**Statement of the Coordinating Committee of International Staff Unions and Associations (CCISUA) to the Fifth Committee of the General Assembly**

*Item 139, UN Common System, Monday 27 October 2014*

Delivered by Ian Richards, President

Thank you Mr. Chairman and distinguished members of the Committee, and good morning,

I speak to you today on behalf of the Coordinating Committee of International Staff Unions and Associations, better known as CCISUA.

Allow me first to congratulate you Mr. Chairman, and the Bureau, on your election and trust that under your wise leadership, this Committee will this year complete its deliberations by Christmas.

I would like to thank the ICSC for their annual report, A/69/30, as well as the Chairman’s presentation. I would also like to thank the Chair of ACABQ, the Director of PPBD, the delegates speaking this morning, and my colleague Diab El Taberi of FICSA.

I will take this opportunity to comment on particular aspects of the report on which we have concerns. But first let me introduce my 60,000 colleagues at CCISUA. Many work in difficult locations, some in danger of their lives. For example, on the frontline against extremism in Iraq and Syria, or responding to ebola in Guinea, Liberia and Sierra Leone.

Distinguished delegates, in the midst of many global crises, all begging for a coordinated response, the UN common system has shown itself more relevant than ever before. Let me give you an example from our host country, the United States, where last week a survey showed that 74 percent of likely voters here believe the UN to be relevant and needed.[[1]](#footnote-1) That’s the highest it’s been since they started the poll five years ago.

And indeed, delegates, hardly a day goes by when our colleagues aren’t in the news, handling ever more challenging tasks. The quality of our output, our impact and reach is on the rise. The expectations on our staff are even higher.

**Compensation review**

Therefore we must make sure that the globally mobile, diverse and performing staff our organizations recruit to confront these challenges are the brightest and the best, and naturally we need the right compensation package to attract them.

For this purpose, you, the member States, have reaffirmed time and again that professional staff be paid by reference to the best paying national civil service - the so-called Noblemaire principle. And as the US Government Accountability Office has certified, in two consecutive reports, this is basically already the case.

Much therefore hangs on the outcome of this once-in-a-generation compensation review, which while taking place in difficult financial times, needs to be fit for the performance goals that you set us over the next five, 10, 20 years. A review that needs to bring in staff that, we all hope will continue to raise the bar.

The staff federations are not the only ones saying this. Organizations have been vocal as well.[[2]](#footnote-2)

Last week I was in Bhutan, a beautiful country, although challenging for our colleagues who live and work there. At the UN Day reception I asked a few of them, drawn from many languages and cultures, what they valued most in their compensation package. They agreed the salary was fair. However, the compensation package needed to respond to the sacrifices they and their families had made. One colleague told me how her husband gave up his job to accompany her to a country for which he would find no employment. The higher salary for staff with non-working spouses was therefore a clear motivating factor. Another said they liked that the education grant allowed them to send their children to school abroad in order to benefit from instruction in their mother tongue, not available locally. Yet another appreciated the ability to ship in much-need staples such as children’s clothes, food and medicines from their visits to Bangkok.

It is clear that if our organizations wish to get their best staff to the field, which includes, as pointed out, more women, we need a compensation package that is family friendly, respects cultural and linguistic diversity, and addresses the sacrifices that our colleagues’ families need to make.

**Mandatory age of separation**

Once you get the best staff to the right locations, it’s important not to let them go. It’s regrettable that some of our most experienced and productive staff are still required to retire at 60 or 62. This stands in contrast to the comparator service, which has no retirement age at all.

Last year you considered the option of current staff being able to choose to retire at 65 as of 2016. You asked for an in-depth study on the impact of such a measure and now, this detailed and comprehensive study is in your hands. The results are clear.

Not only will this measure reduce after-service healthcare liabilities by $31 million, it also reduces the pension fund’s actuarial deficit by almost a fifth – not to be dismissed when for the first time, the number of beneficiaries – those who take money out – is increasing while participants – those who pay money in – are decreasing.[[3]](#footnote-3)

Furthermore, the principal concerns raised last year can be put to rest. The analysis shows this measure affects neither gender diversity, nor geographic diversity, nor rejuvenation, nor organizational performance. Other tools such as selection policy and performance management exist to address these, and the use, or rather non-use of these tools needs to be examined.

And this, distinguished delegates, may well be why Secretary-General Ban Ki-moon, whose authority extends over the Secretariat, UNDP, UNOPS, UNHCR, UNICEF, UN-Women and UNFPA has publicly urged support for this measure.

Some agencies have complained that this will upset their workforce planning. Others are undergoing yet another round of reforms and say this isn’t the right time. Let’s not forget though that this has been under discussion since 2009 and should have already been taken into account in workforce planning in the organizations where it exists, which according to the Joint Inspection Unit is almost nowhere.[[4]](#footnote-4) As a result, 71 percent of retirees are rehired and we regularly receive reports of executive heads using their discretion to either extend staff beyond retirement age or rehire them by demanding loyalty of the kind that requires staff members to turn a blind eye to violations of the rules. [[5]](#footnote-5)

If organizations are concerned about the impact on workforce planning we propose that staff simply be asked to state well in advance their intention on whether they wish to avail of the choice to retire at 65.

**Margin**

We also welcome the Commission’s findings on the net margin.[[6]](#footnote-6) We take note of the Commission’s forecast that the margin will reach the 115 desirable midpoint within two years. For CCISUA, even if we do not agree with the freeze, this shows that the current margin management system has broadly proved itself, although we should recall that in the last 15 of 20 years, UN staff have received less than the 115 margin. We trust therefore that both the Commission and the General Assembly will be more attentive to this.

We also take note of the Commission’s conclusions on the undesirable effects of trying to manage the five-year average margin. Managing a trailing average of the previous five years is like driving a car, looking out the back window. The graph on Page 68 of the report, shows the disastrous and yo-yo-like effects that would result.

**Pension fund**

Let me end with a common system issue of great concern to us, the management of the pension fund, an item you are also considering today.

We welcome the decision of the fund’s board that it should continue to be administered by the UN Secretariat, ensuring that the necessary management controls can be maintained.

But we are concerned that the management team at the Fund is actively seeking waivers to four important elements of the staff regulations. If approved, we foresee reduced opportunities for qualified pensions experts in your countries to work at the Fund and a weakened ability of OHRM to check abuses of authority.

Firstly, management has requested exemption from the UN mobility policy as its functions are specialized. Yet, as you are aware, having passed the mobility policy in April, mobility already exempts specialized posts; this matter is moot.

Secondly, management wants discretionary authority to keep some staff beyond retirement, citing an IT project. Such discretion will remove incentives for workforce and succession planning and does not make strategic sense. The Fund’s new IT system will need to be implemented by staff who can stay on for years to come in order to manage and maintain it.

Thirdly, management wants to promote certain colleagues from the G to P categories without passing through the exam, an issue on which you may well have an opinion.

Finally, management has asked for the right to laterally assign staff in contravention of your own instructions, reiterated on many occasions, that all vacancies be advertised externally.

Distinguished delegates, all this is taking place in a UN department whose management recently issued a directive forbidding staff from reporting fraud to OIOS. We have also received reports of alleged threats against suspected whistleblowers. With $51 billion at stake, this is alarming. As Member States, ultimately responsible for the fund’s finances. I therefore trust that you will seriously examine these risks to the Fund.

**In conclusion**

To conclude, I am proud to speak before you today for members of staff, many of whom are serving in hardship and in extremely difficult locations, far removed from this elegant conference room. In countless areas across different continents they are doing incredible work, offering shelter to the dispossessed, rebuilding countries and societies from the rubble of conflict, working tirelessly to bring to life to the fine words that are spoken in this building.

I trust that you will be able to give serious considerations to the points we have made, and I thank you.

1. Public Opinion Strategies and Hart Research Associates [↑](#footnote-ref-1)
2. The ILO’s Director-General Guy Ryder, warned the ICSC against being “unduly swayed by short-term budgetary conditions in designing a compensation package, which together with other employment conditions is bound to have a significant impact on our possibilities to attract highly qualified staff to international service… Our capacity to deliver high value services… will be heavily influenced by the results of the compensation review.” [↑](#footnote-ref-2)
3. The figure of 18.1 percent is reached by dividing the estimated reduction in the actuarial deficit, reported in A/69/30, para. 95, as 0.13 percent of pensionable remuneration, by the total actuarial deficit, reported in A/69/9, para. 70, as 0.72 percent of pensionable remuneration. [↑](#footnote-ref-3)
4. Note of the Joint Inspection Unit, JIU/NOTE/2014/1, para. 107: “In general, organizations have no comprehensive workforce/succession planning policies or practices”. [↑](#footnote-ref-4)
5. Note of the Joint Inspection Unit, JIU/NOTE/2014/1, Executive Summary. [↑](#footnote-ref-5)
6. Now at 117.4 percent, with the five-year average at 116.4 percent [↑](#footnote-ref-6)