

Termination Payments

Executive Board

October 2007

Document describes:

- the use of the different contractual tools by WFP to employ its locally recruited staff in the field
- the terms of termination indemnities paid, particularly to non staff, i.e. SSAs and SCs, and the reasons for doing so
- proposals for the future

Contractual Framework

WFP staff governed under 2 sets of staff rules, regulations, and administrative manual provisions:

- Internationally recruited staff and locally recruited staff at Headquarters and Liaison Offices follow those of FAO
- Locally recruited staff in the field follow those of the UN

Contracts Used

For locally recruited staff in the field 3 main contract types are used:

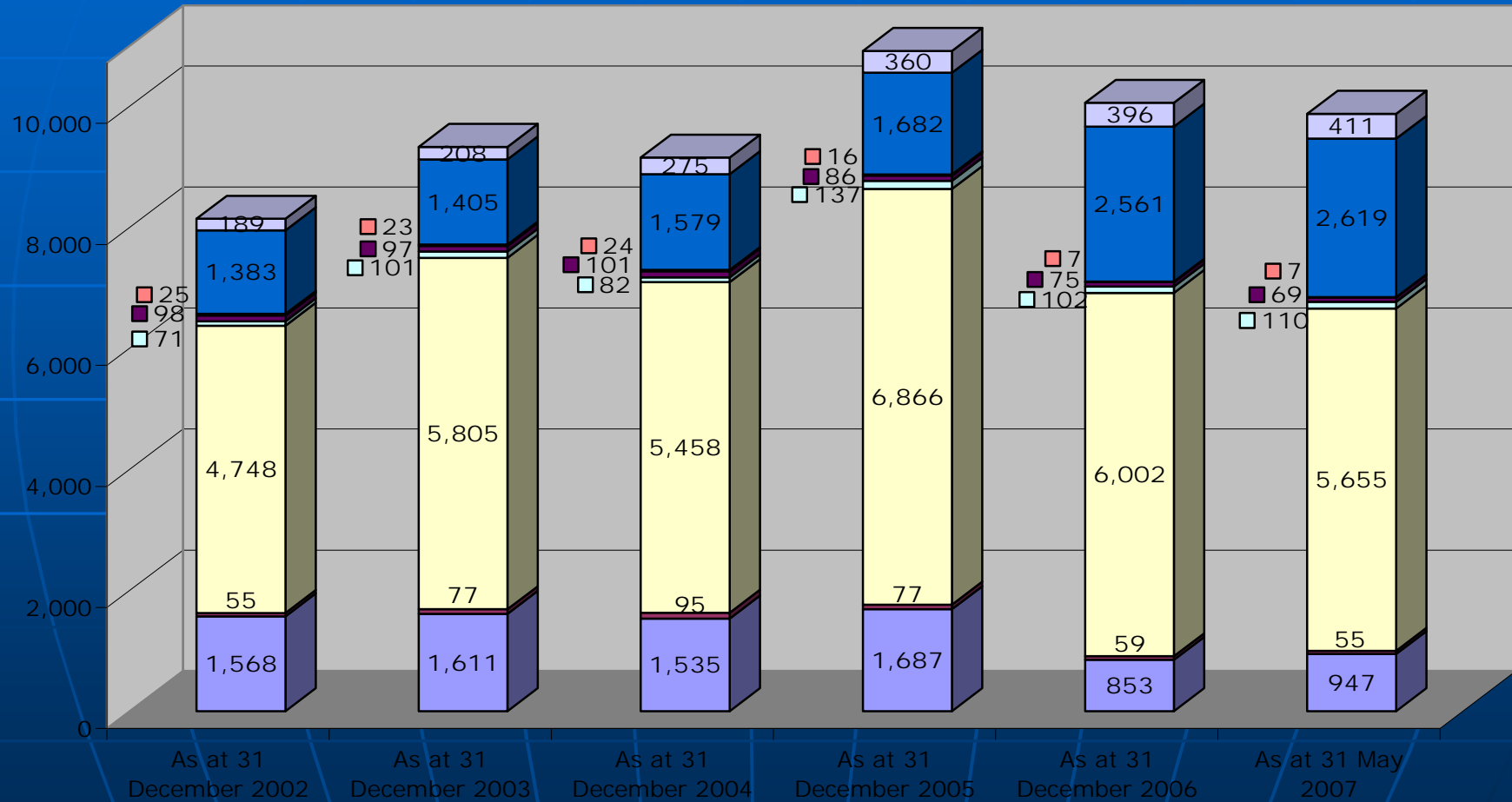
- **Short term** – special service appointments (SSA)
- **Medium term** – service contract (SC) assignment of limited duration (ALD)
- **Long term** – continuing/permanent, fixed term (FT)

While Staff Rules & Regulations apply to continuing, FT or ALD staff, the rules governing non-staff contracts are detailed in the contracts themselves:

- FT and ALD are **UN staff members**
- SC and SSA are **Non-UN staff members**

Staffing Situation

No. of WFP Employees - Worldwide



SSA - support
 SSA - professional
 SC - support
 SC - professional
 300 series - ALD - support
 300 series - ALD - professional
 100 series - General Service
 100 series - National Officers

Why Pay Termination Indemnities?

When managing significant changes or reductions, WFP has made every effort to:

- provide for separation conditions in line with legal obligations
- considered length of employment with WFP, particularly when continuously employed for extended periods
- past practice when undertaking significant office downsizing
- efforts to avoid legal suits
- WFP's reputation in the host country

Legal Basis for making Termination Indemnity Payments **UN Staff Member Status**

UN Staff regulations provide:

- conditions under which confirmed staff appointments (FT and ALD) may be terminated
- that the Executive Director has the discretionary authority to approve a termination indemnity payment not more than 50% higher than that which would otherwise be payable

Legal Basis for making Termination Indemnity Payments

UN Non-Staff Member Status

- The Executive Director has the authority to make ex-gratia payments
- WFP has consistently considered that it has been in the organization's best interest to provide such payments
- A standard approach was adopted to ensure:
 - equity among payments to employees in different country offices; and
 - transparency of treatment of employees regardless of nationality and locally established practices

Termination Indemnities paid by WFP management since 2002

- Payments due to budgetary or staff reduction exercises, re-profiling, or workforce and office closures for all contract types (staff and non staff) = \$ 3.4 million + \$ 4.1 million (Angola)
- Payments made to SSAs/SCs as a result of 2006 SC/SSA review = \$ 2.2 million
- Pending payments = \$ 350,000
- Total worldwide all contract types = \$ 10 million

Way Forward

- In the context of one UN WFP is harmonizing its practices with other UN agencies
- Are working to ensure appropriate use of contract types