Ms. Chairperson, Pension Board members and observers,

I would like to thank you for this opportunity to speak on behalf of the 60,000 active participants of the Fund, who are represented by the Coordinating Committee of International Staff Unions and Associations (CCISUA). Included in those 60,000 are the staff of the Fund working in New York and Geneva and as well as staff representatives of the Fund in New York who have been providing you with pertinent information on the actions being taken by the Fund’s management in relation to changes to the regulations governing human resources and financial management.

The 60,000 active participants I represent before you today are very concerned about the changes in financial and human resources regulations, proposed by the management of the Fund. They are also concerned about the dire relations between the Fund’s staff and their management, which have plunged staff morale at the Fund and led staff to view their management with distrust.

In May, the three staff federations launched an internet petition against these changes. The petition collected over 13,000 signatures and these were handed to the Office of the Secretary-General by the leaders of the Geneva and New York staff unions.

We launched the petition because we felt that the management of the Fund and its entourage were straying from its role of running the institution and were acting in their own interests, clear of any oversight. There are many incidents and events that brought us to this conclusion and I shall list them here.

Firstly, we received in April draft staff rules, a draft Secretary-General’s Bulletin and draft letters to staff from Catherine Pollard, which she says were written by the Fund and not her, preparing to make the Fund an independent agency, where the Chief Executive Officer (CEO) would be able to recruit and promote staff outside any recognized competitive process. The CEO would also be able to retain staff beyond retirement. The staff of the Fund voiced their concerns with this proposed framework, which was meant originally to be implemented prior to this meeting and behind your backs, clear to us. The changes would also limit the career opportunities of staff members as they would no longer be able to move within the Secretariat and UN system and their permanent contracts would lose all value.
On this note, we should be aware that when OHRM requested an update to the Memorandum of Understanding, it was because certain provisions were out of date and redundant. Also certain wordings were not clear. What OHRM did not intend, even if the Fund’s management has led you to believe it, was a spinning off of the Fund into a separate agency. We should also note that the current Memorandum of Understanding already gives enormous power to the Chief Executive Officer in terms of appointments and promotions that are specific to the Fund, and we are already aware of how these provisions have been abused.

Non-specialized staff are being promoted to P-5 without lateral move requirements. Friends of the CEO and his entourage, who could easily have been replaced, have been retained beyond retirement, and posts have been kept vacant for extended periods so that favourites could be brought in on temporary assignment without a real competitive process. This point was also highlighted in a recent audit of the Fund.

We understand that for some extremely specialized posts, exceptions are required. However, exceptions must stay exceptions and be used sparingly, for genuinely specialized posts only, and with better oversight. Meanwhile, established rules must be observed, for the benefit both of the staff and of the organization.

And even when it comes to the implementation of the new ERP system, there is no need to keep anyone beyond retirement. With proper planning, that any manager is competent to do, succession plans can be developed, and new staff trained to take over the role.

Our concerns aren’t just limited to human resources. The CEO is also trying to change the financial regulations to authorize him to bypass the United Nations procurement rules without any oversight from the Pension Board and even the Office of Internal Oversight Services. Indeed, a separate internal oversight body would be created and report directly to him instead of the Secretary-General. This would lead to a change in governance structure of the Fund, contrary to paragraph 12 of Section VII of resolution GA resolution 68/247, and it isn’t hard to imagine the conflicts of interest this will create. As members of the board, you have a responsibility to ensure good governance. This will do the opposite.

We therefore need to read the intentions of the General Assembly carefully. When it requested a change in financial rules, it was to reflect the fact that the Fund deals not only with benefits and contributions, but also with investments. Therefore the sound way forward is to add to the financial rules of the Fund the requirement of conformity with International Public Sector Accounting Standards (IPSAS) concerning financial instruments (in reality only with IPSAS 30, as IPSAS 28 and 29 are already included).

This leads us to have strong concerns with how the Fund’s management has been trying to circumvent the General Assembly and present it with a fait accompli. The General Assembly, in its resolution, asked the Pension Board to report to it on any changes proposed by an HR review. However,
(https://docs.google.com/file/d/0B8MK8H3apVfqRTZUbXNtZFplSDBaM3VCNmhdDMjdRdWgdllRR/edit?pli=1) continues to misinterpret the resolution, changing word “proposed” to the word “introduced”. The General Assembly has asked for the final say, which is indeed their formal governance role, and we must give them that. Therefore, the Fund’s management is being less than honest with you on the situation and we must again question their motivations.

Mr. Chairperson, Pension Board members and observers, back in May and in order to resolve the situation, the three federations met with the CEO. We hoped he would turn over a new leaf and our communications to staff said as much. But it is now clear that we were misguided.

Section IX of the JSPB/61/R.35 (https://docs.google.com/file/d/0B8MK8H3apVfqRTZUbXNtZFplSDBaM3VCNmhdDMjdRdWgdllRR/edit?pli=1), devotes significant space to staff-management relations. Its tone is aggressive, misleading, defensive and very personalized – not what is expected from the management of a $52 billion fund. In it, the CEO and his entourage focus significant fire on the New York Staff Union, whose authority they seek to undermine. It reproduces several communications that serve to illustrate some internal political issues in the Union that have yet to be resolved, and that are completely unrelated to the issue at hand for staff in the Pension Fund.

This constitutes an interference in union business of a nature never seen before at the UN. Furthermore, it breaches the United Nations Standards of Conduct of International Civil Servants, and we believe this should be sanctioned. The section also contains inaccuracies as to the right of Pension Fund staff in New York to be represented. Pension Fund staff have been reintroduced into the New York Staff Union electoral lists since 2011, and the Union has indeed been representing them. The management of the Fund is well aware of this but conveniently chose to ignore it. The management of the Fund is also well aware, but has tried not to tell you, that its staff in Geneva have always been represented by the UNOG staff council.

It is quite clear that this attempt at “union busting” comes in retaliation to our efforts to prevent the bypassing of the current regulations by the Fund’s management. It was the staff unions that protested, and rightly so, when management attempted, in March and April this year, to present the Pension Fund staff with a fait accompli in the change in human resources policies, prepared without the required consultations with staff or the approval of the Pension Board. It was also the staff unions that protested against the signature of the new Memorandum of Understanding between the Fund and the OHRM before it was even considered by the Pension Board. It is also telling that the CEO highlights that he does not need agreement from staff during staff-management consultations to proceed with his objectives. He states this before the consultations have even begun.

One particular action by the Fund management might well illustrate where things are headed. Mr. Arvizu recognizes that a Pension Board member was hired as a consultant to prepare the text for the proposed change in the human resources policy. What he apparently fails to recognize,
however, is that this consultancy creates a clear conflict of interest, especially considering that this Board member has traveled on the Pension Fund dime to the tune of $22,000 to do this consulting.

Mr. Chairman, Pension Board members and observers,

Before concluding, let me thank the staff of the Fund who blew the whistle and informed their unions of what was going on. Without their brave actions, neither you nor we would be any wiser about the serious management difficulties at the Fund. Unfortunately, the Fund’s management has announced its intention to pursue these staff and take disciplinary action against them. I therefore ask that in the interest of ethics and good governance, that you order a stop to this. Their livelihoods and careers are in your hands, and I beg you to back the values of the United Nations that they have truly embodied.

On behalf of the 60,000 participants, for whom I speak today, I would like to conclude with this. We are seriously concerned about the direction this Fund is taking; about the conflicts of interest, the misrepresentation to member states, the mis-management taking place, regulations broken, oversight removed, job security destroyed, and staff morale in the Fund at an all time low. A Fund that now has a reputation for mismanagement and infighting is not one that in the long term will ensure our retirement income. The Fund should be managed in the interests of its participants and staff, not as a convenient vehicle to serve the private interests of its management and entourage.

As the board we believe you have an important role to play to bring the Fund’s management back in line, to ensure regulations are upheld, oversight reinforced, violations stopped, honesty restored, labour regulations respected and whistleblowers protected. Furthermore, you have a key role to ensure that those who run the fund and advise its leaders are worthy of this role, that they inspire the confidence of its participants, of the General Assembly, of the member organizations. They must earn the trust and respect of their own staff, and this leader must improve to be worthy of that title.

Like you, we believe in the United Nations Joint Staff Pension Fund. Like you, we hope it can regain competent management and see better days ahead.