

UNITED NATIONS
General Assembly
FORTY-FIFTH SESSION
Official Records

FIFTH COMMITTEE
30th meeting
held on
Friday, 16 November 1990
at 3 p.m.
New York

SUMMARY RECORD OF THE 30th MEETING

Chairman: Mr. MAYCOCK (Barbados)

Chairman of 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 116: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS
OF THE BOARD OF AUDITORS (continued)

This record is subject to correction.
Corrections should be sent under the signature of a member of the delegation concerned
within one week of the date of publication to the Chief of the Official Records Editing Section, Room DC2-750,
2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

Distr. GENERAL
A/C.5/45/SR.30
4 December 1990
ENGLISH
ORIGINAL: SPANISH

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

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

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

1. Mr. AHTISAARI (Under-Secretary-General for Administration and Management) said that the statement by the Administrative Committee on Co-ordination (ACC) (A/C.5/45/43) reflected the concern of the Secretary-General and of all executive heads of the United Nations system over conditions of service of staff in the Professional and higher categories, which were still not competitive. It also brought out the need for stability and clarity, especially with regard to pensions. In recent years, the United States Federal Civil Service had ceased to be a satisfactory comparator, causing serious distortions in the remuneration system of the international civil service. As indicated in paragraph 9 of the ACC statement, under those circumstances it would be wholly inappropriate to declare a new salary freeze.

2. Field service personnel were the backbone of United Nations operations throughout the world. They often lived in conditions of instability and danger and always had to be ready to move to another location on 48 hours' notice. He was therefore pleased that the International Civil Service Commission (ICSC) had decided to monitor the development of field service remuneration after two years, particularly the application of the mobility and hardship matrix (A/45/30, para. 269).

3. Referring to the status of women in the organizations, he said that while statistics showed an improvement in the attitude towards women staff members, certain basic problems remained to be solved, in both the General Service and Professional categories. One of those problems was the recent decline in appointments and promotions of women at managerial levels, from P-5 and upward. An effort would be made to rectify the situation by implementing an action programme that was being prepared.

4. Concerning the General Service salary surveys, he was pleased to note that the problem in Geneva had been solved. It was difficult everywhere to find adequate comparators. Nor was it easy to ensure methodological acceptability and, therefore, the legitimacy of salary surveys. Each duty station had its own problems. For example, although the General Service category was, in principle, assumed to be made up of "local" staff, that was not the case in New York. Of the 2,365 staff members in that category, less than 28 per cent were nationals of the host country and the remaining 72 per cent were from 96 different countries. Of that 72 per cent, most were actually "international" civil servants, for they were at least bilingual, were highly educated in many cases and, in fact, lived on an expatriate basis, even though their status as international civil servants was not recognized for the purposes of remuneration. That was a serious anomaly at Headquarters, which remained to be solved.

(Mr. Ahtisaari)

5. With the morale of the New York staff in mind, the Secretary-General had decided to review the recommendations of the Commission based on the salary survey. While the results of the survey, which called for a reduction in General Service salaries while all other staff were receiving salary increases of more than 10 per cent, were prima facie surprising, the most immediate imperative was to move forward. Staff morale was not an empty concept, for it could determine the success of an undertaking, and the Secretary-General never tired of repeating that the Organization's most highly valued asset was its staff. In recent years, as a consequence of reorganization and post reduction, the situation of staff had become more difficult, stressful and demanding, and the proportion of those who worked excessively long hours had risen greatly. After many years of being essentially deliberative, the Organization had become operational, not only with regard to peace-keeping operations, but also in the areas of international economic development, the environment, drug abuse and human rights. The approach to personnel issues must change in the light of that new role for the United Nations. Mobility would acquire greater significance, with all that that implied. It had been suggested that the Organization should move towards forming a core staff which would be augmented for particular tasks. That was an idea worth considering, even though it was fraught with problems. Some staff members would not be able to adjust to the changes and, in that case, appropriate means would have to be found to enable them to continue exercising their vocations outside the Organization. In response to its new responsibilities, it might also be necessary to introduce further changes in the structure of the Secretariat. The United Nations, like any creature during a time of rapid evolution, would have to adapt.

6. In considering the report of ICSC, it was important to bear in mind at all times that at issue was the means whereby the Secretary-General and the other executive heads would be able to fulfil the responsibilities conferred on them by the world community, and those means were essentially "human means". An organization such as the United Nations depended on the morale, flexibility and calibre of its staff, on the efficiency of its structures and on Member States meeting their financial obligations in full. The Fifth Committee, ICSC and the management of the United Nations must be united in the common task of preparing the Organization for its current and future functions in the areas of peace, economic development, justice and human rights.

7. Mr. AKHTARUZZAMAN (Bangladesh) generally agreed with the recommendations of ICSC on the comprehensive review of the methodology for the determination of the scale of pensionable remuneration for the Professional and higher categories and, in particular, with the view expressed in paragraph 34 of its report (A/45/30). None the less, his delegation believed that ICSC must continue exploring ways and means of establishing a well-defined margin range of pensionable remuneration, consistent with net remuneration.

8. Regarding the complex question of the remuneration structure, his delegation generally agreed with the decisions of the Commission and agreed that housing should not be taken out of the post adjustment and that, at least for the time being, it should not be treated as a separate element of the remuneration package. It also agreed with the recommendation that at Headquarters, European duty stations

(Mr. Akhtaruzzaman, Bangladesh)

and other major duty stations, housing costs should continue to be compared with those in the base city, New York, using the post adjustment system. His delegation would also appreciate additional information on the practice of granting expatriate entitlements to staff members living in their home countries while rendering service in another country.

9. With respect to the question of conditions of service at the Assistant Secretary-General, Under-Secretary-General and equivalent levels, his delegation believed that despite the Commission's decisions in that regard, it would be best to revert to the issue in future. By contrast, his delegation agreed with the decisions of ICSC concerning the changes, implementation and future review of the base/floor salary scale and generally concurred with the conclusions on the use of the post adjustment to compensate for differences in purchasing power over time and across duty stations. The same applied to the Commission's review of the conditions of service of field personnel, although his delegation believed that the issue should be constantly reviewed in the light of changing circumstances.

10. The practice of supplementary payments and deductions affected the impartiality of the international civil service. The Secretariat should provide further information on that, and, in particular, on the steps taken to discourage that practice.

11. Concerning the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/45/7), he was pleased to note that, despite unfavourable economic conditions, the return on investments by the Fund had been satisfactory compared to that of other pension funds. It was to be hoped that the Secretary-General would continue to follow the policy of diversification and selection of investment instruments outlined in paragraph 17 of the report.

12. Mr. OSELLA (Argentina) said that the principle of income substitution was fundamental when calculating pensionable remuneration and his delegation agreed that the methodology established in the 1987 scale, as amended at the forty-fourth session, should continue to be used. However, to stabilize pensionable remuneration, it should be calculated on the basis of a margin system similar to that used for the salary scale. That would avoid a gap, which existed for tax reasons, between the pensionable and non-pensionable remuneration of the Organization and that of the comparator service. Another matter for concern was the status of Fund participants whose pensions were paid in local currencies. Consideration should be given to the possibility of applying a minimum exchange rate until ICSC presented its final proposals in that regard. He therefore welcomed the establishment of a joint preparatory working group which would undertake a comprehensive review in 1991 of pensionable remuneration and consequent pensions for the General Service and related categories of staff (A/45/30, para. 55).

13. The recommendation to maintain housing within the post adjustment system was prudent; it was also necessary to keep the topic under review in order to decide once and for all whether housing should be excluded from base salary. The report appeared to suggest that there were two distinct systems for the treatment of

(Mr. Osella, Argentina)

housing: one, which would apply to most duty stations, under which housing would be included in the post adjustment, and the second, which was experimental, under which it would be excluded. It was important to know whether those duty stations had already been selected, and on the basis of what criteria apart from those mentioned in paragraph 95 of the report. Furthermore, the proposals submitted had financial implications which must be analysed.

14. The Noblemaire principle should continue to guide the policy for determining staff remuneration and to serve as the basis for establishing a comparison between United Nations salaries and those of the highest paid civil service. His delegation endorsed the periodic review of the comparator factor and welcomed the decision of ICSC to request its secretariat to provide it with a methodology to identify the highest paid civil service. In that regard, use of a margin was the practical way to implement the Noblemaire principle, since it made it possible to maintain an acceptable relationship between United Nations salaries and those of the comparator. The General Assembly's decision to maintain the margin at 115 for five years might result in a freeze of salaries in the future. The margin should be able to fluctuate between ceiling and floor values, as appropriate. Clarification was needed as to what measures would be taken if the margin rose above 120, a situation which current projections suggested was possible, and what the result of any freeze would be.

15. While ICSC had carried out a serious and careful review of the best conditions of service for General Service staff in New York, adjusted in accordance with prevailing methodology, his delegation supported the Secretary-General's decision to adopt a salary scale which departed from the Commission's recommendations but reflected the administrative needs of the Organization at the time when it was politically justified. His delegation also suggested that the Commission should complete the remaining Headquarters studies as soon as possible, that it revise the methodology for the study of the best conditions of service and that a new study be conducted in New York on the basis of the new methodology. Education grants should remain under review, and a periodic revision of such grants would seem to be the most desirable option. A selective increase in the subsidy based on actual needs was appropriate, reflecting conditions in the selected stations in which education costs had increased the most.

16. His delegation welcomed the fact that the information requested in section III C of General Assembly resolution 44/198, concerning the practice of making supplementary payments or deductions - which ran counter to the basic labour relations principle of equal pay for equal work - had been compiled. The question should be kept under review so that a definitive solution could be reached. It also noted with satisfaction that ICSC had improved its methods of work by imparting greater clarity and frankness to the decision-making process, thus enabling the staff unions to resume their participation in its deliberations. The establishment of tripartite groups was a suitable method for analysing situations which affected the working conditions of all staff. It was also important to learn the views of ACC in order to take into account the interests of all elements of the United Nations system.

17. Mr. MERIFIELD (Canada) shared the view that a pay system should be established which ensured that international civil servants received fair and competitive remuneration for their valuable work. In order to maintain motivation, morale, productivity and quality throughout the United Nations system, it was imperative that staff in all the agencies be treated identically. Any decision adopted by the General Assembly must maintain the integrity of the common system. For the common system to survive, the method used to establish the pay of employees in different duty stations must be perceived to be fair by those employees. Unfortunately, over the years a system had been pieced together which used post adjustments as a prime element for establishing salaries rather than for equalizing purchasing power between posts. The system was now so complex that it was not easy to determine whether recommendations were in line with established policies. Although there was little evidence, some employees suspected that they were less well off than their colleagues at other duty stations. While ICSC must overcome those suspicions within the system now in place, in the near future a system should be adopted which was transparent and understandable.

18. His delegation fully endorsed the recommendation in paragraph 162 of the ICSC report, as well as the recommendation on housing, except for the proposal to change the rental subsidy scheme, which only made the system more cumbersome. The recommendation to increase the base scale by 8.5 per cent was to be welcomed because it helped make the remuneration scheme more transparent. In that connection, it was difficult to understand why the multipliers used to establish equality between duty stations bore no resemblance to differences in purchasing power.

19. While doubts arose from time to time about the adequacy of using the United States federal civil service as a comparator, the suggestion that it was not a suitable comparator was unproven. While it was true that the gap between public sector salaries and certain private sector salaries in the United States had widened, the United States certainly was not the only country where that had occurred. The questionnaire distributed by ICSC on the issue might shed some light on the question, although it should be noted that it would not be easy to interpret the data.

20. His delegation understood and in general supported the recommendations in subparagraph 124 (d) of the ICSC report, on housing for senior managers. For reference purposes, it might be useful to consider the relevant provisions in force in the Canadian Foreign Service. With regard to the table on the General Service, his delegation would welcome an explanation of the nature of the surveys carried out.

21. The Joint Staff Pension Board was still struggling with the problem of how to give right retirees a secure future within the resources available. While a viable long-term solution to the problem should be found, in the interim, his delegation recommended that the temporary solution proposed should be adopted.

AGENDA ITEM 116: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/C.5/45/L.5)

22. Mr. KOULYK (Ukrainian Soviet Socialist Republic), introducing draft resolution A/C.5/45/L.5, which had been prepared in informal consultations he had conducted in his capacity as Vice-Chairman, said that the text was the result of a consensus whose achievement had required the modification of approximately the final third of the original text and the deletion of some seven paragraphs. The draft resolution followed the tenor of earlier resolutions, took into account questions raised by the Board of Auditors, the Advisory Committee and Member States, and reflected progress in respect of General Assembly resolution 44/183.

23. The Chairman said that if there were no objections he would take it that the Committee wished to adopt draft resolution A/C.5/45/L.5 without a vote.

24. It was so decided.

25. The CHAIRMAN said that the Committee had concluded its consideration of agenda item 116.

The meeting rose at 4.40 p.m.