

UNITED NATIONS APPEALS TRIBUNAL TRIBUNAL D'APPEL DES NATIONS UNIES

Judgment No. 2015-UNAT-587

Faraj (Appellant)

v.

Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (Respondent)

JUDGMENT

Before: Judge Sophia Adinyira, Presiding

Judge Inés Weinberg de Roca

Judge Luis María Simón

Case No.: 2014-683

Date: 30 October 2015

Registrar: Weicheng Lin

Counsel for Mr. Faraj: Anaïs Paré-Chouinard

Counsel for Commissioner-General: Lance Bartholomeusz

JUDGE SOPHIA ADINYIRA, PRESIDING.

2.

1. The United Nations Appeals Tribunal (Appeals Tribunal) has before it an appeal against Judgment No. UNRWA/DT/2014/034, rendered by the Dispute Tribunal of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA DT or UNRWA Dispute Tribunal and UNRWA or Agency, respectively) on 16 October 2014 in the case of Faraj v. Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East. Mr. Mohammad Faraj filed his appeal on 2 December 2014 and the Commissioner-General answered on 9 February 2015.

Facts and Procedure

						•	_							
		Effective	26	March	1990,	[Mr.	Faraj]	was	employed	by	the	Agency	as	a
Welfare Worker at Doura in the Hebron Area, West Bank. []														
			_					_					_	

The following facts are not contested by the parties:1

... On 1 November 2005, [Mr. Faraj] accepted a Fixed-Term Appointment for the post of Chief, Field Relief and Social Services ("CFRSS"), based in Jerusalem.

... On 4 January 2009, [Mr. Faraj]'s appointment was extended for a period of three years, until 31 October 2011.

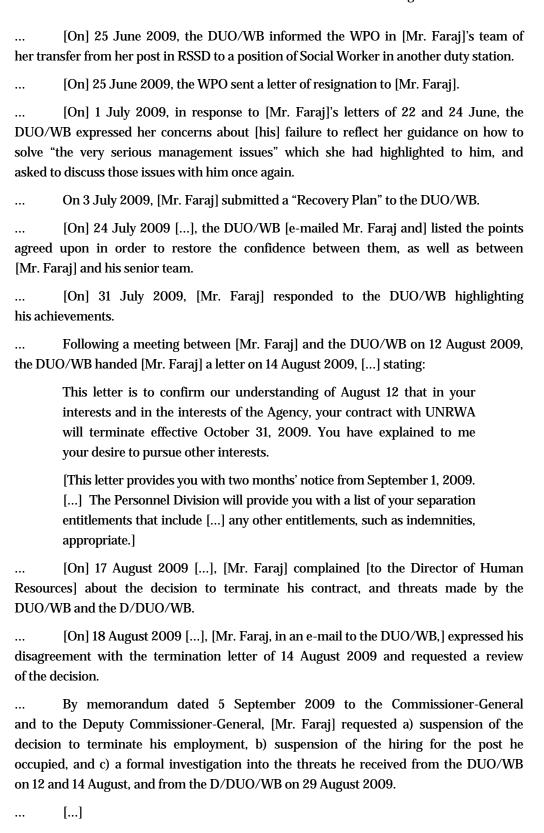
... On 20 May 2009, [Mr. Faraj] wrote to the Commissioner-General complaining about harassment by the Deputy Director UNRWA Operations, West Bank ("D/DUO/WB").

... On 22 June 2009, [Mr. Faraj] sent to the Director of UNRWA Operations, West Bank ("DUO/WB") a note in which he pointed out his disagreement with her proposals with respect to the management of his staff, and furthermore he suggested two options for solving an issue concerning a Women's Programme Officer ("WPO") working in his team.

... By e-mail dated 22 June 2009 addressed to [Mr. Faraj], the DUO/WB inquired about [his] plans to deal with the management of his staff, urging him to address the situation in order to restore trust between him and his senior team.

... By memorandum dated 24 June 2009 to the DUO/WB, [Mr. Faraj] submitted a plan to improve management of the Relief and Social Services Department ("RSSD"). By memorandum dated 28 June 2009 to the DUO/WB, [Mr. Faraj] outlined suggestions to restore his leadership and help improve management within the Department.

¹ Impugned Judgment, paras. 3-42.



By letter dated 22 October 2009, the DUO/WB responded to [Mr. Faraj]'s request for review of the decision, confirming the decision to terminate his employment in the interest of the Agency, and advising him about the time limits to follow in order to file an appeal. By memorandum dated 1 November 2009 to the DUO/WB, [Mr. Faraj] again requested a review of the contested decision. By letter dated 22 December 2009, the DUO/WB responded to [Mr. Faraj] [...]: I take this opportunity to reiterate once again that your separation was mutually agreed by the two of us following numerous discussions in the preceding months; as the Agency has kept to the terms of our agreement, I cannot agree with your contention that the decision was unfair or unjust in any way. By memorandum dated 27 December 2009 to the DUO/WB, [Mr. Faraj] denied having agreed to be separated, and accused the DUO/WB of threatening him to accept his termination. By memoranda dated 5 and 13 January 2010, [Mr. Faraj] submitted his appeal to the Joint Appeals Board ("JAB"). On 24 January 2010, he completed his appeal to the JAB [which was subsequently transferred to the UNRWA Dispute Tribunal]. [...] ... On 27 June 2012, the [UNRWA Dispute] Tribunal in Faraj [Judgment No.] UNRWA/DT/2012/028, dismissed the application as not receivable. This Judgment was appealed before the [Appeals Tribunal]. In Faraj [Judgment No.] 2013-UNAT-331, dated 21 June 2013, the [Appeals Tribunal] vacated the above Judgment, holding that the application was receivable. The case was remanded to [the UNRWA Dispute] Tribunal for a decision on the merits. [...] On 4 September 2014, [Mr. Faraj] filed a motion to submit new evidence and amend his application to seek additional remedies. By Order No. 94 (UNRWA/DT/2014) dated 18 September 2014, the [UNRWA Dispute] Tribunal granted the request and ordered [Mr. Faraj] to submit forthwith the new evidence and amend his application to seek additional remedies.

(UNRWA/DT/2014).

On 30 September 2014, [Mr. Faraj] complied with Order No. 94

- 3. On 23 November 2014, the UNRWA Dispute Tribunal rendered its Judgment. The UNRWA DT found that the first premise underpinning the termination letter of 14 August 2009, namely the conclusion of the DUO/WB that Mr. Faraj had agreed to resign at their meeting of 12 August 2009, was not supported by the facts, as there was no evidence that Mr. Faraj wanted to resign. Further, having regard to Mr. Faraj's prior performance evaluations, there was no justification for the decision to terminate Mr. Faraj's appointment in the interests of the Agency, pursuant to UNRWA Area Staff Regulation 9.1. The UNRWA DT thus concluded that the contested decision was illegal and ordered its rescission.
- 4. Pursuant to Article 10(5) of the UNRWA DT Statute, as an alternative to reinstatement, the UNRWA Dispute Tribunal awarded Mr. Faraj USD 18,500 in compensation for material damages (being the sum Mr. Faraj would have received in net base salaries for an additional two years with UNRWA, totalling nearly USD 44,000, minus the monies he received in the same period from other employers, being USD 25,500), finding that the award also compensated Mr. Faraj for damages for alleged lost opportunities in the same period. The UNRWA DT also awarded Mr. Faraj USD 5,000 for moral damages for anxiety and stress and the injustice caused by the unlawful termination.

Submissions

Mr. Faraj's Appeal

- 5. The UNRWA Dispute Tribunal erred on a matter of law when it combined its awards for compensation in lieu of reinstatement, compensation for loss of earnings and compensation for loss of opportunities. These three heads of compensation should have been considered separately. The UNRWA DT also erred in determining that the compensation in lieu of reinstatement would essentially correspond to Mr. Faraj's loss of salary and that this sum would also include any loss of opportunities.
- 6. The UNRWA DT erred in fact by not making a finding that Mr. Faraj had experienced loss of opportunities, as in *Sprauten*.² His loss of opportunities arose from the circumstances of his termination and the negative recommendations that the Agency subsequently gave to

² Citing *Sprauten v. Secretary-General of the United Nations*, Judgment No. 2012-UNAT-219 and Judgment No. UNDT/2011/094.

other prospective employers concerning Mr. Faraj's performance while with the Agency, evidence of which was before the UNRWA DT.

- 7. The UNRWA Dispute Tribunal erred when it failed to include entitlements in the awarded compensation and based its calculation solely on his net base salary, contrary to the Appeals Tribunal's decision in *Cohen.*³ Had Mr. Faraj continued with the Agency, he would have received his salary and all of the associated entitlements which he calculates would amount to USD 98,576. Although Mr. Faraj had submitted a calculation updated to 2014 to the UNRWA Dispute Tribunal, the UNRWA DT failed to award him his associated entitlements.
- 8. The UNRWA DT's compensation in lieu award was not proportional to the rescission of the contested administrative decision. While Mr. Faraj had hoped to be reinstated or placed in a similar post with the Agency, the UNRWA DT's inadequate compensation award created no incentive for the Agency to consider doing either. The award was thus contrary to the Appeals Tribunal's decision in *Cohen*, which held that the option given to the Administration to pay compensation in lieu of specific performance should not render ineffective the right to an effective remedy.⁴
- 9. In awarding moral damages, the UNRWA DT failed to closely consider Mr. Faraj's supporting documentation which demonstrated that after his termination he was diagnosed with post-traumatic stress disorder, took anti-depressant medication for approximately one year and visited a psychologist for over two years, and described the consequences that his termination had had on his social and professional status in his community. The UNRWA DT thus "minimized the subjectivity of [his] case". The UNRWA DT's assessment of moral damages should also have taken into consideration that the significant delay in addressing his case, caused by circumstances beyond Mr. Faraj's control, added to the psychological harm he suffered. The Appeals Tribunal in *Mmata* held that "there may be cases that take longer to be heard by the UNDT, which may provide a reason justifying compensation beyond the two-year limit".5

³ Citing *Cohen v. Secretary-General of the United Nations*, Judgment No. 2011-UNAT-131.

⁴ Citing Cohen, ibid.

⁵ Citing Mmata v. Secretary-General of the United Nations, Judgment No. 2010-UNAT-092.

- 10. The moral damages award also failed to take into account breaches of his "procedural due process" rights insofar as he was terminated without being offered the chance to improve his management skills, and was thus contrary to the Appeals Tribunal's decision in *Asariotis*.⁶
- 11. In view of the foregoing, as well as the awards for non-pecuniary damage granted by the Appeals Tribunal in other cases, the amount of moral damages awarded by the UNRWA DT in this case USD 5,000 represents "a paltry sum" and should be increased.
- 12. Mr. Faraj requests that the Appeals Tribunal review and reassess the remedies granted by the UNRWA Dispute Tribunal.

The Commissioner-General's Answer

- 13. Mr. Faraj errs in referring to loss of earnings as a distinct head of damages. Since there was no specific claim for loss of earnings in his UNRWA DT application, it is misconceived for Mr. Faraj to contend that the UNRWA DT erred in combining the compensation in lieu of reinstatement with compensation for loss of earnings. The UNRWA DT invoked the issue of loss of earnings in calculating compensation as an alternative to reinstatement, pursuant to Article 10(5) of the UNRWA DT Statute, and not as a distinct head of damages.
- 14. Regarding the claim that the UNRWA DT erred in law by combining its consideration of compensation in lieu of reinstatement and loss of opportunities, the jurisprudence of the Appeals Tribunal affords the Dispute Tribunal significant discretion in determining compensation, considering the Dispute Tribunal is in the best position to determine the nature of the remedy that should be granted in any particular case.
- 15. Mr. Faraj's claim that the UNRWA DT erred in fact by not making a finding that he had lost opportunities is baseless. The UNRWA DT, in its assessment of compensation as an alternative to reinstatement, was conscious of Mr. Faraj's claims for lost opportunities when it considered the total compensatory damages and determined that compensation for material damages would also be sufficient to cover any claims for lost opportunities. The UNRWA DT's approach accorded with the *Mmata* decision and a separate award for loss of opportunities would have been duplicative. The UNRWA DT did not overstep the bounds of reasonableness or fairness, or commit an error of law in its assessment of the compensatory award.

⁶ Citing Asariotis v. Secretary-General of the United Nations, Judgment No. 2013-UNAT-309.

- 16. The UNRWA DT did not err on a matter of law when it did not include entitlements in its awarded compensation as Mr. Faraj never made a concrete plea for compensation for loss of earnings.⁷ Mr. Faraj's reliance on *Cohen* is misplaced since that decision is distinguishable in that there was a claim and a specific award for loss of earnings in that matter. Alternatively, the termination indemnity paid to Mr. Faraj when his contract was terminated, which the UNRWA DT did not deduct from the compensatory damages it awarded, more than offset the entitlements which Mr. Faraj claims the UNRWA DT failed to take into account.
- 17. Mr. Faraj's claim that the compensation awarded was not proportional to the rescission of the contested administrative decision is also without merit in view of the large discretion afforded to the Dispute Tribunal in matters related to compensation. Mr. Faraj has failed to establish that the UNRWA DT made any errors warranting a review of the Judgment to increase the award of compensation for pecuniary and non-pecuniary damages.
- 18. Lastly, the ground of appeal relating to moral damages is not well founded on any of the grounds of appeal outlined in Article 2(1) of the Appeals Tribunal's Statute. It is clear from the Judgment that the UNRWA DT properly considered the supporting documents, medical report and medical prescriptions submitted by Mr. Faraj. Mr. Faraj's reliance on the Dispute Tribunal and the Appeals Tribunal's awards of moral damages in other cases is also misplaced since those cases should be distinguished on the basis of individual factors specific to those cases.
- 19. The Appellant has not established any errors that warrant a review of the UNRWA DT's remedies by the Appeals Tribunal. The UNRWA DT's assessment of the quantum of compensation was fair and reasonable. The UNRWA DT Judgment was otherwise free of error and the UNRWA DT correctly dismissed the application.
- 20. The Agency requests that this Tribunal dismiss Mr. Faraj's appeal in its entirety.

Considerations

21. In the present case, the substantive findings in the UNRWA DT Judgment have not been challenged in the appeal before us. The Appeals Tribunal is only requested to determine whether the UNRWA DT erred with regard to its award of compensation.

⁷ Citing *Goodwin v. Secretary-General of the United Nations*, Judgment No. 2014-UNAT-467, para. 46 (on the failure to plead specific financial losses).

Material damages

22. Mr. Faraj submits that the UNRWA DT erred on a matter of law when it combined its awards for compensation in lieu of reinstatement, compensation for loss of earnings and compensation for loss of opportunities. Mr. Faraj complains further that the UNRWA DT's compensation award was not proportional to the rescission of the contested administrative decision and that the UNRWA DT's inadequate compensation award created no incentive for the Agency to consider either reinstating him or placing him in a similar post with the Agency.

23. Article 10(5) of the UNRWA DT Statute provides:

As part of its judgement, the Dispute Tribunal may order one or both of the following:

- (a) Rescission of the contested administrative decision or specific performance, provided that, where the contested administrative decision concerns appointment, promotion or termination, the Dispute Tribunal shall also set an amount of compensation that the respondent may elect to pay as an alternative to the rescission of the contested administrative decision or specific performance ordered, subject to subparagraph (b) of the present paragraph;
- (b) Compensation, which shall normally not exceed the equivalent of two years' net base salary of the applicant. The Dispute Tribunal may, however, in exceptional cases order the payment of a higher compensation and shall provide the reasons for that decision.

24. As we held in *Rantisi*:8

... The UNRWA DT therefore has the statutory discretion to order remedies under sub-paragraph (5)(a) or (5)(b) of Article 10 or both, so that, for example, the compensation referred to in sub-paragraph (5)(b) can represent an additional remedy to rescission/specific performance (or mandatory compensation in lieu thereof where the issue relates to appointment, promotion or termination) ordered pursuant to sub-paragraph (5)(a). Yet again, compensation under Article 10(5)(b) can constitute the independent sole remedy where the UNRWA DT decides rescission or specific performance of a contested administrative decision is not appropriate or merited. Equally, rescission or specific performance can constitute the sole remedy awarded save the mandatory requirement to set an alternative compensation under Article 10(5)(a). The decision on remedy is quintessentially a matter for the first instance Tribunal, having regard to the circumstances of each particular case and the constraints imposed by its governing Statute.

⁸ Rantisi v. Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, Judgment No. 2015-UNAT-528, paras. 53-54.

- ... The UNRWA DT's discretion under Article 10(5)(a) is constrained by the mandatory requirement to set an amount of compensation (no greater than that provided for in Article 10(5)(b)) as an alternative to an order rescinding a decision on appointment, promotion or termination.
- 25. Accordingly, pursuant to Article 10(5) of the UNRWA DT Statute, where the UNRWA DT rescinds a contested administrative decision concerning appointment, promotion or, as in this case, termination, the UNRWA DT must set an amount of compensation in lieu of rescission or specific performance which the Commissioner-General may elect to pay instead.⁹
- 26. The UNDT may award compensation for actual pecuniary or economic loss, including loss of earnings, ¹⁰ as well as non-pecuniary damage, procedural violations, stress, and moral injury. ¹¹ We have consistently held that "compensation must be set by the UNDT following a principled approach and on a case by case basis" and "[t]he Dispute Tribunal is in the best position to decide on the level of compensation given its appreciation of the case". ¹² Relevant considerations in setting compensation include, among others, the nature of the post formerly occupied (i.e. temporary, fixed-term, permanent), the remaining time to be served by a staff member on his or her appointment and their expectancy of renewal, ¹³ or whether a case was particularly egregious or otherwise presented particular facts justifying compensation beyond the two-year limit. ¹⁴
- 27. In the instant case, the UNRWA DT found that Mr. Faraj was unlawfully terminated by the Agency. This was not disputed by the Commissioner-General. The UNRWA DT therefore rescinded this unlawful decision and awarded compensation in lieu of re-instatement pursuant

⁹ See Verschuur v. Secretary-General of the United Nations, Judgment No. 2011-UNAT-149, para. 48.

¹⁰ Cohen v. Secretary-General of the United Nations, Judgment No. 2011-UNAT-131, para. 22; Mmata v. Secretary-General of the United Nations, Judgment No. 2010-UNAT-092.

¹¹ Nyakossi v. Secretary-General of the United Nations, Judgment No. 2012-UNAT-254, para. 18, citing Antaki v. Secretary-General of the United Nations, Judgment No. 2010-UNAT-095, para. 21.

¹² Rantisi v. Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, Judgment No. 2015-UNAT-528, para. 71, citing Solanki v. Secretary-General of the United Nations, Judgment No. 2010-UNAT-044, para. 20. See also Mushema v. Secretary-General of the United Nations, Judgment No. 2012-UNAT-247, para. 29 and Mwamsaku v. Secretary-General of the United Nations, Judgment No. 2012-UNAT-246, para. 29 ("The assessment of compensation must also be done on a case-by-case basis. Contemplating the particular situation of each claimant, it carries a certain degree of empiricism to evaluate the fairness of the 'in lieu compensation' to be fixed.").

¹³ Andreyev v. Secretary-General of the United Nations, Judgment No. 2015-UNAT-501, para. 31; Gakumba v. Secretary-General of the United Nations, Judgment No. 2013-UNAT-387, para. 16.

¹⁴ *Mmata v. Secretary-General of the United Nations*, Judgment No. 2010-UNAT-092, para. 32 (where the Appeals Tribunal noted the case was "particularly egregious, commencing with the findings of the obviously biased investigation of Mmata from the outset" and noting the abuse of power).

to Article 10(5)(a) above. The UNRWA DT set the compensation in lieu of re-instatement award by calculating the sum Mr. Faraj would have received for the remainder of his two-year contract (USD 44,000), less the amount he received as salaries from other employers during the same period (USD 25,500), which amounted to USD 18,500. We see no error in this regard. The Appeals Tribunal reiterates that there is more than one method by which the trial court can assess damages, and it is up to that court to determine the method to employ in each case.¹⁵

28. At paragraph 72 of the Judgment, the UNRWA DT noted further:

If [Mr. Faraj] claims that he must be compensated for lost job opportunities due to the refusal to recommend him for a job, these material damages compensate [him] for the alleged lost opportunities.

- 29. In view of the foregoing, we are satisfied that in its assessment of compensation in lieu of reinstatement, the UNRWA DT was conscious of Mr. Faraj's claims for loss of opportunities, including as a result of the Agency's refusal to recommend him for another post, and nonetheless considered that these material damages adequately compensated Mr. Faraj for the alleged lost opportunities.
- 30. In view of the large discretion afforded to the UNRWA DT in matters related to compensation, we defer to the UNRWA DT which clearly considered that it was apt to determine compensatory damages in this case to cover loss of earnings and loss of opportunities.
- 31. Absent any error of law or manifestly unreasonable factual findings, the Appeals Tribunal will not interfere with the discretion vested in the UNRWA DT to decide on remedy. As we find that the UNRWA DT did not commit any error of law in its assessment of the compensation award, which we find was fair and reasonable, we will thus not interfere with the award in the matter before us.
- 32. Mr. Faraj also claims that the UNRWA Dispute Tribunal erred on a matter of law when it did not include entitlements in its awarded compensation. Mr. Faraj claims that had he continued with the Agency, his salary and all of the associated entitlements would have amounted to USD 98,576.

¹⁵ Appleton v. Secretary-General of the United Nations, Judgment No. 2013-UNAT-347, para. 21, citing Sprauten v. Secretary-General of the United Nations, Judgment No. 2012-UNAT-219, para. 22 and Lutta v. Secretary-General of the United Nations, Judgment No. 2011-UNAT-117.

¹⁶ Rantisi v. Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, Judgment No. 2015-UNAT-528, para. 63.

- 33. Mr. Faraj's submissions in this regard are misconceived. Under Article 10(5) of the UNRWA DT Statute, the total compensatory damages the UNRWA DT can award under subparagraphs (a), (b), or both, "shall normally not exceed the equivalent of two years' net base salary" unless the UNRWA DT orders higher compensation in "exceptional cases" and provides the reasons therefore.
- 34. The UNRWA DT, however, did not record any reasons for considering that this was an exceptional case warranting an award higher than two years' net base salary. Accordingly, in view of the statutory cap, it is irrelevant that by his own calculation he may have earned up to USD 98,576, a sum equivalent to more than four years' net base salary.
- 35. From the foregoing, we find no merit in this ground of appeal.

Moral damages

- 36. Mr. Faraj submits the UNRWA DT failed to award him adequate moral damages. He claims that the UNRWA DT failed to take into account the documents supporting his claim of psychological harm and the fact that significant delays in resolving his case added to the psychological harm he had suffered, as well as the violation of his due process rights in being unlawfully terminated.
- 37. It is clear from paragraphs 73 and 74 of the Judgment that the UNRWA DT considered Mr. Faraj's submission of 30 September 2014 seeking additional remedies, as well as the documents that Mr. Faraj presented in relation to the psychological harm he had suffered, and the unjust circumstances surrounding the termination. Having done so, the UNRWA DT concluded that "there [wa]s no doubt that any staff member who, like [Mr. Faraj], [wa]s terminated on a short notice after having worked nearly twenty years for the Agency, would suffer from anxiety and stress, and would experience a great feeling of injustice". In view of all of the foregoing, the UNRWA DT awarded Mr. Faraj moral damages in the sum of USD 5,000.

- 38. While Mr. Faraj describes the award as "paltry" compared to other awards for non-pecuniary damages by the Appeals Tribunal, we reiterate that the assessment of compensation is done on a case-by-case basis and according to the discretion of each Tribunal.¹⁷
- 39. Overall, we find that the UNRWA DT did not commit any error of law in its assessment of the compensation award for material and moral damages which were fair and reasonable, and we will not interfere.

Judgment

40. The appeal is dismissed and the Judgment of the UNRWA Dispute Tribunal is affirmed.

¹⁷ Appleton v. Secretary-General of the United Nations, Judgment No. 2013-UNAT-347, para. 27, citing Morsy v. Secretary-General of the United Nations, Judgment No. 2013-UNAT-298, para. 25, and Cieniewicz v. Secretary-General of the United Nations, Judgment No. 2012-UNAT-232.

Original and Authoritative Version: English

Dated this 30th day of October 2015 in New York, United States.

(Signed) (Signed) (Signed)

Judge Adinyira, Presiding Judge Weinberg de Roca Judge Simón

Entered in the Register on this 18th day of December 2015 in New York, United States.

(Signed)

Weicheng Lin, Registrar