

Summary of DY v. IBRD, Decision No. 559 [2017]

The Applicant is a former staff member of the Bank who retired on 28 February 2014 after 16 years of service. Prior to his retirement, he held the position of Senior Financial Management Specialist at grade GG in the Financial Management (FM) unit in one Country Office. In November 2014, a Practice Manager at the Bank contacted the Applicant to offer him Short-Term Consultant (STC) contracts in the Country Office FM Team for Fiscal Years (FY) 2015 and 2016. The Applicant and the Practice Manager held discussions on the terms of the contracts from that date until 6 March 2015. On 6 March 2015, the Practice Manager discontinued the discussions and asked the Applicant to look for other job opportunities. The Applicant challenged the Bank's decision to withdraw offers of STC contracts for FY15 and FY16.

The Tribunal first addressed the Bank's contention that it was without jurisdiction to hear and pass judgment on the Applicant's claim because there was no contract of employment. The Tribunal found that it had jurisdiction under Article II of the Statute to consider the soundness of any allegation of contract formation and that any question of whether a contractual relationship arose between the Bank and the Applicant in the absence of a letter of appointment could be decided only in conjunction with the merits of the case.

The Tribunal found that there was an agreement on all the essential terms of the contract for FY15 and that a binding contractual relationship had arisen between the Bank and the Applicant. However, the Tribunal held that no contractual relationship had arisen between the parties for FY16. The Tribunal further found that the reasons given by the Practice Manager to discontinue the discussions with the Applicant could not be considered a proper justification and that the Practice Manager's decision of 6 March 2015 was, on the facts of this case, unfair, and constituted an abuse of discretion. Finally, the Tribunal held that the Bank's failure to observe the contractual relationship that had arisen between the Applicant and the Bank in FY15 gave rise to compensation.

Decision: The Bank shall pay the Applicant a compensation equivalent to the remuneration due for 80 days of employment at a daily rate of PKR 35,000.