



**SUMMARY RECORD OF THE 20th MEETING**

**Chairman: Mr. OKEYO (Kenya)**

**later: Mr. ARASTOU (Islamic Republic of Iran)**

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

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The meeting was called to order at 3.20 p.m.

#### ORGANIZATION OF WORK

1. Mr. VISLYKH (Union of Soviet Socialist Republics) said that the Fifth Committee had, in the past, set an example to the other Main Committees in the use of conference-servicing resources. It had done so in part by complying with the recommendation of the Committee on Conferences that the secretaries of Main Committees and subsidiary bodies of the General Assembly should regularly inform their respective committees and bodies as to how effectively they had been using their allotted resources. That practice should be continued, and he requested the Secretary to report to the Committee over the following week on how much time had been wasted through late starts, early closures and the cancellation of scheduled meetings.

2. The CHAIRMAN concurred with the representative of the Soviet Union. He hoped that the Secretary would also provide comparative figures for other Main Committees.

AGENDA ITEM 122: UNITED NATIONS COMMON SYSTEM (continued) (A/43/30 and Corr.1; A/C.5/43/12 and 21)

AGENDA ITEM 123: UNITED NATIONS PENSION SYSTEM (continued) (A/43/9, A/43/712; A/C.5/43/3)

3. Mr. VILLADSEN (Denmark), speaking on behalf of the five Nordic countries, expressed his appreciation of the International Civil Service Commission's efforts to present a report which the general reader could easily understand and asked for more information on the other improvements mentioned by the Chairman of the Commission to strengthen the process of consultation with administration and staff representatives.

4. The Nordic countries had studied the considerations which had prompted the Federation of International Civil Servants' Associations (FICSA) to suspend its participation in all ICSC activities. They shared a number of its concerns but saw some difficulties with the idea that salaries should be negotiated directly by a body consisting of equal numbers of staff and employer representatives. Member States were unlikely to give up their prerogative to participate in decisions on levels of pay and other major conditions of service. Staff organizations should have the opportunity to follow the discussions and present their views on proposals relating to remuneration. On occasion their views would differ substantially from those of ICSC; in such cases, they should be presented together with the recommendations of ICSC in its report to the General Assembly. The Nordic countries urged ICSC and the staff organizations to show goodwill and understanding by re-establishing relations and a climate of mutual confidence.

5. Because of the decision by the General Assembly at its forty-second session to retain the current methodology for calculating the margin between the remuneration of staff in the Professional and higher categories and in the comparator civil service, the freeze on post-adjustment increases had been lifted later than it

(Mr. Villadsen, Denmark)

otherwise would. The Nordic countries would have preferred the Commission's recommendation on the point to be accepted. They did realize, however, that ICSC had acted in compliance with the decision of the General Assembly.

6. They supported the decision of ICSC to continue its policy of not reducing take-home pay as a result of cost-of-living surveys but freezing it until the cost of living caught up. The impact on the pension system of changes in the salary system should always be kept in mind. ICSC should maintain close contact with the Pension Board during the entire review of conditions of service.

7. ICSC had asked for guidance on the options to be considered in its comprehensive review of the conditions of service for the Professional and higher categories. The Nordic countries felt that ICSC should try to evaluate the merits of them all. At the same time, they regarded the lack of distinction, in the current salary system, between mobile and non-mobile staff as a major flaw. Ideas such as that of breaking down the remuneration package into distinct components or separating housing costs from post adjustment were worth pursuing.

8. The Nordic countries had always attached the greatest importance to attracting, motivating and maintaining staff with the highest standards of efficiency, competence and integrity, and realized that that required an acceptable level of remuneration. Thus they could support the ICSC recommendations on the education grant and dependency allowances. The proposed revisions were long overdue, but should not be taken to mean that the grant and allowance should not be considered during the comprehensive review of conditions of service.

9. Turning to the report of the Pension Board (A/43/9), he expressed satisfaction that the increase in the actuarial imbalance of the Pension Fund between 1986 and 1988 would be negligible. The Nordic countries took the view that mandatory ages of separation were primarily an aspect of personnel policy, which should not be modified on the basis of actuarial considerations. If the mandatory age limit were raised, appropriate provision would have to be made to project the accrued entitlements of participants. The Nordic countries supported the decision of the Committee of Actuaries to defer a decision as to whether the rate of contributions needed to be raised. They also agreed with the points made in paragraphs 36 and 37 of the Board's report. Subject to those comments, they would support the draft resolution in annex IX of the report.

10. They shared the sense of satisfaction that a defensive strategy and a policy of diversification had saved the Pension Fund from major harm in the volatile stock markets of the past year and welcomed the continuing and increasing investments in developing countries.

11. Mr. MENDEZ (Philippines) said that the contribution of the common system to a sense of unity in a truly independent, multinational, globally dispersed and politically diverse body of staff could not be overemphasized. The intergovernmental organs of the United Nations had to rely in large part on their secretariats to prepare the ground for their decisions and to apply them, once taken. Competent, hardworking and dedicated staff were essential to their work.

(Mr. Mendez, Philippines)

12. His delegation was satisfied that ICSC was carrying out its function, largely as expected, but regretted that FICSA and the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) had suspended their participation in the Commission's proceedings, and lamented the charges levelled against ICSC (A/43/30, para. 11). If anything, the Commission was rather generous to the staff, recommending increases in benefits despite the dire economic circumstances of many Member States. The desire of FICSA and CCISUA for outright negotiations between some representatives and the organizations of the common system disregarded the constitutional position of the legislative organs of the United Nations. Article 101 of the Charter gave the General Assembly the power to adopt staff regulations and hence to determine conditions of service for the staff. Nothing less than an amendment to the Charter would be needed to accommodate the wishes of the staff representatives on that point. He urged FICSA and CCISUA to return to participation in the work of ICSC, particularly since the Commission had made changes in its working methods to facilitate their participation.

13. The current salary and benefits scheme had, on the whole, carried out its basic purpose of compensating staff while preserving their standards of living in varying circumstances. The scheme as a whole was acceptable, but its details were inordinately complicated. During its comprehensive review of conditions of service, the Commission would be wise to review the validity of the Noblemaire principle. The principle had certainly served its purpose since the days of the League of Nations, but it was not unchangeable. The options which ICSC proposed to study in its place, however, all involved the use of comparators external to the United Nations system. There was a need for comparators themselves to be the subject of inquiry, and the options studied should include a mechanism for setting salary levels that was not tied to, and would function largely independently of, any external comparator. Whether or not a new scheme was adopted, the merits of determining benefits independently deserved consideration. ICSC had the experience and expertise to make the necessary determination. The principle of a truly independent international civil service would be better served thereby.

14. The comprehensive review should devote attention to non-material factors as a means of attracting, motivating and retaining highly qualified staff. Member States undoubtedly owed the staff fair and reasonable compensation for their services, in addition to careers which were satisfying; but his delegation seriously doubted whether those attracted or motivated solely or principally by the material benefits available were the type of staff the United Nations should employ.

15. His delegation supported the decision by ICSC to include the problem of supplementary payments in its comprehensive review of conditions of service. It did not believe that ICSC was unable to enforce compliance with the injunction against such payments: although the Commission could not give orders to sovereign States, it could act through the executive heads of United Nations organizations. The Staff Regulations prohibited staff from accepting remuneration from any source external to the Organization without the approval of the Secretary-General - an approval which, he assumed, had not been granted. The Secretary-General could - was, indeed, duty-bound to - require staff members to report and to refuse offers of such payments on pain of disciplinary action.

(Mr. Mendez, Philippines)

16. His delegation shared the disappointment of ICSC at the lack of progress in the recruitment of women. Philippine culture and society accorded women high status and women had much to contribute to the international civil service.
17. He hoped that more organizations would accept the Statute of ICSC, formally or informally. As regards the 15 that already did so, it was imperative that they should apply the common system and decisions of the General Assembly faithfully, and not selectively.
18. Ms. SHEAROUSE (United States of America) said that the United Nations compensation system was close to incomprehensible, and must be a nightmare to administer. Delays in reviewing it would only further complicate the issue. ICSC should submit a final report on its comprehensive review of conditions of service to the General Assembly at its forty-fourth session, bearing in mind that the quality of the study was of paramount importance. Improvements to the system need not necessarily mean increases in benefits, but rather the development of a system which offered levels of pay and benefits that would attract and retain competent staff.
19. Her delegation continued to review proposed changes to the pay and benefits of common-system staff in the light of three requirements: equitable but not excessive pay and benefits; clear and concise policies; and an appropriate role for Member States in the decision-making process. Its opinions on the report of ICSC were based largely on how well the Commission's proposals met those criteria.
20. Her delegation did not believe that private-sector comparisons of pay levels were appropriate. Private employment and public-sector employment each provided its own rewards. There were also dangers in the use of multiple comparators: if only the most generous features of each were chosen, the result might well be an inflated package exceeding that of any one comparator service.
21. The remuneration system must be fair to all, especially when defining expatriate and non-expatriate staff for pay purposes. A staff member receiving an expatriate allowance who served in a single duty station for all or most of his career enjoyed an unfair financial benefit vis-à-vis both a non-expatriate colleague performing the same job and an expatriate subject to frequent rotation. Clearer guidelines for defining expatriate status needed to be developed.
22. The current post-adjustment system was fatally flawed and needed to be simplified. The price comparison survey, for example, was excessively detailed; consideration should also be given to the appropriateness of the goods and services covered. Her delegation would like further details of the idea of separating the housing component from post-adjustment calculations.
23. While not ruling out any of the options presented, she had strong reservations on the introduction of a formal merit pay scheme for all Professional staff. Recognition of merit was very attractive in principle, but present methods of appraisal were not well enough developed to allow for such a system to be implemented.

(Ms. Shearouse, United States)

24. Compensation for hardship posts was an intrinsic part of any system requiring mobility. She would be interested to see further development of proposals on mobility and hardship incentives.

25. If the difficulties with conditions of service were ever to be resolved, it would require the joint efforts of all parties concerned. She therefore urged the organizations representing staff members to reconsider their decision to withdraw from discussions with ICSC. Problems might exist in the consultation process, but a refusal to participate in efforts to find a solution served no useful purpose. Given the complexity of the system, and the level of expertise required of its members, Member States should put forward only the most qualified candidates for service in the International Civil Service Commission.

26. Since the comprehensive review would cover the major aspects of remuneration for international civil servants, no decision on the recommendations of ICSC concerning the education grant and dependency allowances should be taken at the current session. The review might make it clear that those benefits should be increased; on the other hand, it might show that increases in other benefits were of much higher priority. The issue should not be prejudged.

27. Mr. OGURA (Japan) said that the problems of the common system could be solved if all parties agreed to work together. His delegation was gravely concerned by the decision of FICSA and CCISUA to suspend their participation in all activities of the International Civil Service Commission (ICSC), because the procedure whereby the Commission made recommendations on an objective basis after considering the views of both executive heads and staff representatives served the common system well. The staff bodies' desire for a negotiating mechanism appeared impractical, given that problems relating to conditions of service would vary from one organization to another, and it would be beneficial for all if staff representatives were to resume their active and constructive participation in ICSC activities. Japan's comments on points addressed in the Commission's report were based on the understanding that the financial implications of the proposals would be duly examined and approved by the General Assembly and that an increase in the total cost of staff remuneration should be avoided.

28. It was difficult to select specific options from among those submitted under the heading "Comprehensive review of the conditions of service of the Professional and higher categories" until detailed technical study had been completed. Without hastening to any particular conclusion, his delegation expressed its satisfaction with the current method of determining levels of remuneration on the basis of comparison with the highest-paid national civil service and did not welcome the idea of extending consideration to the private sector of the comparator country.

29. With regard to salary structure, the current single world-wide salary scale appeared to be the best possible model for further elaboration. The idea of establishing purchasing power parity through application of the post adjustment system deserved support, although the system could be further improved. It might be useful to separate the remuneration package into component parts if such a move

(Mr. Ogura, Japan)

would make the system clearer. The importance of motivation and productivity should not be underestimated, but it was impossible to decide which of the options mentioned in the report should be chosen, owing to a lack of supporting information. A single performance evaluation should not, however, have a permanent and irreversible impact on a career. His delegation agreed with the Commission that the relatively modest compensation for mobility between headquarters and field duty stations might explain the difficulties encountered in assigning staff to certain duty stations. Devices such as the linkage of experience in the field to better chances of promotion were necessary to promote mobility.

30. With regard to the recommended increases in the education grant and the children's allowance, the Commission should submit to the General Assembly data on the basis of which it might judge whether those recommendations were reasonable. Given that the incentives and facilities for field staff were seemingly inadequate, every effort should be made to improve conditions of service in the field. While welcoming the decisions of the Commission to promote the recruitment of women and to recommend the establishment of related targets and goals, his delegation believed that the Commission should act in the same way to improve the situation of unrepresented and under-represented countries. It also welcomed the Commission's decisions to make those organizations that had deviated conform with the common system and its practices.

31. In conclusion, Japan believed that the remuneration of staff in the General Service and related categories had been increased excessively in relation to the remuneration of Professional staff and should be subject to thorough review. Another subject worthy of review was the notion of the best prevailing conditions of service.

32. Ms. AHUMADA (Argentina) expressed satisfaction with the new format of the Commission's report and hoped that the various proposals concerning improvements in its methods of work would smooth the process of consultations with governing bodies and staff organizations. She was also pleased to note that the Commission's recommendations had been adopted by consensus and urged continuation of that practice.

33. She supported the recommendations of the Commission, including those relating to increases of the education grant and dependency allowances. The decision on the net remuneration margin, however, although correctly derived from the spirit of General Assembly resolution 42/221, had led to the suspension of staff representatives' participation in the work of the Commission. The Commission played an essential role in preserving the common system and maintaining the Noblemaire principle but needed, if it were in order to fulfil its task properly, the advice and active participation of the various governing bodies and staff organizations. It was therefore important for all that a solution should be found to the conflict.

34. With regard to the excessively complicated system of remuneration and conditions of service, the preliminary study carried out by the Commission was useful but required further expansion. It would be premature to select any of the

(Ms. Ahumada, Argentina)

options put forward until such time as the Commission was in a position to recommend to the General Assembly the proposals which it considered appropriate and its reasons for such decisions. Account might also be taken of the proposals made by FICSA in paragraphs 31 to 84 of document A/C.5/43/12. Given that more time might be required to produce a high-quality study, it would be appropriate to postpone submission until the forty-fifth session of the General Assembly, which would enable the Fifth Committee to consider the subject of salaries and benefits, including pensions, as a whole and to give priority attention to the subject at a time when it was not involved in examination of a new budget.

35. Mr. GITSOV (Bulgaria) said that, while the issues were better defined in the Commission's latest report, he did not agree with the representative of Argentina's view that the new format provided greater clarity. Information on individual items was, confusingly, divided between two different parts of the report. He was pleased to note the intention to maintain the net remuneration margin at the desirable mid-point of 115, but was concerned by the expenditure of effort on attempts to identify a more advantageous comparator among countries with supposedly better paid civil services, but generally completely different career and remuneration structures, or among other international organizations, in violation of the Noblemaire principle. He was also strongly opposed to the idea of considering private-sector salaries and to making any comparison between the United Nations and a private corporation.

36. With regard to the preliminary outline of the comprehensive review, his delegation favoured retention of the current basis for determining the level of remuneration. It also supported the maintenance of a single world-wide salary scale, which would nevertheless be flexible enough to meet special recruitment needs. Interesting suggestions had been made concerning the post adjustment system, including the idea of separating some components which were difficult to compare. With regard to motivation and productivity, particular attention should be devoted to the difficulties faced in assigning staff to certain duty stations. However, further study was required and Member States would be in a better position to express their views after the comprehensive review had been completed. In the meantime, it should be recalled that the new remuneration system must enable total staff costs to be accommodated within acceptable financial limits.

37. Ms. LI Zongze (China) said that the content and the structure of the Commission's annual report had undergone a marked improvement. At a time when staff morale was inevitably affected by financial uncertainties, she believed that the manner in which issues connected with staff allowances and benefits were addressed was of substantial importance.

38. The Commission should pay close attention to the various factors affecting the net remuneration margin and ensure that the margin remained as close to 115 as possible. The question as to how far it should deviate from the desirable mid-point should be settled by means of extensive consultations among Member States. Some clarification was also required as to the cause of the imbalance



(Ms. Li Zongze, China)

between remuneration ratios for different levels, as set forth in annex I of the report.

39. With regard to the conditions of service of the Professional and higher categories, the effects of currency fluctuations, inflation and the budgetary considerations of the comparator country on the real income of United Nations staff, as well as increasing problems affecting conditions of work and life in many duty stations, made a comprehensive review essential. Her delegation had noted the four areas proposed for study on a priority basis and the detailed study plans for each area but felt that it was unlikely that the Commission could carry out an in-depth study of issues in all those areas in time to report to the General Assembly at its forty-fourth session. The study should be more precisely focused, with priority given to more feasible options.

40. While supporting in principle the increases of the education grant and dependency allowances, her delegation believed that the magnitude and timing of such increases should be determined after thorough study by Member States. The participation of FICSA and CCISUA in the Commission's activities was of great importance for development of the common system and she earnestly hoped that the three bodies would resolve their differences.

41. Mr. VISLYKH (Union of Soviet Socialist Republics), reserving the right to return to agenda item 102 at a later stage, said that it was essential to ensure that the pension entitlements of international civil servants should be consistent with the provisions of Article 101 of the Charter. If United Nations staff were to receive their rightful pensions, the Joint Staff Pension Fund must operate on a sound basis. However, a chronic actuarial imbalance had emerged in the Fund over the past 10 years as a result of the short-sighted policies of the Joint Staff Pension Board. Despite the constant requests of the General Assembly, as expressed most recently in its resolution 42/222, that the Board should study all possible measures to restore the actuarial balance without further increases in Member States' expenses, the Board had attempted to impose the financial burden concerned on Member States. Rather than study all possible measures, the Board's Standing Committee had given consideration only to an increase in the retirement age and to an extension of participation in the Fund. In suggesting measures which would have only an insignificant effect on the actuarial imbalance, the Board was attempting to persuade Member States that an eventual increase in their contributions was inevitable. Such a position, which ran contrary to the clearly expressed wishes of the General Assembly, was unacceptable to his delegation. The Board must comply with the wishes of the General Assembly in the year to come; otherwise it would be advisable to take up the matter of reconstituting an intergovernmental committee to review the United Nations pension system in order to refer the problem to that committee for consideration.

42. Ms. KINGSMILL (Australia) supported the views expressed by the representative of the Soviet Union. Her Government considered the current actuarial imbalance to be within acceptable limits and agreed with the Committee of Actuaries that the objective should be to correct adverse trends rather than seek an exact balance.

(Ms. Kingsmill, Australia)

There was no need for a further increase in the contribution rate. It should be possible to maintain a long-term balance through more rigorous economy measures. Her delegation supported most of the measures considered by the Joint Staff Pension Board, outlined in paragraph 25 of its report.

43. Given the likelihood of increasing demands on the pension system, all means of containing costs should be considered, in particular by raising the mandatory age of separation, reducing early retirement benefits, and extending participation in the Fund to employees currently excluded.

44. She agreed with the Committee of Actuaries that benefit levels had been revised to such an extent that a period of stability had become desirable. The next comprehensive review of pensionable remuneration, in 1990, should examine the conceptual basis of the system. By then the present inadequate remuneration system would have been replaced by a more coherent and rational one from which a proper basis for pensionable remuneration could be derived.

45. It was wrong to base pensionable remuneration on gross salary, as currently calculated, because it included a margin designed to compensate for factors which applied only to international civil servants, such as expatriation. The same rationale did not apply to retirees, for whom there was no question of special compensation.

46. Mr. ABDEL-AZIZ (Co-convenor, Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System) said that, despite the Co-ordinating Committee's decision to suspend participation in the activities of the International Civil Service Commission, it was actively involved in the effective functioning of the international secretariats, consisting of some 20,000 staff members, on whom its effectiveness depended. It should be noted that, while the effectiveness of international organizations depended on political will, the effectiveness of secretariats depended on the competence and morale of staff members at all levels, who, in effect, served as an executing organ. Perhaps the most visible example was offered by the United Nations peace-keeping forces, recently awarded the Nobel Peace Prize.

47. The vast majority of staff carried out their duties with dedication and efficiency, often working in conditions of hardship, compounded by uncertainty occasioned by an artificial, politically-motivated financial crisis. The attacks to which the international civil service had been subjected for some time were unfair and unjustified.

48. It should be realized that quality came at a price. It was incumbent upon the Fifth Committee to determine the level of expertise - and hence of quality of services - expected of the secretariats. Quality could be obtained only through a benefits package that was competitive, with conditions obtaining in the international labour market as a whole. The most efficient organizations were those which offered the best social benefits, security of tenure and career prospects, a point of direct relevance to the effectiveness of the common system.

(Mr. Abdel-Asis)

Conditions of service included the maintenance and restoration of purchasing power which had been substantially eroded by the combination of the post-adjustment freeze and continuing inflation. It might well be asked what had become of the Noblemaire principle.

49. In the context of the current reform process, little attention had been paid to reform of the common system and its machinery. In determining conditions of service the cumbersome procedures of the existing system should be avoided and a clear distinction drawn between the preparation of decisions, decision-making and monitoring the implementation of decisions. In order to ensure the smooth functioning of the system, the spheres of competence of technical organs, such as ICSC and the Pension Board, and the machinery for consultation under the Consultative Committee on Administrative Questions and the Administrative Committee on Co-ordination should be clearly delimited.

50. The de facto role of the General Assembly as the policy-making body for all matters relating to the common system should be reflected in legal and administrative provisions so that any decisions it took were fully and automatically applicable to the common system. In taking decisions, the Assembly must take due account of the results of the consultation process in CCAQ and the co-ordination process in ACC. The important role played by Fifth Committee working groups must be reinforced by providing for better representation, including access by staff, so as not to limit the process to a small group of representatives. Nevertheless, such working groups could not take the place of the relevant technical bodies. Moreover, there was a need for a legal determination as to who the employer was in the common system, whether it was the Assembly and its Members or the Secretary-General and executive heads. Much confusion surrounded that situation.

51. The comprehensive review of conditions of service of the Professional category would no doubt also have an impact on other categories. It should lead to strict uniformity in conditions of service throughout the common system; for example, the grade structure should be identical system-wide. In that connection, the introduction by WHO of a P-6 level equivalent in salary to the D-1 level had helped to solve many problems. It would also be advantageous to introduce a mobility grade for transfers to hardship duty stations, a merit grade for exceptional performance and a seniority grade for long years of meritorious service.

52. Career development must be the basis of the new system; without career prospects there was no motivation, and effectiveness suffered. The common system lagged far behind in terms of modern management techniques in the area of career development. Training, long ignored, could serve as a means of dispelling the discouragement prevailing within the Organization. Lastly, the system should be made more transparent. In particular, the staff assessment system should be simplified; the fact that careers in the common system were shorter and less secure than in national services and that prospects for advancement were much more limited should be quantified and taken into account; and the psychological and material effects of long-term expatriation should also be quantified; and the shortcomings

(Mr. Abdel-Asis)

of the current adjustment system, which was for the most part based on rough estimates, should be rectified.

53. In the context of the comprehensive review, the issue of supplementary payments to staff members by some Member States was of great importance. Such payments constituted incontrovertible proof that the current level of remuneration was not fair, which in turn accounted for imbalances in the geographical distribution of posts. The rental subsidy scheme provided further proof that the level of remuneration was inadequate and that there was an urgent need to adjust all elements of remuneration. Such ad hoc measures as the rental subsidy could not take the place of an equitable system of remuneration and should be avoided.

54. It was unfortunate that ICSC had succumbed to the complexity of the problems with which it had to deal and that it had been unable to adapt to a system that was in constant flux, a state of affairs that had inevitably led to disappointment among staff members and Member States alike. With ICSC bogged down in increasingly complex and changeable methodologies - which were often incomprehensible even to experts - and in ad hoc procedures, it was not surprising that many of the questions before the Commission had found more transparent solutions in other organizations. It was therefore highly unlikely that the superficial reforms referred to in the ICSC report could meet the current needs of the common system. A radical overhaul was necessary.

55. The Co-ordinating Committee regarded itself as a partner in the search for solutions to questions relating to the efficient functioning of the common system and to conditions of service. Such considerations impelled that Committee to seek full participation in the decision-making process in all matters relating to conditions of service, in accordance with staff regulation 8.1, which provided that the Secretary-General should ensure the effective participation of the staff in resolving such issues. Many, if not all, members of the Fifth Committee would recognize the merits of such an approach.

56. Member States and staff were all in the same boat. The Co-ordinating Committee firmly believed in effective organizations in the service of Member States and in the reforms that had been undertaken. but it was essential to improve conditions of service, in the very interests of those organizations of which the staff were an integral part. If Member States and staff worked together in a spirit of objectivity and reason, with the full involvement of the staff in decision-making concerning conditions of service, the Organization would emerge all the stronger from the crisis.

57. The Co-ordinating Committee was convinced that most members of the Fifth Committee shared its concern over the deterioration in the level of remuneration and its view that the time had come to correct the situation. There was, however, little point in the Co-ordinating Committee's considering further participation in ICSC, a body which had manifestly failed to function effectively. Rather than return to the status quo ante, the Co-ordinating Committee would seek to enter into consultations with all the parties concerned in an effort to secure full and

(Mr. Abdel-Aziz)

effective participation by the staff in matters relating to conditions of employment.

58. Mr. Apartou (Islamic Republic of Iran) took the Chair.

AGENDA ITEM 121: PERSONNEL QUESTIONS (continued) (A/43/659; A/C.5/43/6 and 14)

59. Ms. Li Zongze (China) said that personnel policy was closely related to developments in other issues of concern to the Organization, such as the heightened expectations in respect of safeguarding world peace and the financial crisis. It was thus not easy to formulate a dynamic personnel policy taking into account equitable geographical distribution. The effect of the recruitment freeze and the current policy of strictly controlled recruitment remained a matter of deep concern to Member States. In particular, the policy of retrenchment through attrition affected staff with fixed-term contracts and increased geographical imbalances. Her delegation reaffirmed the importance of implementing the provisions of General Assembly resolution 35/210, relating to equitable geographical distribution.

60. Priority should be given to candidates from unrepresented and under-represented States. Although some progress had been made, all the unrepresented States were developing countries, as were most of the under-represented States. Further, the distribution of high-level posts favoured developed countries, nationals of such States holding some 60 per cent of available posts. Progress in increasing the percentage of women had also been relatively slow, particularly at senior levels. Greater attention should be paid to that aspect of personnel policy. Lastly, her delegation considered that both permanent and fixed-term contracts had merits and disadvantages, and that they should thus complement each other. It was not advisable to make all contracts permanent. The need to maintain a core staff familiar with the Organization, while bringing in specialized expertise, necessitated the maintenance of a proper ratio between the two categories of staff.

The meeting rose at 5.30 p.m.