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held on  
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at 3 p.m.  
New York

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SUMMARY RECORD OF THE 37th MEETING

**Chairman:**

Mr. MAYCOCK

(Barbados)

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

CONTENTS

AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued)

AGENDA ITEM 128: UNITED NATIONS PENSION SYSTEM (continued)

AGENDA ITEM 122: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS  
WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued)

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The meeting was called to order at 3.25 p.m.

AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued) (A/45/30 and Add.1; A/C.5/45/23, A/C.5/45/24, A/C.5/45/29 and A/C.5/45/43)

AGENDA ITEM 128: UNITED NATIONS PENSION SYSTEM (continued) (A/45/9 and A/45/699; A/C.5/45/7, A/C.5/45/22 and A/C.5/45/43)

1. Mr. NASSER (Egypt) said that his delegation, while awaiting the report on the functioning of the International Civil Service Commission (ICSC) requested in General Assembly resolution 44/198, wished to emphasize that the Commission's working agenda must bear in mind the differences in legal status between organisations, the staff and Member States respectively, as reflected in both the statute and the current working methods of the Commission.
2. There might be practical difficulties in managing the margin between the net remuneration of the comparator civil service and that of the United Nations system over a five-year period, but any reconsideration of the revised margin methodology approved under General Assembly resolution 44/198 should be postponed until it was possible to judge the methodology's impact properly.
3. His delegation was unable to pronounce itself on the Commission's recommendation to increase the current base/floor salary scale without certain clarifications. In particular, it wished to know the views of the Commission and the Secretariat as to the likelihood in the near future of further changes in comparator conditions of service and whether further increases in the base/floor salary scale would be recommended at every subsequent session of the General Assembly.
4. It was regrettable that 51 Member States, including four permanent members of the Security Council, should have failed to provide information concerning supplementary payments and deductions, which ran contrary to the spirit of the Charter and undermined the Noblemaire principle, as well as adversely affecting staff morale. His delegation had hoped - in vain - that the improvement in conditions of service adopted at the previous session of the General Assembly would lead to a curtailment of such irregular practices.
5. Under article 12 of its statute, the Commission was entitled to make recommendations as to salary scales, it being the prerogative of the Secretary-General and the executive heads to accept or reject such recommendations. While his delegation had always supported the Secretary-General in the exercise of his authority in such matters, it felt that, in the case of the recent review of conditions of service of the General Service and related categories, it was wrong to question the technical competence of the Commission's survey, thereby creating an unfortunate precedent for the work of the Organization.

(Mr. Nasser, Egypt)

6. His delegation endorsed the recommendations of the United Nations Joint Staff Pension Board, as contained in its report (A/45/9). It welcomed the Board's efforts to diversify its portfolio and to maintain a careful balance between risk and reward expectations. It also endorsed the practice, pursued since 1985, of reducing investments in equities in favour of bonds. It welcomed the increase in investments in developing countries, despite the disparity between the figures for that increase in the Arabic and English texts of the report, but regretted that such investments still represented only a very small proportion of total holdings. Many developing countries had gone a long way towards providing investment opportunities in accordance with the criteria established by the General Assembly, and his delegation felt that there was an urgent need to adjust the Fund's investments accordingly.

7. Mr. RUEDAS (Spain) said that his delegation fully subscribed to the statement on agenda item 128 made by the representative of Italy on behalf of the 12 States members of the European Community. It also, however, noted the concern expressed by the United Nations Joint Staff Pension Board with respect to the continuing problem of the refund of taxes from a number of countries, including his own. The complexity of the problem made it impossible for his delegation to provide a definitive response to those concerns during the current session of the General Assembly, for which reason it suggested that the subject be considered, with the benefit of further detailed studies, at the Assembly's next session.

8. Mr. AKWEI (Chairman of the International Civil Service Commission) drew the Committee's attention to the recent addendum (A/45/30/Add.1) to the Commission's report, which answered some of the questions raised by delegations during the general debate. He would now proceed to address the remaining questions on a subject-by-subject basis.

9. With regard to the functioning of the Commission, the spirit of co-operation with the staff and administrations had been maintained during 1990. The Commission had deliberately chosen not to define too precisely what was meant by the "major issues" to be addressed by tripartite working groups, since it wished to give full consideration to the views of administrations and staff representatives as the occasion arose. Its approach would, however, be circumspect, bearing in mind the effects of such a mechanism on the Commission's work-load and operational costs. The two working groups established for 1990-1991 would address the status of women and the pensionable remuneration of General Service and related categories, in the latter case working together with members of the United Nations Joint Staff Pension Board. While the Commission agreed with those delegations which asserted that decisions concerning its working methods should be without prejudice to its right to hold executive session, that consideration had already been overtaken by events.

10. With respect to pensionable remuneration for the Professional and higher categories, it was his understanding that the Commission's recommendations in paragraphs 38 (a) and (e) commanded support among delegations. Clarification had been sought with regard to the interim adjustment procedure and, in particular, as

(Mr. Akwei)

to whether the change in that procedure introduced at the forty-fourth session would become permanent. Since the General Assembly had already amended article 54 (b) of the Pension Fund Regulations to incorporate the change, the Commission had made no recommendation in that regard and would have no reason to revert to its consideration at the current session. Noting that some delegations had questioned the need for a margin range for pensionable remuneration, he said that there had been similar feelings among some members of both the Commission and the Pension Board. However, the Commission had decided to recommend the margin range, and it was for the General Assembly to accept or reject that recommendation. There was, meanwhile, no difference between the Pension Board and the Commission regarding the methodology for determining pensionable remuneration - based on the income replacement ratio - as approved by the General Assembly in 1986 and applied since 1 April 1987.

11. With regard to housing and remuneration structures, the Commission itself, like many delegations, was not entirely satisfied with its proposals and hoped to find a more complete solution in due course. There was, however, some need for caution. The separation of housing from post adjustment would have created more complexity in the methodologies of margin calculation and pensionable remuneration respectively. It would be wrong to impose simplicity in one area and thereby create complexity in others.

12. The selection of the 25 small field duty stations where housing would be separated from post adjustment was currently subject to consultations between the Commission's secretariat and representatives of the staff and administrations. The conditions to be fulfilled by such duty stations were listed in paragraph 95 (c) (i) of the Commission's report. The criteria would be applied on an experimental and pragmatic basis, with a view to facilitating flexible reaction to problems as they arose.

13. It was not entirely correct to state that, because housing was still included in post adjustment, the remuneration system had undergone no simplification. Besides the measures to simplify the post adjustment system itself, as reported to the General Assembly at its forty-fourth session, the method of measuring housing costs had been simplified by the projected use of external data sources and the use of gross rents. Statistical devices already existed whereby commuting distances and shopping facilities could be factored into such external data sources. As soon as the housing standards of international civil servants were established, the appropriate information could easily be entered into computer programmes.

14. The revised rental subsidy scheme had been devised to address the special housing problems of newcomers to Group A duty stations. The scheme was experimental and would be reviewed after three years. It was not open-ended, as some delegations had argued, but programmed to terminate after the staff member's rent/income ratio fell to the level of the threshold. He understood that the inclusion among eligibility criteria of increase in family size and a desire to move from unacceptable to acceptable accommodation gave rise to fears of abuse, but it should be recognized that the restrictive nature of the previous scheme did

(Mr. Akwei)

force some staff into inadequate housing. The Commission estimated that such instances would be limited and subject to close administrative scrutiny. He also noted that the scheme would be restricted to only certain groups of staff, with more than half the staff in New York, for example, not being eligible. If the Commission's recommendations were to be accepted, the two current separate rental subsidy schemes would be replaced by a single scheme applying to Headquarters and a large majority of field duty stations. For a small group of field duty stations, no rental subsidy scheme would be required as staff members would be fully reimbursed, up to a defined limit, for their housing expenses. The proposals for a unified scheme were designed to improve the Headquarters scheme by incorporating elements of the system which had worked well in the field.

15. Regarding expatriate entitlements, one delegation had asked why the Commission had not taken up the suggestion to discontinue expatriate entitlements for new staff living in their own country, while protecting the acquired rights of existing staff. It had not been possible to give the issue, which affected less than 1 per cent of Professional and higher level staff, full consideration at the July session because of the very heavy agenda, but it had emerged that a detailed analysis of the staff rules and regulations of all the organisations would be required before the Commission could make a legally watertight recommendation on the subject.

16. With regard to the conditions of service of Assistant Secretaries-General and Under-Secretaries-General, there had been some support for the Commission's proposals regarding revised housing subsidy arrangements for officials at those levels. Some delegations had expressed concern, however, and had called for a comprehensive review of the conditions of service of those officials. If such further studies were required, the Commission would be happy to undertake them.

17. Referring to post adjustment matters, he expressed appreciation of the support of delegations for the measures adopted by the Commission to deal with duty stations where there was a significant difference between the post adjustment index and the actual multiplier. One delegation had asked how many cases there were expected to be where post adjustment indices were markedly lower than the existing pay index. The report on the surveys conducted at the seven headquarters duty stations and Washington, D.C. (A/45/30/Add.1, para. 13) showed that differences between post adjustment indices and actual multipliers were not significant. Those eight duty stations accounted for 57 per cent of the Professional and higher level staff of the common system. While it was impossible to predict the outcome of the surveys yet to be conducted, a review of existing post adjustment indices and multipliers showed that 11 out of a total of 181 duty stations would require multipliers to be lowered to bring them within one class of the applicable post adjustment index. Referring to the concern that had been expressed that there were duty stations at which there were currently six or more classes of post adjustment, implying a level of 30 per cent above that justified by the actual cost of living, he said that there were only two such cases, involving a total of approximately 65 staff, or 0.3 per cent of the total Professional and higher level staff of the common system. The Commission was confident that the new measures already approved would resolve that situation.

(Mr. Akwei)

18. The support expressed for the Commission's view regarding the need for a common system approach to the use of longevity steps was particularly gratifying in view of the position taken by the Consultative Committee on Administrative Questions (CCAQ) that the issue had implications for the decisions which the sovereign legislative bodies of the organisation could take. He trusted that the emphasis placed on the importance of the common system would be appropriately reflected in the draft resolution that the Fifth Committee would recommend to the General Assembly.

19. The subject of the management of the net remuneration margin had once again attracted great interest in the Committee. There had been a number of requests for clarification regarding the recommendation in paragraph 188 (d) of the Commission's report about the management of the margin over a five-year period, and concern had been expressed about the possibility of a freeze in 1991. The two issues, although related, needed to be carefully distinguished, since action on the five-year management period would not necessarily make the projected freeze unnecessary but merely limit it to a shorter period. Until 1985, the margin had been operated on a pragmatic basis. The General Assembly had instituted the five-year system in 1989, following a review of the proposals made by ICSC on the management of the margin in the context of the comprehensive review.

20. At the thirty-second session of ICSC, it had been revealed that, bearing in mind the projected margins for 1990 and 1991, the five-year arrangement would require an average margin of about 112.5 in the years 1992-1994, which could be achieved only if New York remuneration remained frozen for the next three years. He noted, furthermore, that when inflation rates were lower at European duty stations than at New York, the required length of a freeze at those stations would be proportionately longer than at New York.

21. One delegation had expressed anxiety that the discontinuation of five-year averaging and the use of a free-floating margin might automatically result in an actual margin at the top of the range. Another had suggested that it was unlikely that the level of United States federal civil service salaries would increase at or beyond the rate of inflation and that the ICSC recommendation would thus be tantamount to raising the margin to the top of the range. He agreed that, as long as comparator pay increases were less than inflation, there was no technical reason to believe that the margin would not float to the top of the range. It was not clear, however, that the comparator would continue to pay less than inflation. Information on long-term pay reform measures being put into effect by the United States Government was provided in paragraphs 10 and 11 of the addendum to the Commission's report (A/45/90/Add.1). Recent history might not be a good guide to the evolution of comparator pay over the next few years and it was therefore not possible to say definitively that discontinuation of five-year averaging would lead to the margin floating to the top of the range. One delegation had described such a development as tantamount to an across-the-board fixed percentage increase in salary. The logical corollary would be that falling to the bottom of the range would be tantamount to imposing an across-the-board decrease. It was that aspect which had been such a source of concern to the Commission, the Administrative

(Mr. Akwei)

Committee on Co-ordination (ACC) and the staff. Five-year averaging would result in a freeze in 1991, probably extending until 1994. Even without five-year averaging, the requirements of annual margin management would probably mean a freeze in 1991.

22. Some delegations had asked what the effect would be of reaching the margin ceiling of 120 in 1991. With the current methodology, the position was simple. There would be a freeze in New York and post adjustment indices around the world would have to scaled back to maintain purchasing power parity with the base; the real income of common system staff would thus be reduced. That would negate the effect of the increase granted in July 1990 which had been intended to improve the system's competitiveness. There would be no way, using the existing methodology and procedures, for the Commission to respond to the request of ACC that purchasing power should be maintained across the United Nations system and that the post adjustment system should operate smoothly through the normal movement of cost of living at the base of the system. In the longer-term perspective, the ACC request was understandable. The comprehensive review just completed had brought an improvement in competitiveness but, within one year, competitiveness would be eroded through the same set of factors which had led initially to the need for the comprehensive review. That kind of salary policy was hardly defensible.

23. In the circumstances, the Commission had felt bound to draw the Committee's attention to the likelihood of a freeze in 1991. That purely technical projection would have policy consequences in 1991, and he therefore urged the Committee to consider most carefully the best course to follow in the light of long-term pay reform in the comparator service, the ongoing study to establish a methodology for identifying the best-paid national civil service, and the continuing need to maintain the level of competitiveness established as a result of the comprehensive review. Given those considerations, it might be possible for the General Assembly both to reaffirm the soundness of the margin range system for the long term and to allow it to be managed sufficiently pragmatically in the short term to meet the concerns of ACC and avoid returning to the uncompetitive situation prevailing before the comprehensive review.

24. With regard to the proposed increase in the base/floor salary scale by the consolidation of 8.5 multiplier points, some delegations had requested an explanation of those multiplier points and of the scale's linkage to the mobility and hardship scheme. The existing scale had been established with reference to corresponding base net salary levels at Washington, D.C., the base city of the comparator civil service. At its thirty-second session, the Commission had been informed that the salary scale would have to be increased by approximately 12 per cent in order to reflect the 3.6 per cent increase in United States federal civil service gross salaries granted on 1 January 1990, the 4.1 per cent increase which was expected to go into effect on 1 January 1991, and the effect of taxation calculated on the same basis as the margin. After considering those elements, ICSC had arrived at a recommendation which would reflect tax treatment and changes in comparator salaries to date, but not the prospective 1991 increase. It was recognised that, in so doing, a one-year lag would be created between increases in

(Mr. Akwei)

comparator salary levels and those of the United Nations system. However, ICSC believed that that was reasonable, given the uncertainties relating to comparator salary adjustments in recent years.

25. Regarding the linkage of mobility and hardship allowances to the base salary scale, he recalled that one of the Commission's primary concerns the previous year had been competitiveness, particularly in relation to technical co-operation activities in the field. In the comprehensive review, it had become apparent that questions of competitiveness were particularly acute at difficult duty stations where the comparator provided a markedly superior package in addition to basic salary. The current United Nations package was designed to address that situation. The system was meant not only to be competitive at its inception but also to remain so through adjustments over time, since comparator post allowances and differentials were also adjusted over time, in line with changes in basic salary. Thus, linking the mobility and hardship scheme to the base/floor salary scale was a deliberate element of the current remuneration structure. It also helped to simplify the system by making it possible to eliminate individual adjustment arrangements for the various allowances. One delegation had requested a new mechanism for adjusting matrix percentages in relation to any upward adjustments of the salary scale, in order to offset any financial implications for the matrix. Apart from adding a new complexity to the system, that proposal would be a step backwards in terms of maintaining the real value of allowances, which was basic to competitiveness. The problem that matrix costs might reach an unjustifiably high level was more apparent than real, since, in normal years, the percentage adjustment would be directly limited to the percentage in the federal civil service scale in the prior year. The current proposal was a one-time refinement resulting from the use of average salaries in calculating the margin, and changes in tax calculations had necessitated a base/floor scale increase which was different from the change in the federal civil service scale. The base/floor salary scale was also used for the calculation of most separation payments. The old scale, which would have been due for review in October 1990, would have required an increase approximately 3 per cent higher than that proposed for 1 March 1991.

26. On the question of the recommendation regarding the education grant, he noted that the study scheduled for 1991 was purely methodological. The intention was not to collect actual data in 1991 but rather to examine data sources and alternative methods of computing allowances so that problems of equitable treatment could be resolved. The Commission had considered the need to establish an education grant review cycle as part of the comprehensive review. The comparator reviewed grant levels annually and school fees were generally adjusted annually. Common system practice in the past had been variable, sometimes resulting in grants very much out of line with actual fees. The Commission had therefore agreed that grants should be reviewed every two years. Since the most recent review had been in 1988, he urged the Committee to consider the matter at the current session. An important question of equitable treatment was involved. While the average number of cases above the current ceiling of \$9,000 was only about 10 per cent, the level of the grant in a limited number of currency areas was more inadequate than the global



(Mr. Akwei)

figure appeared to show. The Commission had reviewed the matter carefully and had determined that a selective approach would best resolve the situation in order to satisfy the needs of both equity and economy.

27. The Commission would continue to accord the question of the status of women all due priority. What was needed was implementation by the organisations of the recommendations already made rather than any new recommendations. The working group established to consider the question of the status of women would deal with all categories of women staff members.

28. With regard to the implementation of the Commission's recommendations and decisions, he noted that considerable interest had been expressed in the problem of the New York General Service salary survey. The Commission's position, which had been made clear in its reports, was that it was simply complying with article 17 of its statute, which required it to report to the General Assembly on the implementation of its decisions and recommendations, in other words, on the action taken by the various administrations on its recommendations. The Secretary-General had cited staff morale and technical difficulties in the survey as his reasons for setting aside the Commission's recommendation. While the Commission could not comment on the issue of staff morale since that was not a technical matter, it could not agree that technical difficulties, brought up only after the results of the survey were known, were valid reasons for setting aside its recommendation. It was satisfied that the survey had been carried out in a technically competent manner. Some clarification was required from the Under-Secretary-General for Administration and Management regarding the import of his statement, in the context of a salary survey for General Service staff, that 72 per cent of New York General Service staff were not nationals of the United States. In general, the technical soundness of the New York survey had been recognized by delegations. The Commission's concern was to establish the primacy of the principle of best prevailing conditions and to promote a common system approach to salary surveys. The matter would probably be settled in informal consultations between the Committee and representatives of the Secretary-General, but the ICSC secretariat was available to assist if required. The current round of surveys of best prevailing rates at headquarters duty stations would be completed in 1991, when surveys for Geneva and Vienna would be reviewed. Following that, the Commission would undertake a comprehensive review of the experience gained in the current round and would reflect that experience in a review of the general methodology for General Service salary surveys.

29. With regard to the Commission's future programme of work, he thanked the representatives of Australia and Mexico for drawing attention to the importance of personnel policy to the whole common system and for asking the Commission to address that question. Personnel policy had in fact been one of the Commission's constant concerns and would be emphasized in its future work programme. He hoped that the Fifth Committee would assist it in that endeavour by not assigning it too many quantitative tasks.

30. Mr. ZADOR (Chairman of the Joint Staff Pension Board) said that he was grateful for the support that had been expressed for the conclusions and recommendations of the Joint Staff Pension Board. On the pensionable remuneration of staff in the Professional and higher categories, there had been broad support for the conclusions and recommendations of ICSC and the Board, although there were some differences of opinion both within the Fifth Committee and in the Board itself regarding the need for a margin range for pensionable remuneration. With regard to the pensionable remuneration and consequent pensions of staff in the General Service and other locally recruited categories, attention had been drawn to the importance of the comprehensive review to be carried out the following year by ICSC, in full co-operation with the Board.

31. In general, primary importance had been attached to the maintenance of a common system with respect to pensionable remuneration in order to ensure the unity, cohesion and integrity of the United Nations Joint Staff Pension Fund. Concerning the pensionable remuneration of ungraded officials, several delegations had expressed the opinion that, in order to strengthen the common system approach, the Board should consider possible changes in the Regulations of the Fund so as to define the pensionable remuneration and pension entitlements of all participants, taking into account the views expressed by the governing bodies of the member organisations on the information contained in the Board's report. Several speakers had suggested that ICSC should participate in the review of the pensionable remuneration of ungraded officials.

32. On the pension adjustment system, there had been general support for the transitional measure recommended by the Board, which was to be applied for 15 months following the expiration of the current interim floor measure on 31 December 1990. Delegations had, however, underscored the need for the Board to arrive at broadly acceptable recommendations on a longer-term modification of the existing arrangements for determining the initial local currency pension. Several statements had referred to the need for the Preparatory Group and the Board itself to take into account the observations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/45/699). A number of delegations had stressed the importance of avoiding the introduction of undue complexities into the system and, in particular, the need to maintain the financial health of the Fund without requiring frequent changes in the contribution rate, bearing in mind that the contribution rate had been increased significantly on 1 January 1990.

33. Concerning the request by the International Labour Organisation (ILO) for assistance from the Board in implementing the results of recent judgements of the ILO Administrative Tribunal, there had been support for the position taken by the Board regarding the conditions to be met by ILO.

34. In response to the request for information on how the Fund's administrative costs compared with those of comparable private pension funds, he said that such comparisons were difficult because of the world-wide distribution of the Fund's participants and beneficiaries, with benefits varying according to the place of retirement in application of the unique two-track adjustment system. As indicated

(Mr. Zador)

in the 1989 Report of the United Nations Joint Staff Pension Board (A/44/9, para. 131), the Committee of Actuaries had concluded that 0.20 per cent of pensionable remuneration for administrative costs could be justified in the light of developments in the Fund over the previous 25 years, but, as a spur to efficiency in the Fund's secretariat, it had recommended, and the Board had agreed, that the limit for administrative expenses should be set at 0.18 per cent. Actual expenditures had thus far been below that figure.

35. Lastly, he expressed the strong conviction that efforts to find solutions to pension-related problems would be advanced if the positions of Member States were consistent and unambiguous in all member organizations. The ability to negotiate a compromise within the Board would be significantly enhanced by a clear understanding on the part of all concerned that it was imperative that solutions to pension problems should be found within the framework of the Fund, rather than through separate actions by individual member organizations.

36. Mr. FORAN (Assistant Secretary-General, Representative of the Secretary-General for the Investments of the United Nations Joint Staff Pension Fund) said that the points and suggestions made by the representatives who had commented on the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund (A/C.5/45/7) had been carefully noted and that the Secretariat would be following up on them individually. He was pleased to note the favourable comments that had been made on the Fund's policy of diversifying its investments not only by sector but also by currency. He agreed with the speakers who had advised extreme caution in the present volatile financial environment and said that the Fund would continue to make safety its first criterion and would maintain its defensive strategy of emphasizing the fixed-income sector over the less secure equity sector.

37. In response to the request for additional information on the investment return of the Fund compared with other pension funds, he said that it had not been possible to locate other pension funds of approximately the same size and with approximately the same overall investment and liability requirements. However, measured against the SEI index, which was based on a sample of 80 United States pension funds with assets in excess of \$100 million, the Fund's annualized return of 16.54 per cent for the five-year period ending 31 March 1990 had been achieved only by funds in the top fifth percentile of the SEI index.

38. Responding to a request for further assurances of continued efforts to increase the soundness of the investments, he said that the institutional arrangements for the management of those investments would continue to ensure their safety and soundness. The Investments Committee, which was central to the institutional framework, met four times a year, once in conjunction with the Board. It laid down the investment strategy in the light of the prevailing conditions, reviewed all the transactions which had taken place and advised on equities to be included in the list of high-quality bonds and sovereign bonds approved for purchase by the Fund. The advice of the Investments Committee was supplemented by the services of the global adviser and the global custodian engaged

(Mr. Foran)

by the Fund, a large network of advisers throughout the world and the staff of the Investment Management Service of the Secretariat. In addition, the investment activities were audited annually by internal and external auditors and were reviewed each year by the Pension Board, the Advisory Committee and the Fifth Committee.

39. Mr. NASSER (Egypt) said that, before the Committee concluded the general debate on agenda items 127 and 128, he hoped that the Chairman of ICSC would be able to answer a question that he had raised on an earlier occasion concerning the Commission's decision to recommend to the General Assembly that the base/floor salary scale should be increased by 8.5 per cent beginning 1 March 1991. He would like to know whether the General Assembly would be expected to consider a new recommendation whenever there were changes in the conditions of work of the comparator system.

40. Mr. AKWEI (Chairman of the International Civil Service Commission) said that ICSC had recommended that increase in accordance with General Assembly resolution 44/198, which established comparability between the base/floor salary in the United Nations and the United States federal civil service comparator system. The implication was that changes in the comparator system should be matched by changes in the United Nations.

41. The CHAIRMAN said that the Committee had concluded the general debate on agenda items 127 and 128.

AGENDA ITEM 122: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (A/45/130 and Add.1)

42. Mr. SCHUMM (Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on budgeting in organizations of the United Nations system (A/45/130 and Add.1), said that the objective of the system-wide study on which the report was based was to examine the extent to which standardization and comparability had been achieved in the budgetary and administrative practices of the organizations concerned. Despite the progress made as a result of the efforts of ACC and the Advisory Committee, the problem still remained.

43. Because of the broad scope of the study, a selective approach had been taken and a comparison had been made of several budgeting methods and practices. Since budgeting techniques and methods could not be separated from the overall budgetary and financial policy of the organizations, the study had also dealt with some related budgeting and financial issues.

44. Volume 7 of the report comprised a cross-organizational analysis of the major techniques, methods and practices used by the organizations of the United Nations system in preparing their regular budgets, followed by recommendations in that regard. It was somewhat general in nature because of the 32-page limit; if the participating agencies so desired, JIU might in the future be able to carry out

(Mr. Schumm)

more detailed in-depth studies on specific topics such as calculation of growth rate, standard costs, support costs and budget structures. Volume II contained comparative tables of the techniques and methods used throughout the United Nations system. Those tables had to be adjusted every two or three years to reflect changes in the organizations.

The meeting rose at 5.05 p.m.