four years since this was last considered, the proportion of staff on fixed-term appointments with ten years or more of continuous experience has halved, due to an increase in time-defined field activities and better workforce planning, with the result that only 0.2 percent of staff in the common system would be eligible to receive this benefit. This explains the minor financial implication.

Some may argue that until organizations put in place perfect workforce planning, such an indemnity would be premature. But it is precisely because of gaps in workforce planning forced by uncertainty in mandates, that we have a situation, illegal in almost every country, of staff still on fixed-term contracts after ten years of service. We therefore support the proposal.

Compensation review

This time last year this committee reviewed the ICSC's proposals for the compensation review. We have concerns with what was finally agreed and have informed commissioners that we will be monitoring the impact closely.

It cannot be denied that some of the changes, when cumulated, will have a significant negative impact on staff in certain situations or duty stations, not least for staff with families here in New York. Together with FICSA we have commissioned a legal review.

Security staff

This year the ICSC began its review of locally recruited staff. It will cover the general service, national professional and field service categories. We will contribute actively.

One category that we urge the ICSC to include is the S category covering our colleagues in safety and security.

We ask that their pay be pegged not to that of local office workers, as now, but to local law enforcement, given that members of the Security and Safety Service are specifically recruited from within the experienced ranks of local military and police infrastructures. The ICSC discontinued its salary survey for this category in 2008 arguing difficulties identifying sufficient comparators. However, research now shows sufficient comparators and we urge survey be restored.

We also ask you to reiterate your call to the Secretary-General, made in Resolution 59/276, to develop his proposals to further professionalize the service in light of the security context, now much worse. For memory, this includes subjecting contract renewal and promotion to successful completion of psychological and physical tests, a lower age of retirement for lower-ranking officers and a revised pension scheme to compensate for a lower retirement age, something in line with practices in law enforcement and the military across the world.

As you will see from the many colleagues from security in the room today, this subject is of great importance.

Pension fund crisis

Staff unions remain extremely concerned by developments at the pension fund.

According to the Board of Auditors, 85 per cent of death-in-service cases and 91 per cent of retirement and withdrawal cases *“were processed with delays ranging from 16 days to more than one year.”* We estimate the average at between four and six months. This is unacceptable, especially for national staff in the field, some of whom had to sell their houses to make ends meet.

To compound matters, a draft OIOS report confirms suspicions that the fund has continuously failed to communicate reliable data to staff and retirees about the extent of late payments. This, we believe, to cover up the problem's true extent.

We question the Pension Fund Board's conclusion of his satisfactory performance. We hope you instead recommend a search for new candidates for the CEO position once the incumbent's contract expires late next year.

We also urge you to control the fund's budget and oppose the new layer of management and communication posts being requested. The fund has bigger priorities.

Staff unions are also concerned with new financial rules adopted by the board, but opposed by 15,000 staff in a petition, that have the ultimate effect of taking the Fund one step further out of the United Nations and increasing risk. We note that the Representative of the Secretary-General in charge of investments urged further study of the rules before a decision, but the board declined her request.

The board argues that the UN's Financial Regulations prevent it making certain investment operations and it resents the UN's control. With regards to the first concern, the UN could instead issue an appropriate delegation of authority – after all the fund has functioned effectively under the UN's Financial Regulations up until now and we understand that in reality only a few tweaks related to procurement are necessary. With regards to the second issue, we feel it only normal that as the largest shareholder in the pension fund, the UN, its staff and the UN General Assembly ensure sufficient oversight of our troubled fund.

We therefore urge you to reject the new financial rules.

We are also concerned that 15 percent of the fund's investments are currently outsourced, costing significantly in fees and generating risk, with investment positions recently discovered in arms and tobacco. We hope you will encourage the fund to continue insourcing investments and recruiting the necessary investment expertise.

Further we feel it is time to review the structure of the fund's board. It has 33 members, many HR rather than finance specialists, meeting once a year, when most boards would have a third of that meeting once a month. Further membership must reflect reality. The UN, with 70 percent of beneficiaries has only a third of the board's seats. An urgent review of governance is necessary.

Thank you