



EXECUTIVE BOARD

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WHO - staff

CONDITIONS OF SERVICE OF OUTPOSTED STAFF

Report by the Director-General



This report on the conditions of service of outposted staff is presented pursuant to the Board's request made in January 1979.¹ It describes the problems and the conditions of life and work peculiar to such staff, the statutory provisions currently applicable exclusively to them, as well as those more general provisions which tend to affect outposted staff more adversely than other staff.

Wherever applicable, comments are provided regarding the Organization's possible position in its representations to the International Civil Service Commission when the latter deals with these subjects, as it is expected to do at its tenth session, in August 1979.

The Board is invited to make such comments and to provide such guidance as may help the Director-General to instruct his representatives at the Commission appropriately.

This report has been the subject of consultation with staff representatives, who have noted its contents.

1. Introduction

1.1 This report has been prepared at the request of the Board at its sixty-third session, in January 1979.¹ This request arose from the discussion on the subject of negative post adjustments following the statement made by the representative of the WHO staff associations.

1.2 The purpose of this report is to inform members of the Board about existing conditions of service of outposted staff and current developments in this connexion, with a view to enabling the Board to provide the Director-General with its views in anticipation of the discussions expected to take place during the tenth session of the International Civil Service Commission (ICSC) in August 1979.

2. Definition of outposted staff

2.1 For the purpose of this report, outposted staff are defined as all staff in the professional and higher grades serving elsewhere than at headquarters, in certain liaison offices, and in the Regional Office for the Americas/Pan American Health Organization, in Washington. They comprise:

¹ Executive Board, sixty-third session: Summary records (document EB63/50), summary record of the 22nd meeting, pp. 273-280.

2.1.1 Staff assigned to regional offices, which normally have between 40 and 70 professional staff. Regional offices are located in the capital cities of the host countries, except for the Regional Office for the Eastern Mediterranean, which is located in Alexandria.

2.1.2 Staff assigned to WHO programme coordinators' offices, which normally consist of only one or two professional staff members. These offices are located in the same cities as the national administrations concerned, but usually only in countries other than the host countries of the regional offices.

2.1.3 Staff assigned to field projects and programmes. These are often located in more remote areas as well as in major centres. The number of outposted project staff at any given location varies from one to about 35.

2.2 On 1 March 1979, 1386 (67.3%) of WHO's 2059 professional and higher graded staff members were outposted staff; 234 of these were assigned to Regional Offices, and 1152 to WHO programme coordinators' offices and projects.

2.3 About 50 of the outposted staff members are serving at official stations in the country of their recognized place of residence; since they are not therefore expatriated, some of the provisions referred to in this report do not apply to them.

3. Problems and conditions of work peculiar to outposted staff

3.1 Although the conditions of work applying to, and problems faced by, outposted staff differ considerably from place to place, there are a number of common features which tend to differentiate them fairly clearly from those affecting staff serving in Geneva, Washington or New York. In general outposted staff are in practice less likely to spend indefinite periods at the official station in question and are therefore less likely to be able to make long-term arrangements for themselves and their dependants at that duty station as regards living accommodation, schooling, etc. Certain locations where outposted staff are assigned are geographically and climatically less attractive than others, and to varying degrees may present for internationally recruited staff certain elements perceived as "hardship" or "difficulty". However, staff at certain other project duty stations may perceive their working and living conditions as being more "attractive" than those known to exist elsewhere, for instance at certain regional offices.

3.2 There is great disparity in the living and working conditions at the various "outposted" duty stations - for example, in such matters as climate, educational, medical or cultural facilities, and degree of isolation. These elements, together with the relative impermanence of the assignment (which itself may vary from case to case), clearly distinguish the conditions of service of outposted staff from those of other staff. It is clear that the importance of these problems, taken together, may vary very considerably between different duty stations, and also that these variations do not depend mainly on the nature of the assignment. The conditions at a given official station may also change radically, and sometimes suddenly, as a result of natural disasters (floods, drought, etc.), economic developments (including severe changes in currency exchange rates), and political events. At certain duty stations, security problems with regard to accommodation and property of staff and their dependants are a permanent feature.

4. Statutory provisions currently applicable to outposted staff

4.1 WHO considers all outposted staff to be on an equal footing with other staff, in that the Staff Regulations and the Staff Rules are equally applicable to both groups. Outposted staff, like other staff of WHO, may have either fixed-term or career service appointments, regardless of the nature of their assignments; it is true, however, that the proportion of fixed-term contracts among outposted staff (about 87%) is higher than that among other staff (about 73%). In most other organizations of the United Nations system, "field project" staff fall under a separate set of staff rules established specifically for them, and they almost invariably serve under fixed-term contracts.

4.2 Certain special provisions already exist within the United Nations common system which are essentially applicable only to expatriate outposted staff. Some of these special provisions arise from the different requirements associated with outposted employment as compared with other activities, while others have been specifically designed to meet some of the identifiable special problems of outposted staff. Such special provisions include:

- assignment allowance
- installation lump sum
- increased baggage allowance
- rental advances
- rental subsidies and rental deductions
- annual travel home
- rest and recuperation travel.

4.3 Briefly, the foregoing provisions may be described as follows:

4.3.1 The assignment allowance was originally intended to compensate outposted staff members who were not permitted to have their household effects removed at the Organization's expense and who might therefore have to rent furnished accommodation. In practice this allowance has come to be considered more in the nature of a financial recognition of outposted service. The allowance varies according to family status, grade and area, as follows:

<u>Grade</u>	<u>Staff without dependants</u>	<u>Staff with dependants</u>
	US \$ p.a.	US \$ p.a.
For official stations outside North America and Europe (but including those in Turkey situated south of the Bosphorus):		
P.4 and below	1 600	2 000
P.5 and above	1 900	2 400

For official stations in North America and Europe (including those in Cyprus, Malta, and Turkey north of the Bosphorus, but excluding Washington, New York and Geneva):

P.1 and P.2	800	1 000
P.3 and P.4	950	1 200
P.5 and above	1 100	1 400

Payment of an assignment allowance has until now been limited to a period of five years' continuous service at any one official station. Under item 17 of its provisional agenda, however, the Board is asked to approve an amendment to the relevant staff rule in order to give effect to ICSC's decision permitting under certain circumstances an extension of up to two years beyond the normal five-year period. The Commission has received a proposal from the Federation of International Civil Servants' Associations (FICSA) to increase the foregoing amounts. While sympathetic to the intent of the proposal, the organizations of the United Nations system have not so far felt able to support such an increase, on the grounds of the considerable financial implications.

4.3.2 The installation lump sum, which is designed to compensate in part for additional establishment expenses, is payable to outposted staff in most regional offices and field project stations over and above the normal installation allowance paid to outposted and other staff alike. This entitlement has recently been revised by ICSC and now amounts to US\$ 300 for the staff member and \$ 300 for each dependant, up to a total of three dependants.

4.3.3 Since outposted staff are not entitled to removal of household effects (see also paragraph 4.3.1 above), and in recognition of their needs at outposted duty stations, they are entitled to a baggage allowance for themselves and their dependants which is significantly higher than the baggage entitlement of other staff, although it is considerably less than their removal entitlement.

4.3.4 In many official stations it is a common practice of landlords to require the payment of between six and 12 months' rent in advance before the conclusion of a lease. In WHO provisions exist for making rental advances to outposted staff members, under certain circumstances, up to a maximum of 12 months' rent, recoverable over the period concerned from their emoluments.

4.3.5 Problems concerning adequate housing at rents that are reasonable in relation to the post adjustment applicable to the official station concerned are among the most serious of all the problems faced by outposted staff. While at certain official stations one or more organizations may be able either to provide or to obtain suitable accommodation for rent by the staff member, it is largely left to outposted staff themselves to find accommodation and negotiate their rental agreements. This is both time-consuming and expensive, and staff with dependants are often advised to report to the official station unaccompanied by dependants until they have secured long-term accommodation. The purpose of the rental subsidy is to assist outposted staff required to pay rentals significantly higher than the "average rentals" used in determining the post adjustment. It consists essentially of 80% of the difference between a reasonable rent actually paid by the staff member and a "threshold" rent determined by ICSC, usually at a level of about 135% of the "average rentals" referred to above. As a general rule no subsidy is paid if the rent is below 20% of the staff member's net remuneration, and the subsidy is subject to an upper limit of 40% of the rent in question. To ensure equity amongst staff members receiving the same class of post adjustment at the same duty station, the rental subsidy scheme includes provision for "rental deductions" from the net remuneration of staff members whose housing at that official station is provided free-of-charge or at a nominal rent significantly lower than the previously mentioned "average rentals". This rental subsidy/deduction scheme is at present in a trial period ending 1 July 1980 and is to be reviewed by the Commission in the light of the organizations' experience. The Director-General's representatives will contribute to the analysis required for this purpose.

4.3.6 If an outposted staff member who has recognized dependants is living at his official duty station unaccompanied by any of these dependants, he is entitled, under certain conditions, to travel once between biennial home leaves to the place where his dependants are living. Taken together with his entitlement to biennial home leave, this provides an opportunity for annual travel home. In this connexion, it should be pointed out that this entitlement, together with travel entitlements under home leave and education grants, normally provides the opportunity for three "family reunions" in two years - basically the same as that available to other staff; the difference lies in the fact that the outposted staff member entitled to this travel has an additional option regarding how and where one of these reunions may take place. ICSC is examining various proposals, including proposals from FICSA, to augment the number of opportunities given to outposted staff for family reunions. It may also be noted that one of the specialized agencies provides for an interval of 18 months between home leaves for outposted staff, rather than 24 months, which is the general rule in the organizations of the United Nations system.

4.3.7 At a limited number of official stations where factors such as geographical isolation, health care facilities, and climate have been considered by the organizations of the United Nations system to warrant it in the particular circumstances, outposted staff are entitled to the payment by the organization of the cost of travel for themselves and their recognized dependants at the official station to a "designated leave centre" in the year in which no home leave is due. Although the creation of this entitlement was well-intentioned, experience has shown that only a rather limited proportion of eligible staff have made use of it. It would appear that staff are reluctant to incur the additional expense of board and lodging in the "leave centres", and also hesitate to use part of their leave entitlement for this purpose, preferring to accumulate their leave in order to take as much as possible during home leave. The whole concept of rest and recuperation travel is indeed based upon some recognition of "special hardship", and is the only entitlement directly based upon such a concept. The Director-General concurs with the opinion emerging among the organizations of the United

Nations system that, while the rest and recuperation travel provision has in part served some of the purposes for which it was designed, it leaves much to be desired on various grounds, including that of equity, and that, rather than extend or otherwise revise this entitlement, it would be preferable to seek other means of meeting those ends, particularly within the context of the study proposed by ICSC (mentioned in paragraph 4.4 below).

4.4 These special provisions applicable to outposted staff have, to a greater or lesser extent, served the purpose for which they were designed, and been subject to fairly continuous review and gradual improvement. Except for rough and ready distinctions accepted by the organizations of the United Nations system with respect to certain existing entitlements for outposted staff (especially the assignment allowance and rest and recuperation travel, described above) they have not yet been able to develop a classification of duty stations to distinguish relative degrees of "hardship". However, ICSC, under those items of its agenda dealing with "conditions of service of field staff" which it is currently considering, has before it documents relating to this question, and has outlined a study which it proposes to undertake with a view to the possible establishment of such a classification.

4.5 It should here be noted that the organizations of the United Nations system have already periodically examined the possibility of distinguishing to an even greater extent the administration and emoluments of field project staff, sometimes with a view to reducing the overall cost of the staffing elements of projects. The most recent examination of this kind was undertaken by UNDP and the executing agencies, after consideration of the Joint Inspection Unit's study on the "Role of experts in economic development". Like previous studies, this latest examination tends to conclude that nothing would be gained by making a rigid distinction, that the administration of two quite different groups of staff would be unnecessarily complicated and expensive, and, most importantly, that any alleviation of the special situation and problems of outposted staff (whether in projects or in established offices) should be dealt with by the introduction, within the normal framework of the United Nations common system, of appropriate special provisions applicable only to outposted staff.

4.6 While, on balance, the provisions described in section 4.3 above have been of benefit to outposted staff, there are certain other provisions which, although applicable both to outposted and to other staff, tend to disadvantage the former. These are mainly the application of minus post adjustments and the rules concerning the currency in which staff members' emoluments are paid.

5. Minus post adjustments

5.1 The object of the post adjustment system is to maintain equality of purchasing power among staff members of the same grade, irrespective of nationality, but serving at different official stations with different cost-of-living indexes. The cost-of-living at all official stations is assessed on a scale which has as its reference point, with an index of 100, New York in November 1973. When the index at a given official station is at least 5% above that base, a proportional positive or "plus" post adjustment is payable. On the other hand, if the index at an official station is as much as 5% below that base, a proportional negative or "minus" adjustment is applicable. In 1959 the Executive Board decided, in resolution EB23.R9, to suspend the application of minus post adjustments in respect of WHO staff. The Board took this decision following consideration of a report presented by the Director-General in which he stressed the disincentive which a reduction in base salary represented during recruitment or reassignment of staff to such official stations.

5.2 Subsequently, at its fifty-third and fifty-seventh sessions (in January 1974 and January 1976) the Executive Board considered an invitation of the United Nations General Assembly to WHO to "follow the common system regarding the application of negative post adjustments". At its fifty-seventh session, in resolution EB57.R11, it expressed its belief that it was desirable that WHO should join the United Nations common system in applying minus as well as positive post adjustments, decided that minus post adjustments would be applied in WHO, and approved certain transitional arrangements to avoid reductions in net emoluments being paid at that time to staff serving in affected duty stations.

5.3 While at the time of writing there are only four locations at which minus post adjustments apply (Belize, Maldives and Sri Lanka, where WHO has outposted staff, and the Union of Soviet Socialist Republics, where there are no WHO staff), this aspect of the post adjustment system is nevertheless perceived as a moral and psychological disadvantage which could at any time affect outposted staff detrimentally. Until very recently, minus post adjustments also applied to staff in Egypt (other than Cairo), Malta, and Mexico.

5.4 The Director-General, while considering that it is neither realistic nor expedient to recommend that WHO revert to a position deviating from the United Nations common system, is prepared to make recommendations on this subject to ICSC, stressing the position taken by the Executive Board for 18 years, from 1959 to 1976, regarding the propriety of the practice of quoting and publishing a base salary and then paying less than that amount by applying minus post adjustments. He would raise this in the context of the examination of conditions of service of outposted staff, with a view to mitigating the adverse effects of this aspect of the post adjustment system on the recruitment, reassignment and rotation of staff, and on staff morale.

5.5 He would also support any proposals to re-examine the related question of the treatment of that element of the post adjustment index which takes into account "out-of-area expenditures". These are all expenses incurred by the staff member - by choice or necessity - other than those required to support himself and any accompanying dependants at the official station. They include those connected with home leave and annual leave not taken in the country of the official station; essential imports; private travel of the staff member and his dependants outside the scope of travel paid by the organization; support of dependants, both recognized and otherwise, who are not living with him at the official station; life and other insurances; maintenance of property; and savings.

6. Currency of salary payments

6.1 For many years the need of some agencies to use various nonconvertible currencies has led the organizations of the United Nations system to agree on certain rules governing the currency of payment of salaries and allowances of professional and higher categories of staff, including the proportion of emoluments payable in the currency of the country of assignment. The need for such currency utilization stems primarily from the fact that some voluntary contributions to important funding agencies (for example, UNDP) are accepted in nonconvertible currencies. As the old and rather complex rules in this area were not always uniformly applied, in 1975 the organizations agreed on a single, revised set of rules designed to ensure uniform treatment of all staff at a given official station, irrespective of the country of assignment or source of funds from which their salary payments were financed. Briefly, the result of applying these rules is that between about 30% and 60% of a staff member's total emoluments have to be received in the currency of the official station, the balance normally being payable in a single other currency chosen by the staff member. Although exceptions to these rules are granted either automatically to staff members assigned to certain countries or as may be required by their own special personal circumstances (for example, family separation) the rather rigid rules of the common system in this respect are known to cause additional financial hardship to some outposted staff, especially those whose requirements for currencies other than that of the official station are seriously affected by personal commitments and particularly serious exchange rate fluctuations between the currency of their official station and that of the country or countries in which their commitments have to be met.

6.2 WHO has never had, and does not now have, a problem of accumulated nonconvertible currencies of a nature requiring special arrangements such as the above-mentioned to facilitate their utilization. Nevertheless, in the interest of interagency collaboration and system-wide uniformity of application, the Organization has agreed to the rules for the currency of salary payments outlined above. However, the Director-General considers that these particular arrangements are neither strictly equitable nor particularly effective for the purpose for which they have been designed. They may be seen to be inequitable because, though generally applicable, they affect in actual practice only outposted staff. They may be seen to be ineffective because they have not succeeded in alleviating to any significant extent the

problem of nonconvertible currencies accumulating in certain funding agencies. He is, therefore, prepared to raise this issue again with a view to requesting the International Civil Service Commission to examine the matter in the context of the conditions appropriate to internationally recruited staff, particularly outposted staff.

7. Conclusion

7.1 As already stated, the whole question of the conditions of service of outposted staff is before ICSC which, apart from already having dealt with certain improvements and changes in existing provisions, is prepared to consider any further reasonable improvements in so far as their financial implications can be kept within limits acceptable to Member States. In considering any matter before it, the Commission provides opportunities both to the administrations and to the staff to make their views known in documents, responses to questionnaires and an oral dialogue at its twice-yearly regular sessions. The Commission, having heard these views, and having deliberated the subject concerned in closed session, reaches its conclusions and reports on the matter to the United Nations General Assembly. In 1975, on the recommendation of the Executive Board, the Twenty-eighth World Health Assembly accepted the Statute of the Commission by adopting resolution WHA28.28. To the extent that the Commission's Statute empowers it either to take certain decisions or to make recommendations on certain matters to the United Nations General Assembly, this acceptance by WHO implied some transfer of authority in these matters from WHO to the Commission.

7.2 Nevertheless, as explained above, the Commission is open to representations by the administrations and staff of the organizations of the United Nations system. The Executive Board is therefore invited to note this report and to make such comments or to give such guidance to the Director-General as will assist him in defining the views of WHO to be presented to the other organizations and to the Commission at its tenth session, to be held in August 1979. The Director-General is fully aware of the concern of the staff with regard to the conditions of service of outposted staff, and shares the staff's desire to make outposted assignments more attractive. In the light of any guidance the Executive Board may provide, he will therefore instruct his representatives at the Commission to advocate any further improvements in the conditions of service of such staff as can be made within acceptable financial limits.

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