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FIFTH COMMITTEE
34th meeting
held on
Tuesday, 27 November 1984
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 34th MEETING

Chairman: Mr. MAYCOCK (Barbados)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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(a) REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued)

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The meeting was called to order at 11 a.m.

AGENDA ITEM 109: PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (continued)

Review of the implementation of the recommendations and decisions adopted by the General Assembly at its tenth special session: Advisory Board on Disarmament Studies, draft statute of the United Nations Institute for Disarmament Research (A/C.5/39/33 and A/C.5/39/43; A/39/7/8)

1. The CHAIRMAN said that, further to a letter addressed to him by the Chairman of the First Committee, the Fifth Committee was being asked to give its views on the administrative aspects of the revised draft statute of the United Nations Institute for Disarmament Research. If the First Committee then decided to recommend to the General Assembly, in a draft resolution, that it approve the revised draft statute, the Fifth Committee would, following the usual practice and in accordance with rule 153 of the rules of procedure of the General Assembly, consider the programme budget implications of the draft resolution in question and report thereon to the plenary.
2. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the United Nations Institute for Disarmament Research (A/39/7/Add.8), said that paragraphs 1 to 4 of the report contained background information on the draft statute of the Institute. In the report it had submitted on that subject to the General Assembly at its thirty-eighth session (A/38/7/Add.11), the Advisory Committee had drawn attention to provisions of the draft statute which were vague as to the precise nature of the arrangements for providing financial and other support to the Institute. The draft statute had subsequently been referred to the Institute's Board of Trustees for clarification of those provisions in the light of the observations and suggestions made by the Advisory Committee. In the draft statute currently before the Assembly, it was proposed (art. VII, para. 1) that voluntary contributions should form the principal source of financing of the Institute and that other sources of financing might include the United Nations regular budget under certain conditions.
3. The clarifications provided by the Advisory Committee in paragraphs 6 to 13 of its current report (A/39/7/Add.8) were aimed not at rejecting the proposals made by the Institute's Board of Trustees to the current session but rather at ensuring that, if the General Assembly should adopt the draft statute, there would be no ambiguity as to how the administrative and financial provisions of the statute should be applied. In the view of the Advisory Committee, article VII of the draft statute was not clear as to the precise nature of the financial support which might be provided from the United Nations regular budget and how funding of the Institute's activities should be approved. In paragraphs 8 and 9 of its report, the Advisory Committee provided clarifications on that subject, and in paragraphs 10 to 13, it indicated how its suggestions could be incorporated into articles III, IV, VII and VIII of the draft statute. It did not believe that its recommendations would necessitate referring the draft statute back to the Institute's Board of Trustees.

(Mr. Mselle)

4. In his report on the draft statute (A/C.5/39/33), the Secretary-General outlined the financial implications of the draft statute, should the First Committee adopt draft resolution A/C.1/39/L.30. As a general rule, the Advisory Committee waited until a draft resolution had been adopted by a Main Committee before it submitted recommendations on the matter to the Fifth Committee. In the case under consideration, however, it had decided to include in its report (A/39/7/Add.8) its observations with regard to the financial aspects of the draft statute.

5. In paragraph 17, the Advisory Committee indicated that, should the draft statute be approved by the General Assembly, a subvention of \$146,500 would have to be provided to cover support for the Director and the staff of the Institute.

6. In paragraphs 13 to 15 of his report, the Secretary-General drew attention to the deficit of \$175,000 which the Trust Fund for the Institute was expected to incur at the end of the current year. For the reasons given in paragraph 18 of its report, the Advisory Committee was not able to recommend approval of a subvention of \$175,000 from the United Nations regular budget to eliminate the deficit. It considered that, for the time being at least, the best course would be to set aside the sums necessary to cover the deficit from future voluntary income.

7. Mr. ROY (India) said that his delegation endorsed the Advisory Committee's recommendations as presented by Mr. Mselle. It would, however, like to know from the Controller how the proposal made by the Advisory Committee in paragraph 18 of its report (A/39/7/Add.8) with regard to the financing of the deficit of the Trust Fund for the Institute would be implemented. His delegation also wondered whether the solution proposed by the Advisory Committee might not dissuade donors from making voluntary contributions to the Institute since they would know in advance that part of those contributions would serve not to fund projects but to eliminate the cumulative deficit.

8. The CHAIRMAN requested delegations to limit their statements to the administrative implications of the draft statute and not to refer to its financial implications, which would be considered at a later stage if the First Committee adopted the corresponding draft resolution.

9. Mr. NYGARD (United States of America) said that, in its report submitted to the General Assembly at its thirty-eighth session in connection with the United Nations Institute for Disarmament Research (A/38/7/Add.11), the Advisory Committee had concluded that the draft statute proposed by the Institute's Board of Trustees did not respect the principle of voluntary funding set forth in section IV of General Assembly resolution 37/99 K and had recommended changes which would bring it more closely into line with that principle. The Institute's Board of Trustees had disregarded the Advisory Committee's opinion and was now submitting a revised draft statute which would permit unlimited financing from the United Nations regular budget. His delegation therefore wished to ask the Institute's Board of Trustees why it had disregarded the Advisory Committee's recommendations. Until that question was answered, it was his delegation's view that the General Assembly could not take a decision on the draft statute.

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10. Mr. TAKASU (Japan) stressed that his delegation firmly supported United Nations activities in the field of disarmament. It had doubts, however, about the draft statute of the United Nations Institute for Disarmament Research because it provided for a system of joint funding. Even though article VII of the draft statute only envisaged the financing of the Institute's expenditures from the United Nations regular budget as a possible eventuality, it was clear from the estimates of income from voluntary contributions (\$300,000 per year) and current forecasts of personnel costs (\$250,000 for 1985), as well as from the scope of the Institute's activities, that such an eventuality would in fact be an essential component of the system of funding.

11. General Assembly resolution 37/99 K, however, provided that the Institute's activities should be funded by voluntary contributions (sect. IV, para. 3 (d)) and no statement of financial implications had been submitted at the time of its adoption. That resolution simply stated that the Secretary-General would provide administrative and other support to the Institute (sect. IV, para. 5), in other words financial, legal or other services the provision of which were normally subject to General Assembly approval. In no circumstances could that provision be interpreted as authorizing a system of joint financing. As a result, while his delegation welcomed the changes proposed by the Advisory Committee, it continued to have serious objections to the wording of article VII of the draft statute.

12. Mr. MURRAY (United Kingdom) said that the changes proposed by the Advisory Committee, which were designed to clarify the draft statute of the Institute, undoubtedly constituted a step forward. His delegation had strong reservations, however, with regard to the principle set forth in article VII, which provided for the Institute to receive a subvention from the regular United Nations budget, the level of which might be as much as 50 per cent of the income from voluntary sources. In its view, that provision amounted to a very free interpretation of General Assembly resolution 37/99 K, which stated that voluntary contributions should be the principal source of financing for the Institute and that the United Nations should limit itself to providing administrative support.

13. Mr. de CLERCK (Belgium) endorsed the reservations expressed by the United Kingdom representative regarding the principle set forth in article VII of the draft statute, whereby the Institute would be funded from the United Nations regular budget.

14. Mr. KHALEVINSKY (Union of Soviet Socialist Republics) expressed surprise that the Institute's Board of Trustees had not followed the Advisory Committee recommendation to bring the draft statute more closely into line with the provisions of General Assembly resolution 37/99 K; in fact the revised draft statute provided for a system of joint financing.

15. While his delegation remained convinced of the importance of the Institute, whose task it was to deal with the main problem currently facing mankind, it believed that difficulties would arise if the principle of voluntary funding was waived. It therefore believed that a decision on the draft statute could not be taken until the Board of Trustees had explained why it had waived that principle and indicated how that principle could be conformed to more closely with regard to the financing of the Institute's expenditures.

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16. Mr. BOTA (Director of United Nations Institute for Disarmament Research), retracing the history of the Institute, recalled that General Assembly resolution 37/99 K entitled "Institutional arrangements relating to the process of disarmament" provided for two systems of financing. Paragraph 3 (d), on the one hand, provided that the Institute's activities would be funded by voluntary contributions, while paragraph 5 requested the Secretary-General to give administrative and other support to the Institute. The Board of Trustees had based itself on that resolution when it had drawn up the draft statute of UNIDIR communicated to the General Assembly at its thirty-eighth session. At that time, the Advisory Committee had pointed out that, by attempting to make the draft statute cover both the financing of UNIDIR on a voluntary basis and the possibility of a decision by the General Assembly to fund certain expenditures from the United Nations regular budget, the Board had arrived at provisions which were vague as to the precise financial arrangements for the Institute. The Advisory Committee had therefore requested in document A/38/7/Add.11 that the draft statute should be referred back to the Board of Trustees and that the latter should spell out the meaning of some of its provisions. The draft statute now before the Committee was the logical outcome of that process.

17. The CHAIRMAN proposed that, on the basis of the Advisory Committee's recommendations, the Committee should decide to authorize its Chairman to inform the Chairman of the First Committee that the Fifth Committee endorsed the comments and recommendations of the Advisory Committee as contained in its report in document A/39/7/Add.8, in particular the suggested revisions to articles III, IV, VII and VIII of the draft statute of UNIDIR, as contained in paragraphs 10 to 13 of that report. If the Fifth Committee agreed to that proposal, it would consider at a later stage the programme budget implications of any draft resolution in that respect which might be adopted by the First Committee. In that regard, the First Committee would no doubt wish to take into account the report of the Secretary-General (A/C.5/39/33) and the relevant portions of the Advisory Committee's report (A/39/7/Add.8, paras. 14-19).

18. Mr. NYGARD (United States of America) said that he still had reservations as to the use of the United Nations regular budget and therefore did not support the Advisory Committee's recommendation. He proposed that the Fifth Committee should instead adopt a decision as follows: "The Fifth Committee decides that the draft statute of UNIDIR is not in accordance with General Assembly resolution 37/99 K and recommends that the Board of Trustees be requested to reformulate the draft statute in accordance with the observations of the Advisory Committee on Administrative and Budgetary Questions as contained in document A/38/7/Add.11 and annex II."

19. Mr. EL-SAFY (Egypt) pointed out that the United States representative was asking the Fifth Committee to take a decision on a document of the thirty-eighth session and felt that delegation's should have time to re-examine that document.

20. Mr. CHEBELEU (Romania) recalled that at its thirty-eighth session, the General Assembly had decided, on the recommendation of ACABQ, to return the draft statute to the Board of Trustees of UNIDIR to clarify the meaning of some of its provisions. The Board of Trustees had duly performed that task and there was no need to refer the text back to the Board again. The Committee should have no difficulty in endorsing the Advisory Committee's recommendations and comments.

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21. Mr. ROY (India) agreed with the comments of the Romanian representative and added that the Advisory Committee had itself indicated very clearly in paragraph 5 of its report (A/39/7/Add.8) that the recommendations contained in paragraphs 10 to 13 of that document did not require that the draft statute should be referred back to the Institute's Board of Trustees and that only technical amendments were necessary.

22. Mr. KHALEVINSKY (Union of Soviet Socialist Republics) commended the Advisory Committee on the excellent work it had done but regretted that it did not propose to leave the matter of resolving the question to the General Assembly. The arrangement for the financing of the Institute was a fundamental question and, as the representative of Egypt had suggested, further careful consideration of the contents of resolution 37/99 K was therefore required. It would also be necessary to refer the text of the draft statute back to the Institute's Board of Trustees. In addition, the proposal made by the United States representative would make it possible to answer most of the questions raised by delegations.

23. Mr. MA Longde (China) shared the view of the Romanian representative. The Advisory Committee had resolved all the outstanding problems and the Fifth Committee should therefore endorse its recommendations.

24. Mr. CHEBELEU (Romania) recalled that the General Assembly had itself laid down, in its resolution 37/99 K, the principle of mixed financing for the Institute, on the one hand by specifying that its activities should be funded by voluntary contributions, and on the other by requesting the Secretary-General to give administrative and other support to the Institute. The Board of Trustees of UNIDIR had been asked to interpret that resolution. At the thirty-eighth session, the Fifth Committee had had the opportunity to consider the relevant report of the Advisory Committee, which had implicitly accepted the principle of mixed financing. Since, however, the Committee had before it two proposals - one by the Chairman and the other from the United States representative - both should be put to a vote - beginning with the first proposal.

25. Mr. MURRAY (United Kingdom) said that he would prefer the Committee to vote first on the United States proposal. If, however, the Committee wished to decide first on the Chairman's proposal, he requested that article VII of the draft statute should be put to a separate vote.

26. Mr. TOMMO MONTHE (Cameroon) felt that the revisions suggested by the Advisory Committee would correct the inaccuracies noted the previous year in the draft statute of UNIDIR and regretted that they could not be adopted by consensus. His delegation would vote in favour of the Advisory Committee's recommendations.

27. At the request of the representative of India, a recorded vote was taken on the recommendation of the Advisory Committee with regard to the revision of article VII of the draft statute of UNIDIR.

In favour: Algeria, Argentina, Australia, Austria, Bangladesh, Benin, Brazil, Burkina Faso, Burma, Burundi, Cameroon, China, Congo, Cuba, Cyprus, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guinea,

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Guinea-Bissau, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Liberia, Libyan Arab Jamahiriya, Malaysia, Maldives, Mali, Mauritania, Mexico, Morocco, Mozambique, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Spain, Swaziland, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Germany, Federal Republic of, Hungary, Israel, Japan, Mongolia, Netherlands, Poland, Portugal, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Canada, France, Grenada, Italy, New Zealand.

28. The recommendation of the Advisory Committee with regard to the revision of article VII of the draft statute of UNIDIR was adopted by 75 votes to 17, with 5 abstentions.

29. Mr. WESTPHAL (Federal Republic of Germany) and Mr. van den HOUT (Netherlands) indicated that their delegations had voted against the suggested revision, solely because of its financial implications.

30. Mr. FONTAINE ORTIZ (Cuba) pointed out that, while his delegation had voted in favour of the suggested revision, it believed that the proposed financing arrangements should not set a precedent which could be applied to other institutes funded by voluntary contributions.

31. Mr. AMNEUS (Sweden) said that, while his delegation had voted in favour of the recommendation, it nevertheless did not subscribe to the interpretations suggested by other delegations concerning the phrase "administrative and other support". The Advisory Committee provided very precise clarifications in that regard in paragraph 7 of its report.

32. Mr. NYGARD (United States of America) said that his delegation had voted against the suggested revision to article VII because it believed that, by unilaterally recommending that some of the Institute's expenses should be paid from the United Nations regular budget, the Board of Trustees of UNIDIR had violated the consensus embodied in resolution 37/99 K and had not taken account of the Advisory Committee's comments. ACABQ should not, therefore, have endorsed such a proposal.

33. Mr. ORSATELLI (France) indicated that his delegation had abstained but that its position in no way constituted a precedent.

34. The CHAIRMAN invited the Committee to vote on the recommendations of the Advisory Committee with regard to the revision of the draft statute of UNIDIR, as a whole.

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35. The recommendations of the Advisory Committee with regard to the revision of the draft statute of UNIDIR, as a whole, were adopted by 79 votes to 10, with 8 abstentions.

AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM (continued)

(a) REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued) (A/39/30 and Corr.1; A/C.5/39/CRP.2)

36. Mr. AKWEI (Chairman of the International Civil Service Commission), replying to the questions and comments of delegations, said that the Commission had tried to limit the size of its annual report but, in view of the range and complexity of the subjects covered, it could not sacrifice clarity and comprehensibility to brevity alone. With regard to the inclusion of the views of staff representatives in the report, that practice closely followed decisions of the General Assembly. Concerning the common system, it must be recalled that it had been designed to meet, at the same time, the interests of the staff, of the organizations and of Member States and not those of one group at the expense of the others. Unilateral decisions taken in the hope of subsequently ensuring the compliance of others would be more likely to produce the opposite of what was intended in a system which, through a process of consultation and partnership, aimed at standardizing and harmonizing the status of the international civil service.

37. The comparisons made in application of the Noblemaire principle had traditionally been based on net remuneration. However, the Special Committee for the Review of the United Nations Salary System of 1971-1972 had recommended that the principle should be applied to the broader concept of "conditions of service". The Commission had repeatedly pointed out, and the General Assembly had recognized, that comparisons should be made on the basis of total compensation and not only net remuneration. The full application of the Noblemaire principle therefore presupposed, in the final phase, that comparisons should be made between total compensation on both sides, including expatriate benefits. The Commission's existing mandate, as reaffirmed by the General Assembly in its resolution 38/232, was to make the comparison on the basis of total compensation without expatriate benefits. It appeared to be difficult not to take pension benefits into account in making the comparison of total compensation, given that the General Assembly had already decided to include them. Moreover, in considering conditions of service, pension benefits were, next to salary, the most important constituent. The Commission recognized that there were still some problems in the total compensation methodology and it intended to address those issues.

38. The suggestion that, in the matter of hours of work, the comparison should be made between international civil service staff and the United States diplomatic service at duty stations outside the United States would be equally valid for all other conditions of service. To be fully valid, the comparison of total compensation should, as recommended by the Commission, be based on the conditions of service of United Nations civil servants and those of United States civil servants in expatriate status. However, until the General Assembly gave a clear decision on the matter, the Commission would not be able to gain a full and accurate picture of the comparison as envisaged by the Noblemaire principle.

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(Mr. Akwei)

39. The margin between United Nations remuneration and that of the comparator had varied considerably over the years. Since the level of the margin had never been fixed by the General Assembly or by ICSC, to say that the Commission had violated the Noblemaire principle by increasing the margin would not be fair. Furthermore, the distinction should be made between a margin forecast and a margin calculation. In 1981, for instance, a margin forecast of 120.3 had been made in March while at the end of the period in question the actual margin was calculated at 118.2. In the same way, the margin of 124 appearing in the report of the Commission was only a forecast for the period October 1984 to September 1985. That forecast might be too high since the United States Government had decided to index income tax brackets to a 4.1 per cent inflation rate.

40. Some delegations considered that a range and a mid-point for the margin should be established, others had suggested placing a temporary cap on the margin, and still others had requested the Commission to study what constituted an "undue widening" of the margin. The other partners in the common system had not, however, been consulted on that subject. The Commission therefore considered it best to leave action to resolve the problem for the future, it being understood that it would hold itself ready to review and make recommendations on any proposal on the subject to the General Assembly at its next session if the Assembly so decided.

41. With reference to the question of the usefulness of receiving the calculation of two margins every year, one based on net remuneration alone and the other on total compensation, the Commission would review very carefully all the proposals made in that regard, as well as the calculations supplied by others, and would report to the General Assembly in 1985 on the results obtained.

42. He had been surprised to note the results of the margin calculations contained in document A/C.5/39/CRP.2, recently submitted by the delegation of the United States. The Commission had considered the matter of the methodology to be used for the margin calculations in the report on the work of its third session (A/31/30). Briefly, it had determined that four factors played an important role in the margin calculations. The first related to the elements of remuneration to be compared. The Commission had been of the view that net remuneration should be compared, i.e., for United Nations officials in New York, net base salary after the application of staff assessment and post adjustment and, for United States federal civil service employees in Washington, D.C., net base salaries after the application of federal taxes and taxes levied by the States of Maryland and Virginia and by the District of Columbia. The taxes taken into account in the preparation of the conference room paper by the United States delegation had not, however, been indicated.

43. Secondly, the Commission had always felt that average remuneration over a period of time and not remuneration at a given point in time should be used for making comparisons in order to avoid fluctuations that might distort calculation of the margin. The United States delegation had completely ignored that factor.

44. Thirdly, the Commission had, in paragraphs 155-167 of its second annual report, considered the question of the difference in cost of living between Washington, D.C. and New York and why and how that difference should be reflected in the margin. Once again, the United States delegation had completely ignored that aspect in its calculations.

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(Mr. Akwei)

45. Fourthly, the most important aspect of margin calculations was that of grade equivalencies. From time to time the Commission had, in consultation with the appropriate United States Government authorities, established grade equivalencies. The last such comprehensive study had been made in 1979. In section II, paragraph 1 of its resolution 34/165, the General Assembly had approved the grading equivalency recommended by the Commission. It had instructed the Commission to calculate the margin on the basis of grades P-1 to D-2. It appeared, however, that in the calculations of the United States delegation the grade equivalencies used were not those approved by the General Assembly. The methodology for calculating the margin had been reviewed several times, the General Assembly either taking note of the changes or approving them. It was therefore difficult to understand how one delegation, especially that of the comparator, could come up with its own margin calculations without regard for the decisions of the General Assembly, which had the effect of confusing rather than assisting the Committee in its work. Finally, in recent weeks the United States delegation had mentioned a margin of 33 per cent, 40 per cent, "almost 40 per cent", and even higher. Those percentages would almost surely be picked up by the mass media and used to tarnish the image of the international civil service.

46. Many delegations had accepted the technical and legal justifications for the 9.6 per cent increase in the post adjustment index for New York, while others had raised questions. As the representative of India had pointed out, the composition of the basket of commodities and services and the range of prices selected for cost-of-living comparisons had been determined by the Advisory Committee on Post Adjustment Questions (ACPAQ), which was composed of world-renowned statisticians under the chairmanship of a member of the Commission. In that regard, the statement of the representative of the Soviet Union to the effect that the number of items priced over the last 25 years was 50 or 500 was incorrect. In fact, the Commission had made comparisons based on an average of 350 items. It was also incorrect to assert that the Fisher index had been changed to the Paasche index for cost-of-living comparisons between duty stations. In fact, the Fisher index had been used since 1956. In 1964, as an *ad hoc* measure, the then Expert Committee on Post Adjustment Questions had approved a cost-of-living relationship lower than that which had been calculated - one of the causes of the recent problem of understatement of the New York index - which had by chance corresponded to the value of the Paasche index.

47. Regarding the question of the understatement, ACPAQ, after having directed the Secretariat to use the same specifications and price-collection methods for New York as for other duty stations, had concluded that the New York index had been definitely understated by an estimated 9.6 per cent, and had therefore recommended that the New York index should be increased accordingly. Many delegations had wrongly assumed that the increase in the New York index would mean an automatic 9.6 per cent increase in the remuneration of all staff in the Professional category and above.

48. Regarding the question of the representative of Bulgaria concerning the addition of the various figures in the understatement of the New York index, he pointed out that the figures were percentages and, as such, were not subject to simple arithmetic. The best estimate of the understatement was an average value. The same representative had implied that, from his reading of the report, there

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(Mr. Akwei)

seemed to be no evidence that the Commission had encountered any difficulties in reaching its decision on the 9.6 per cent. However, a careful reading of paragraph 142 of the Commission's report showed that ACPAQ had drawn the Commission's attention to the "specific difficulties" which had prevented the Commission from taking the necessary decisions at its eighteenth session and first special session. The difficulties which faced the Commission were further elucidated in an addendum to its ninth annual report, which was mentioned in paragraph 142.

49. Some delegations had also expressed surprise at the speed with which the Commission had taken its decisions on the survey results. The reality had been quite different; far from hurrying to reach conclusions, the Commission had postponed taking decisions from 1983 to 1984 and had held an additional special session to try to resolve all the difficulties. There had been great urgency in deciding on the New York post adjustment question, since the New York post adjustment was needed to determine post adjustments at several other duty stations for which survey results were pending. Moreover, he had clearly indicated at the thirty-eighth session of the General Assembly that the Commission would take decisions and, at that time, no one had suggested that it could only make recommendations to the Assembly.

50. Some delegations had insinuated that the Commission had used "back-door" tactics in order to effect an increase in Professional salaries which, allegedly, had been "rejected" by the General Assembly. The Commission had never adopted and could never adopt such tactics. The Egyptian suggestion to give the Commission the benefit of the doubt in accepting the results of the calculations on the 9.6 per cent increase did not do justice to the time and expertise which had been invested in that exercise.

51. Some delegations seemed to have been confused by the fact that the Commission, in paragraph 117 of its report, had referred to the increase in the New York post adjustment as one of the reasons for not making a recommendation on Professional remuneration for the time being. That reference had been intended merely to reassure all parties that the Professional salary question would be studied with the same technical objectivity which had gone into solving the New York post adjustment question. The 9.6 per cent post adjustment increase could not be linked in terms of monetary value to the question of a Professional salary increase, which would benefit all Professional staff across the board.

52. The delegation of Ghana, among others, had asked why the Commission had not spread out the implementation of that decision. First, it did not seem right to perpetuate such a clear technical mistake in such a sensitive system as the post adjustment mechanism. Secondly, the Commission had considered that the financial implications would not cause budgetary difficulties, and the executive heads had given it assurances to that effect. Thirdly, having decided to implement immediately the reduction of the four points and one point of the post adjustment increase previously granted to staff at Geneva and Vienna, respectively, it did not seem fair or consistent to adopt different principles for reducing and increasing post adjustment. Finally, the long-suspected error in the index at the base of the system had been a continuing source of irritation and suspicion in the common

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(Mr. Akwei)

system, making it difficult to settle other system-wide issues. Some delegations, such as the delegation of Ireland speaking on behalf of the Ten, had said that the fact that it had taken so long to correct that mistake cast doubt on the figures regularly submitted by the Commission to the General Assembly. It was not the Commission that had understated the New York index, but its predecessor bodies. In fact, the Fifth Committee might yet congratulate ICSC for having had the courage, for the first time in more than two decades, to correct the New York post adjustment, which served as the base of the system, thereby restoring the proper relationship between all duty stations.

53. Other delegations had asked why the Commission had not reduced all other duty stations by 9.6 per cent instead of increasing the New York post adjustment by that figure. That was a misunderstanding of the problem with which the Commission had had to deal. It was not only that a discrepancy of 9.6 per cent had been discovered between New York and other duty stations, but also that all the facts and calculations pointed in one direction, namely, that it was New York, the base, that had been understated. To reduce all other duty stations except New York would have dealt a serious blow to the technical integrity of the post adjustment system, to the credibility and technical integrity of the Commission and, in consequence, to general confidence in the common system. The representative of Bulgaria had asked whether, if an overstatement by 9.6 per cent had been discovered, ICSC would have automatically decided on a decrease in the post adjustment index by 9.6 per cent. The answer was "yes", and levels of remuneration would have been frozen until the new index overtook the existing post adjustment class through cost-of-living movement. The representative of Bulgaria had also asked what ICSC would recommend to the General Assembly if former staff asked to be compensated for that loss. In the opinion of the Commission, there would be no legal basis for such claims.

54. The question of the relationship between the post adjustment system and the application of the Noblemaire principle, which was the crux of the problem, had given rise to numerous observations, suggestions and questions. In 1985, the Commission would submit recommendations on the range of the margin and the "undue widening".

55. With respect to financial implications, the representative of Czechoslovakia had said that the actions taken by ICSC pre-empted the decisions of Member States on the budgets of the organizations. The Commission took no action without due consideration of the budgetary processes of the organizations and had never presumed to pre-empt the legitimate role of Member States in that regard. When considering financial implications, it was important to bear in mind the considerable savings to Member States which would result from the Commission's recommendations to reduce the post adjustment indexes for Geneva and Vienna by four points and one point, respectively, and to adopt new scales of pensionable remuneration.

56. Turning to the question of the legality of the decisions and mandate of ICSC under articles 10 and 11 of its statute, he said that it was incorrect to assert, as the representative of the Soviet Union had done, that article 11 (c) allowed the Commission only to classify the post adjustment of New York on the basis of changes

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in the consumer price index. Article 10 (b) concerned changes in scales of salaries and post adjustments which ICSC recommended periodically to the General Assembly. Article 11 (c) referred to the establishment by the Commission of post-adjustment classifications, with no exclusion being made in regard to New York. Moreover, under article 11 (a), the Commission had established the methodology for such post adjustment classifications and in 1982 had revised that methodology.

57. The proposal made by the United States and the USSR to revoke the decisions of ICSC on the post adjustment and to re-establish the status quo before August 1984 would create a serious problem. Such a decision would be contested and would probably be overturned on two counts: first, the decisions of ICSC were binding on the contracting parties to its statute and any decision to reduce the pay of staff was most unlikely to be upheld in any tribunal; second, such a decision would be tantamount to modifying unilaterally the ICSC statute without prior consultations with the other parties. The proposal of the representative of Japan not to grant the next post adjustment due for New York, to freeze the level for New York and to bring the corresponding levels of indices at other duty stations back to the pre-August 1984 levels was virtually the same as that of the Soviet Union and the United States, and also presented a number of problems. The other organizations might not necessarily follow the Assembly's decision and could introduce different pay and purchasing-power levels for staff at the same duty station and between duty stations, thereby disrupting the common system and bringing back anomalies and distortions which the General Assembly had requested the Commission to remove as far back as 1979.

58. Some delegations that were not happy about the recent results of the operation of the existing ICSC statute had suggested that it might be revised. The Commission's attitude had always been one of caution regarding amending the statute, since that might open a "Pandora's box".

59. The representative of the Soviet Union had expressed the view that the adoption of the new scales of pensionable remuneration would lead to a double violation of the Noblemaire principle: first, United Nations remuneration was some 30 per cent higher than that applicable in the comparator civil service; and secondly, since United Nations remuneration levels were used for the determination of the levels of pensionable remuneration recommended by ICSC, an "expatriation" factor would be part of the revised levels of pensionable remuneration. In the first instance the margin as reported by the Commission, was some 17 per cent. The Commission was of the view that there must be some relationship between remuneration and pensions of United Nations officials. He agreed that the remuneration embodied the margin, but the margin was given not only for the sake of the expatriation factor: other elements went into it, such as limited opportunity to rise to the highest levels, shorter careers and comparative job insecurity. It was necessary to look at the margin not on an element-by-element basis, but on the basis of a total compensation comparison, as the Assembly had requested. As to the length of careers, contrary to what the representative of the Soviet Union had said, the Commission had never put forward a theory that the United Nations was obliged to compensate its staff for a seven-year difference in the average length of service in the United Nations and the United States civil service.

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60. The representative of the United States had said that, if a retiree from the United States federal civil service chose to take survivor benefits, his pension benefit was reduced by some 10 per cent. In doing so, however, he had referred to only one element of the United States federal civil service retirement scheme. There were other elements of that scheme which were more favourable than the United Nations pension scheme, such as the disability benefit - considerably more favourable - and the possibility of accumulating unused sick leave, which could on average increase the length of service used for calculating pension benefits by some six months. That was why it was necessary to take into account the total "package" when considering pension schemes, as the Commission had done in its comparison.

61. The representative of Japan had stated that ICSC based its calculations on remuneration that included the 9.6-per-cent increase in post adjustment at the base city. The fact was that the 9.6-per-cent adjustment had resulted in granting one class of post adjustment immediately, while the second class would become due in December 1984. Calculations made by the Commission took into account the first class of post adjustment only for the period August through December 1984 and did not take into account the effects of the second class.

62. The representative of Ireland, speaking on behalf of the ten States members of the European Economic Community, had stated that the Ten would not oppose implementation of the scale of pensionable remuneration following an adjustment of 5.4 per cent for the period 1 October through 31 December 1984. If that meant that the scale of pensionable remuneration, including a 5.4-per-cent adjustment, would be in effect from 1 October through 31 December 1984 and that the scale proposed by ICSC would then be used with effect from 1 January 1985, then for staff members at most levels in the system there would be a sharp drop in their pensionable remuneration in all cases. It was to be hoped that the representative of Ireland endorsed the transitional measures recommended by the Commission.

63. As to the question of international civil servants, the inference made by the United States representative concerning a desire for elitism in their standards of living and social class had been greeted by staff members with dismay and disappointment. The selfless service of many staff members in the United Nations system deserved recognition, not discouragement. Inferences about the image of an elitist international civil service damaged the true image of that service and destroyed its morale. The ability of that service to promote the ideals of the United Nations was certainly not enhanced by a unilateral decision to limit the use of a national contribution, contrary to the principle of collective financial responsibility embodied in the United Nations Charter. Since that decision affected more closely the implementation field, the Secretary-General and his colleagues would be better placed to react, but it could not fail also to damage the work of the Commission. Before making recommendations or taking decisions, the Commission required financial implications from executive heads. If the latter were unable to know whether budgetary provisions planned would be forthcoming because of a unilateral limitation on the use of such budgetary sources, the Commission could not even make such recommendations or take any decisions, despite its mandate.

The meeting rose at 1.25 p.m.