



SUMMARY RECORD OF THE 25th MEETING

Chairman: Mr. FONTAINE-ORTIZ (Cuba)

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

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The meeting was called to order at 10 a.m.

AGENDA ITEM 118: UNITED NATIONS COMMON SYSTEM: REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued)

AGENDA ITEM 119: UNITED NATIONS PENSION SYSTEM: REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (continued) (A/41/7/Add.2, 9, 30 and 790; A/C.5/41/1, 13, 22, 28 and 36)

1. Mr. HADWEN (Canada) said that pensions were second only to net remuneration in ensuring the recruitment and retention of staff meeting the highest standards of efficiency, competence and integrity. General Assembly resolution 40/245 had requested the International Civil Service Commission, in co-operation with the United Nations Joint Staff Pension Board, to review pensionable remuneration for the Professional and higher categories. It was disappointing, then, that the two technical bodies had been unable to agree on several key issues, including the margin between the United Nations scale of pensionable remuneration and that of the comparator civil service, the method of dealing with the cost-of-living differential between Washington and New York as applied to pensionable remuneration, and the level of pensionable remuneration for the Assistant Secretary-General and Under-Secretary-General levels. Nevertheless, there had been agreement in many areas - for example, that pensions should be linked to remuneration and that the United Nations scale of pensionable remuneration should yield an income replacement level comparable to that of the comparator service. The Commission and the Board had also agreed on the applicability of the agreed margin for net remuneration to pensionable remuneration, on the consistent treatment of cost-of-living differentials, and on the concept of a cap on pensions. However, the Pension Board could not endorse the methodology proposed by ICSC for the application of those principles.

2. His delegation supported ACABQ's argument for the speedy introduction of a broadly understood and acceptable pension scheme. Outstanding issues should be resolved at the current session, particularly since the differences were relatively minor - the scale of pensionable remuneration proposed by the Board was not much higher than that proposed by the Commission.

3. With regard to the margin between United Nations and comparator civil service salaries, his delegation was troubled by some of the recommendations outlined in paragraph 69 of the ICSC report. Exclusion of the cost-of-living differential between New York and Washington would reverse a position long held by the Commission. Bonuses and performance awards paid to United States federal civil servants, even if received by only a minority of employees each year, should be factored into any estimate of comparator remuneration.

4. The provision by ICSC of an estimate of margin based on total compensation was consistent with the report of the Group of High-level Intergovernmental Experts, and offered a basis for a realistic comparison of entitlements. Further refinement of the approach would require a clear definition of expatriate and non-expatriate status, since there might be several kinds of expatriates with different career patterns. A balanced decision for all the staff involved should be reached.

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(Mr. Hadwen, Canada)

5. With respect to post adjustment, his delegation supported the establishment and early application of a remuneration correction factor in order to eliminate differentials in real income between duty stations and the effects of inflation and currency fluctuations.

6. The work of ICSC on the recruitment of women continued to provide United Nations organizations with the requisite leadership. It was gratifying that the Administrative Committee on Co-ordination had taken up the issue, which could usefully constitute a standing item on its personnel questions agenda. In particular, Canada endorsed recommendations (f) and (g) contained in paragraph 209 of the ICSC report. Greater attention should be paid to the employment of female Professional staff in technical co-operation activities and as consultants. In order to identify and overcome barriers to advancement beyond the P-4 level, ICSC should carry out a cross-organizational study on the amount of time spent by men and women at the P-1 to P-5 levels.

7. There was disturbing evidence of the erosion of the common system in that, for example, application of the remuneration correction factor in Geneva and Vienna had been postponed. ICSC should continue to monitor developments in that area.

8. Turning to the report of the Joint Staff Pension Board (A/41/9), he noted that the percentage return on investments had exceeded the rate of inflation for the fourth year in succession. The annual real rate of return of 5.1 per cent over 10 years was excellent. The Fund had invested over \$730 million in some 20 developing countries, a 7 per cent increase over the previous year.

9. Canada intended to continue its efforts to ensure that United Nations employees received fair and equitable entitlements commensurate with the nature of their work. Overall, they carried out their assigned duties in a thoroughly professional manner and deserved a fair rate of remuneration while employed in the system and a fair pension upon retirement. During the current difficult times and through any future reforms the dignity of the staff and their acquired rights must be respected. Any adjustments to staff levels or entitlements must include appropriate transitional measures.

10. Mr. KUBIZNAK (Czechoslovakia), speaking on behalf of the Group of Eastern European States, said that the International Civil Service Commission had begun to take a more realistic approach in its work and had formulated a number of useful recommendations. For a number of years many delegations had expressed concern at the excessive growth of pension benefits for United Nations staff members. The Eastern European States had repeatedly stated that the pensions of international civil servants in general should be approximately equivalent to the pensions of United States federal civil service employees in view of the absence of the expatriation factor. For that reason, the Commission should have calculated the proposed new scale of pensionable remuneration on the basis of 92 per cent of net remuneration and an income replacement factor of 36.25 per cent after 20 years of service. Nevertheless, the Eastern European States were prepared to accept as a compromise the scale proposed by ICSC calculated on the basis of 96 per cent of net remuneration and an income replacement factor of 46.25 per cent, yielding a pensionable remuneration margin of 18 per cent over the United States civil service.

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(Mr. Kubizňak, Czechoslovakia)

11. In that connection, he considered totally unacceptable the position of the Pension Board that the pensionable remuneration for international civil servants must be 21 per cent higher than that of the United States civil service employees, as that margin went well beyond the requirements of the Noblemaire principle. The Board had not only failed to comply with General Assembly resolution 40/245, but it also proposed in paragraph 9 (a) of annex II to document A/41/9 increasing the rate of contribution to the Fund. That was in direct contradiction to paragraph 5 of section II of that resolution, which requested the Board to submit to the General Assembly at its forty-first session its recommendations on additional economy measures, with a view to eliminating the need for any future increase in the liabilities of Member States.

12. The second important recommendation of ICSC was that the cost-of-living differential between New York and Washington, D.C. should not be taken into account in the margin calculation. The Eastern European States had repeatedly pointed out that in the long term there was an artificial lowering of the net remuneration margin, which had served as a basis for unjustified and repeated salary increases in the United Nations system. According to the information provided by the Commission, excluding the cost-of-living differential would have resulted in a margin of 123.7 between net remuneration in the United Nations and that of the United States civil service over the past decade, as opposed to the current figure of 126.3, which was greatly in excess of the upper limit recommended by the General Assembly. He therefore fully supported the ICSC recommendation on that matter.

13. Unfortunately, the Eastern European States were unable to support the other recommendations of the Commission, particularly those on the automatic adjustment of separation payments, increasing the post adjustment index for duty stations with a low post adjustment classification, and the establishment of a remuneration correction factor. Those recommendations were unjustified and would have considerable financial implications. Furthermore, there had recently been evidence of an alarming trend: as soon as the Commission took a decision aimed at making savings, new elements and technical ploys were used to make a parallel upward adjustment. In that way, the general level of remuneration remained unchanged. That trend must be reversed.

14. He hoped that the Commission would be more responsive to the General Assembly's requests and instructions in future. In that regard, he noted with concern that ICSC was taking unduly long to reach a decision on the important question of eliminating the post adjustment in New York and had not yet re-examined the scope of the education grant in accordance with General Assembly resolution 40/244. Lastly, the Commission could do its part to effect savings. Since many more individuals than just the members of ICSC attended its sessions, he proposed that only ICSC members should participate at the first annual session in order to economize on funds allocated for per diem expenses.

15. Ms. YIN Shichang (China) said that while the frequent changes in pension benefits had, perhaps, been necessary, pensions were of great importance to the staff, so that too-frequent changes and uncertainty would keep staff members in a state of uneasiness and would have an adverse impact on morale. Pensionable

(Mr. Yin Shichang, China)

remuneration should now remain stable for a period. Accordingly, the time had come to seek a rational methodology for the determination of pensionable remuneration that would stabilize the scale, while taking account of the interests of staff members and Member States and addressing the actuarial imbalance.

16. The new scale recommended by ICSC narrowed the margin between United Nations and comparator pensionable remuneration. The margin for pension benefits should be close to that for net remuneration, and, accordingly, her delegation would support a compromise figure between the 118 per cent proposed by ICSC and the 121 per cent advocated by the Pension Board. The main problem in the current pension system was that the pension benefits of senior officials were too high. However, under the new scale proposed by ICSC, the pensionable remuneration of all staff members in the Professional category, including those at lower levels, would be greatly reduced. For example, the proposed decrease of 7.5 per cent for staff at the P-3 level was excessive. If the margin for pensionable remuneration was set at 118 per cent, the actuarial imbalance would rise to 0.24 per cent of total pensionable remuneration, a factor to be taken into consideration.

17. Accordingly, her delegation proposed that, with effect from April 1987, the margin should be set at 119.5 per cent. That would ensure that the margin between actual pension benefits under the two systems would be closer to the net remuneration margin; that the reduction in pensionable remuneration would be more appropriate; that the effect on the actuarial imbalance would be less; and that the burden shouldered by Member States would be lightened. Subsequently, pensionable remuneration could be adjusted in line with net remuneration. Further, should the rate of contribution be increased, the burden on Member States must be reduced.

18. Her delegation supported the views of ACABQ concerning the discount rate to be used in calculating the lump sum, the ceiling on the lump sum, and the 20 per cent cap in respect of the local currency equivalent of the United States dollar track.

19. Mr. FORSHELL (Sweden), speaking on behalf of the Nordic countries, said that it was gratifying to note the general agreement that the outstanding issues in respect of pensions should be settled at the current session. With regard to the scale of pensionable remuneration, it was disappointing that ICSC had not taken account of the Pension Board's views, as requested in General Assembly resolution 40/245. In future General Assembly instructions should be heeded.

20. As a consequence of the lack of co-operation, the Committee had before it two scales for pensionable remuneration. However, the two were close to each other, and it should be possible to devise a compromise scale. Such a scale would need to reflect the decision of the General Assembly to cap pensions for staff at the Under-Secretary-General and Assistant Secretary-General levels, and should remain in force for at least five years. Decisions should also be taken at the current session on such questions as adjustments to pensionable remuneration, transitional measures, and the proposed ceiling on the lump sum.

(Mr. Forshell, Sweden)

21. With regard to the rate of contribution, the Nordic delegations, in principle, supported the recommendation made by the Pension Board to the fortieth session to increase the rate from 21.75 per cent to 22.5 per cent with effect from 1 January 1986. However, since the Assembly had not acted on that recommendation, and since the question was directly linked to the structure of the scale of pensionable remuneration, the question of an increase in the rate of contribution should await the results of the actuarial valuation of the Fund as at 31 December 1986.

22. Mr. MURRAY (United Kingdom), speaking on behalf of the 12 States members of the European Community, said that it was a matter for regret that ICSC and the Pension Board had not reached agreement on an appropriate level of pensionable remuneration. The Twelve agreed with ACABQ that a speedy resolution of the outstanding issues was essential, so that stability could be achieved for the benefit of both the organizations and the staff. The Fifth Committee should reach a lasting decision on the question.

23. Both ICSC and the Board agreed the pension benefits should bear a reasonable relationship to net remuneration, as was the case in the comparator civil service. Equally, both agreed on the manner in which the new scale, once adopted, would be adjusted. However, differences arose between those two stages. The Twelve noted the points of difference enumerated by the Board in its report and the actuarial impact of the lower scales recommended, while welcoming the investment return achieved over the last accounting period.

24. The margin for net remuneration, at 120.9, remained outside the range agreed at the fortieth session. The Twelve welcomed ICSC's decision to compare United Nations salaries at the base with United States civil servants in New York, and noted the decision to use average salaries for net remuneration calculations.

25. The recommended amendments to the staff assessment scales necessitated consequential changes in the salaries and separation payments tables. The Twelve took note of the device of the remuneration correction factor to offset the effects of exchange rate fluctuations on take-home pay. ACPAQ should continue its studies with a view to a long-term solution.

26. It was important to all - executive heads, Member States and staff - to preserve and strengthen the common system in all circumstances.

AGENDA ITEM 110: PROGRAMME BUDGET FOR THE BIENNIUM 1986-1987 (continued)

Revised estimates resulting from decisions of the Economic and Social Council at its first and second regular sessions, 1986 (A/41/7/Add.1; A/C.5/41/3)

27. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the estimates in the documents before the Committee had been prepared in the light of the financial situation of the Organization. The additional requests submitted by the Secretary-General under sections 1, 4, 9

(Mr. Mselle)

and 23 of the programme budget had been kept to the minimum required. The Advisory Committee recommended that the additional amounts outlined in paragraph 27 of its report (A/41/7/Add.1) be approved for 1987.

28. Out of the amount of \$25,900 recommended under section 1, \$14,500 was for the costs of attendance by an estimated 14 members of the Committee for Programme and Co-ordination (CPC) for the additional week by which the Economic and Social Council had recommended that the twenty-seventh session of CPC be extended in 1987. The balance of \$11,400 would cover the attendance by representatives of national liberation movements at the second session of the Preparatory Body for the International Conference on Drug Abuse and Illicit Trafficking.

29. The amount of \$55,200 requested under section 4 was for the additional session of the Commission on the Status of Women which the Economic and Social Council had decided should be held in New York rather than Vienna in January 1987. Paragraphs 12 to 16 of the Advisory Committee's report outlined the background to the revised estimate.

30. The additional amount of \$100,000 recommended under section 9 related to the cost of 16 expert advisers participating in the work of the Commission on Transnational Corporations. In 1985, the Advisory Committee had recommended partial funding of the requirement and asked that the role of the experts be re-examined. Though still not completely satisfied, the Advisory Committee now agreed that the remainder of the funding should be authorized, but the amount approved was less than that requested by the Secretary-General.

31. The amount of \$400,000 under section 23 related to the activities of the Commission on Human Rights. Since such funding was approved annually, the sum involved was not in fact an additional amount.

32. As shown in paragraph 27 of its report, the Advisory Committee was recommending approval of a total of \$581,100 to cover the additional amounts requested under the four sections.

33. Mr. VAN DEN HOUT (Netherlands) asked for more information about the amount of \$400,000 recommended for human rights activities. In particular, he wished to know what was meant by the headings "overtime", "representative travel" and "staff travel" in paragraph 24 of the report of the Advisory Committee, and what the impact would be of the Advisory Committee's reduction of the amount requested by the Secretary-General to fund the programme of work of the Commission on Human Rights and the functioning of its various mechanisms.

34. Mr. VISLYKH (Union of Soviet Socialist Republics) said that his delegation objected to a number of aspects of the recommendations before the Committee. In particular, the recommendations concerning the Committee for Programme and Co-ordination in paragraph 7 of the Advisory Committee's report violated existing practice. The exceptions mentioned in that paragraph should be discontinued, especially in view of the financial situation of the Organization and the fact that

(Mr. Vislykh, USSR)

the continued existence of CPC was in question. The work of CPC did not justify such exceptions and money should not be wasted on it. If the amount of \$14,500 requested was put to a separate vote, his delegation would not support it.

35. The additional amount of \$55,200 requested under section 4 would also be an unforgivable waste of budgetary resources. The report of the Advisory Committee showed that the Commission on the Status of Women had not even tried to justify the holding of an additional session or holding it in New York, contrary to General Assembly resolution 40/243. If the recommendation relating to the additional amount under section 4 were put to a vote, his delegation would vote against it.

36. Mr. HADWEN (Canada) said that his delegation, like that of the Netherlands, needed assurance that the recommendations of the Advisory Committee, especially those in paragraph 26 of its report, were consistent with the Commission on Human Rights being able to implement its mandate on all important issues. The statement by the Advisory Committee that the amounts recommended represented the minimum required in 1987 was important and binding. He assumed that there would be no question of any further reductions in funding for the human rights programme over the period in question, since his delegation certainly could not support them.

37. With reference to the comments made by the representative of the Union of Soviet Socialist Republics about the additional session of the Commission on the Status of Women, the Canadian delegation had understood the proposal to hold the session in New York to mean that costs would thereby be reduced, because conference facilities at Headquarters would not be under pressure in January 1987. He trusted that the Conference on the Status of Women had proceeded in a responsible manner and believed that the proposals deserved support.

38. Mr. MUDHO (Kenya) referred to the statement in paragraph 7 of the report of the Advisory Committee that payment of travel expenses and subsistence to the members of CPC had been authorized by the General Assembly for an experimental period beginning in 1978. He wanted to know how long the experiment was to continue and whether CPC alone, or other subsidiary bodies too, benefited from the exception thus made to the principles set forth in General Assembly resolution 1798 (XVII). He also wished to know why the exception had been made and if it was still valid.

39. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said, with reference to the requirements under section 23, that the Commission on Human Rights extended the mandates of a number of its committees every year. In previous years, the Secretary-General had approached the Advisory Committee under the resolution on unforeseen and extraordinary expenses with requests for funds to implement the Commission's requirements. A new procedure had been adopted at the fortieth session of the General Assembly, which had included a request for an amount of \$550,500 in the budget for 1986-1987 to cover the requirements arising from the Commission's decisions in 1986. That amount had been authorized by the General Assembly, on the basis of the recommendations of the Advisory Committee, before the Commission on Human Rights had adopted decisions to extend the mandates of various bodies.

(Mr. Maella)

40. The Advisory Committee had now looked at the pattern of expenditures in 1986 and previous years to enable it to determine a further lump sum to be used to finance the activities mandated by the Commission on Human Rights for 1987. The recommended amount of \$400,000 would be reviewed by the Advisory Committee in the autumn of 1987.

41. With reference to the possibility of further reductions in the funding of human rights activities which had been raised by the representative of Canada, the Advisory Committee recommended, in paragraph 26 of its report, that, in the event of further cost-saving measures, full account should be taken of the reduction already recommended in the case of the Commission on Human Rights. Cuts should not therefore apply to the \$400,000 requested.

42. Mr. KASTOFT (Denmark) said that he was not completely reassured by the statement of the Chairman of the Advisory Committee and wished, like him, to stress that any future cost-saving measures should not affect the appropriations for human rights activities, because \$400,000 was the absolute minimum required. His delegation could accept the recommendations of the Advisory Committee only on that understanding, since it considered human rights to be a matter of high priority.

43. Mr. RAHMAN (Bangladesh) said that he would like further clarification of the procedure for appropriating the funds in question and of the role which the Committee played in approving them.

44. Mr. DEVREUX (Belgium) said that his delegation had supported the cuts forced on the Organization by the financial crisis, including those in the area of human rights, in the hope that only the least necessary expenditures would be affected. However, that was not the case. For example, it had been decided to discontinue summary records for some subsidiary human rights bodies, although they were absolutely essential for their work, while retaining press releases, which were less useful and could easily be sacrificed. There had been similar ill-advised cuts in documentation. For example, a report by one Special Rapporteur had been issued in New York in one language only and distribution limited to one copy per delegation, despite the adverse impact of that action. He therefore wished to ask the Secretariat and the Chairman of the Advisory Committee how they proposed to avoid the reductions impairing essential human rights activities.

45. Mr. KAZEMBE (Zambia) said that his delegation, too, was concerned at the reduction in appropriations for human rights activities. With regard to paragraph 7 of the report of the Advisory Committee, the estimated four weeks' duration of the twenty-seventh session of CPC appeared to be at variance with what he had understood the decision in that body to be. As for the proposed additional amount required for the session of the Commission on the Status of Women, he thought that it was reasonable and should be approved.

46. Mr. VAN DEN HOUT (Netherlands) asked for assurances that, even after the cuts in appropriations under section 23 of the programme budget, the work programme of the Commission on Human Rights could be properly carried out and that the United

(Mr. Van Den Hout, Netherlands)

Nations human rights implementation machinery could function properly. He asked the Secretariat to focus, in its reply, on the effects of the cuts on four categories of expenditure: general temporary assistance; overtime; representative travel; and staff travel.

47. Mr. MURRAY (United Kingdom) said that he shared the concerns voiced by other speakers about the level of appropriations for human rights activities. His delegation was prepared to go along with the recommendations in the Advisory Committee's report, emphasizing the comment in paragraph 26 that in the event of further cost-saving measures, full account should be taken of the reductions already recommended. The protection of human rights was a Charter function of the United Nations, and one which absorbed only a small part of the budget. So far, the human rights programme and the associated conference activities appeared to have borne a disproportionate share of the cuts in spending. His delegation hoped that the burden of cuts would in future be more equitably shared.

48. Mr. BANGURA (Sierra Leone) associated himself with the Kenyan representative's comment on the exception, noted by the Advisory Committee in paragraph 7 of its report, to the principles established by General Assembly resolution 1798 (XVII). His delegation was also concerned at the proposal to hold the additional session of the Commission on the Status of Women in New York, not at the Commission's headquarters in Vienna. Not only would that exception to the general rule entail additional resources, but the reasons for the exception had not been made clear to ACABQ. In anticipation of a separate vote on that item, he asked the Chairman of the Advisory Committee to give a clearer statement of his position on the matter.

49. Mr. LADJOUZI (Algeria) endorsed the questions posed by the representative of Sierra Leone on the revised estimates under section 4 of the programme budget. He pointed out that the revised estimates included \$26,200 for the travel of representatives of Member States to New York for the additional session of the Commission on the Status of Women, and asked whether such a sum would still be required if, after review by the Committee on Conferences, it was decided that the additional session should be held in Vienna.

50. Mr. RWAMBUYA (Budget Division) said that the exceptional arrangement authorizing payment to cover travel expenses and subsistence for members of the Committee for Programme and Co-ordination was not of any fixed duration: it would remain in effect until the General Assembly decided otherwise.

51. The representative of the Netherlands had asked about the effect of budgetary cuts on human rights activities. The human rights programme enjoyed some priority - Member States did not wish it to be affected - but it could not be implemented at its maximum level. Every effort would be made to ensure that it did not suffer unduly.

52. The proposal to extend the 1987 session of the Committee for Programme and Co-ordination by one week had been put forward by that Committee and endorsed by the Economic and Social Council. The recommendation would shortly be submitted for review by the General Assembly.

(Mr. Rwambuya)

53. Regarding the value of the proposed additional session of the Commission on the Status of Women, he said that the Secretariat did not think it proper to question a recommendation by the Economic and Social Council.

54. Concluding, he said that he could offer the representative of Canada the assurances sought, but with some reservations.

55. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), responding to the request by the representative of Bangladesh for more information on the procedure used to approve funds for the Commission on Human Rights, said that the Fifth Committee could decide to approve no appropriations at the moment and wait for the Commission on Human Rights to decide on its programme of work at its 1987 session. The Secretary-General could then approach the Advisory Committee for approval of the necessary funds under the resolution on unforeseen and extraordinary expenses. The Advisory Committee had found that a time-consuming and unsatisfactory procedure, and had therefore accepted the new arrangements suggested by the Secretary-General. Those arrangements had been detailed in section 23 of the proposed programme budget for the biennium 1986-1987, and the Advisory Committee had commented on them in its first report on the proposed programme budget for 1986-1987 (A/40/7, para. 235).

56. The venue for the additional session of the Commission on the Status of Women had been much discussed within the Advisory Committee. Some members had said that the Committee should not agree to the recommendation. The venue, however, had been selected by the Economic and Social Council, which the Advisory Committee could hardly overrule; he was not certain whether even the Fifth Committee could do more than call for the decision to be referred back to the Council for review. The Fifth Committee could deny the necessary funds, but that would not prevent the Council from redeploying resources within its established budget.

57. The Advisory Committee did say, in paragraph 16 of its report, that the decision to hold an additional session of the Commission on the Status of Women should be reviewed in the context of the programme of work of the Organization for 1987. If the General Assembly felt strongly enough, it could at that time refer the matter back to the Economic and Social Council for reconsideration.

58. Mr. MUDHO (Kenya) pointed out that the representative of the Budget Division had not told the Committee whether the exception to General Assembly resolution 1798 (XVII) applied only to the members of CPC.

59. On the question of appropriations for the Commission on Human Rights, his delegation would have preferred the Secretary-General to continue to seek authority for funds from the Advisory Committee under the resolution on unforeseen and extraordinary expenses. The new arrangement was too much like giving the Secretariat carte blanche.

60. Mr. HADWEN (Canada) said that, in the light of the explanations given, his delegation believed that the arrangement described in paragraph 7 of the Advisory Committee's report should be approved.

61. The decision to hold an additional session of the Commission on the Status of Women in New York had been very carefully considered in both the Commission and the Economic and Social Council. His delegation believed that, in view of the schedules of the parent and subsidiary bodies concerned, the decision might actually cost the Organization less money than holding the extra session of the Commission at its headquarters in Vienna would do.

62. He considered the new procedure for approving funds for the Commission on Human Rights, as described by the Chairman of the Advisory Committee, to be a helpful innovation which would facilitate the ordered consideration of the United Nations human rights programme.

63. Mr. VAN DEN HOUT (Netherlands) remarked that he had not been given the assurances he had asked for in respect of appropriations under section 23. He was somewhat reassured, however, by the comments made by the Chairman of the Advisory Committee and the final sentence of paragraph 26 in the Advisory Committee's report. He called upon the Secretariat to state whether, if the Fifth Committee endorsed the Advisory Committee's recommendations, the recommendation in paragraph 26 would in itself affect any future cost-saving measures that the Secretary-General might take or propose.

64. Mr. TAKASU (Japan) said that the Economic and Social Council's decision on the work of the Commission on the Status of Women in 1987 actually fell into two parts: first, a decision that the Commission should hold an additional session; second, that the additional session should be held in New York. His delegation believed that it would be hard to overrule the first part, which was a decision by a principal organ of the United Nations. On the other hand, the assent of the General Assembly must be sought before the Commission could hold a session away from its headquarters. On the basis of the information given in paragraphs 14, 15 and 16 of the Advisory Committee's report, his delegation failed to see why a session in New York should cost less than a session in Vienna. In any event, the "headquarters rule" should be observed as a matter of principle.

65. Mr. RWAMBUYA (Budget Division), replying to the follow-up question from the representative of the Netherlands, said that the effect of the Advisory Committee's recommendation would depend on the resources available to the United Nations. If the budget was approved at current levels and Member States paid their contributions, most of the human rights programme would be implemented. If, on the other hand, some activities had to be curtailed for want of funds, the Advisory Committee's recommendation, if approved, would ensure that when cuts were made, human rights activities would be the last to be touched.

66. The CHAIRMAN observed that no delegation had formally requested a separate vote on any individual part of the Advisory Committee's recommendations.

67. At the request of the United States delegation, a recorded vote was taken on the recommendations of the Advisory Committee contained in document A/41/7/Add.1.

In favour: Algeria, Angola, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Belgium, Bhutan, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burma, Burundi, Cameroon, Canada, Central African Republic, Chile, China, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic Yemen, Denmark, Ecuador, Egypt, Ethiopia, Fiji, Finland, France, Gabon, Germany, Federal Republic of, Greece, Guinea, Guinea-Bissau, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jordan, Kenya, Kuwait, Lesotho, Liberia, Madagascar, Malaysia, Maldives, Mali, Mauritania, Mexico, Morocco, Mozambique, Nepal, Netherlands, Niger, Nigeria, Norway, Oman, Panama, Peru, Philippines, Portugal, Qatar, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Spain, Sudan, Swaziland, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Venezuela, Yugoslavia, Zaire, Zambia.

Against: United States of America.

Abstaining: Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Hungary, Israel, Japan, Mongolia, Poland, Romania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics.

68. The recommendations of the Advisory Committee for additional appropriations of \$25,900 under section 1, \$55,200 under section 4, \$100,000 under section 9, \$400,000 under section 23, and \$62,900 under section 31, the latter to be offset by the same amount under income section 1 of the programme budget for the biennium 1986-1987, were approved by 93 votes to 1, with 12 abstentions.

69. Mr. MICHALSKI (United States of America) said that his delegation had voted against approval of the revised estimates. It did, however, support the proposal for an additional five-day session of the Commission on the Status of Women and had noted efforts by the members of the Economic and Social Council to reduce the costs associated with that additional session. It understood that the decision to hold the session in New York had been based on information from the Secretariat suggesting that the final cost of the meeting was likely to be lower if New York was the venue.

70. Mr. HOLBORN (Federal Republic of Germany) said that his delegation had voted in favour of the revised estimates, chiefly because of the funds allocated to section 23 of the programme budget. In separate votes on the other sections, his delegation would not have been able to vote in favour of the appropriations. He emphasized the general understanding, expressed by the Advisory Committee in paragraph 26 of its report, regarding further budget cuts and their effects on section 23. The human rights activities of the United Nations had already been hard hit by the economy measures approved earlier in the year.

71. Mr. MURRAY (United Kingdom) said that his delegation, too, had voted in favour of the revised estimates, although, in separate votes on additional funds for activities other than those covered by section 23, it would not have been able to do so.

72. Mr. DEVREUX (Belgium) said that his delegation was still concerned at the effect that a reduction in appropriations might have on the activities of the Centre for Human Rights. It had, however, voted in favour of the revised estimates in the light of the Advisory Committee's recommendations on further cost-cutting measures.

73. Mr. TETTAMANTI (Argentina) said that he had not wished to disrupt the consensus, but would have abstained in a separate vote on the additional session of the Commission on the Status of Women. In the Organization's present financial circumstances, the work to be done at that session should more properly be done at the regular session of the Commission in 1988 or at the first regular session of the Economic and Social Council in 1987.

74. Mr. MUDHO (Kenya) said that his delegation had voted in favour of the revised estimates, and had noted the flexibility shown by some delegations which normally resisted additions to the budget. In a separate vote on the appropriations under section 23 of the programme budget, however, his delegation would have abstained.

International Computing Centre: 1987 budget estimates (A/C.5/41/7)

75. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the 1987 budget estimates of the International Computing Centre (ICC), based on an exchange rate of 2.09 Swiss francs to the United States dollar, amounted to \$6,922,200. Following an examination of the estimates and an exchange of views with the Director of ICC, the Advisory Committee recommended approval of that amount. The share of the United Nations for the use of ICC, which was estimated at \$1,497,500, compared to a 1986 estimate of \$1,420,065, would be met from the resources appropriated (\$3,550,500) under section 28E/G of the programme budget for the biennium 1986-1987. The Secretary-General was therefore not requesting any additional appropriations, and the Advisory Committee expected that, even if the exchange rate between the Swiss franc and the United States dollar were to change, there should be no additional requirement with respect to the United Nations share of ICC expenses.

76. Mr. MICHALSKI (United States of America) said that the Chairman of the Advisory Committee had appeared to imply that the entire amount appropriated under section 28E/G of the programme budget for the biennium 1986-1987 was intended for ICC. He wished to inquire why such a large amount had been appropriated initially, since the United Nations appeared to have absorbed with ease the large increase due to exchange rate changes. He also wished to know if the saving represented by the difference between the appropriated amount and the estimated expenditures for 1986-1987, amounting to some \$600,000, would be reflected in the performance report to be submitted at the current session. The discrepancy between the figure given for 1986 approved estimates in table 1 of document A/C.5/41/7 and the corresponding

(Mr. Michalski, United States)

figure in table 2 required explanation, as did the fact that no residual income received from non-participant organizations which used ICC facilities and designated as "Others" was included in the 1987 funding estimates shown in table 2.

77. Mr. VISLYKH (Union of Soviet Socialist Republics) asked how intergovernmental control over ICC was exercised. He also wished to know what type of work was carried out by ICC at the request of the Secretariat.

78. Mr. HARAN (Israel), noting that the maintenance of 1986 programmes would entail additional expenditure amounting to \$1,052,600, in addition to an amount of \$192,500 to cover inflation, said it was inappropriate that table 1 should also include a figure for programme growth, in view of current financial constraints. It was the view of his delegation that no programme growth should be envisaged for the time being.

79. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), replying to the question raised by the representative of the Soviet Union, said that ICC provided services to various specialized agencies and programmes of the United Nations system, as indicated in table 2, and was not simply a service centre for the United Nations alone. Member States exercised control over the Centre through the programmes which they mandated; for example, any decision made by the United Nations in New York would inevitably affect the use made of ICC by the Organization. If programmes in participating organizations were reduced, the work of the Centre would also be reduced, and vice versa. The management of ICC was overseen by the Centre's Management Committee.

80. In reply to the question raised by the representative of Israel, he said that the figure provided for programme growth represented no more than an estimate, in money terms, of the increase in usage of ICC by participating organizations. It was extremely unlikely that there would be any increase in the use made of the Centre by the United Nations, but there might be an increase in use by some of the specialized agencies or other United Nations bodies. It was therefore quite prudent that the Management Committee should have provided for such an increase. If use of ICC by any organization were to be reduced, the payment made by that organization would also be reduced.

81. Mr. DUVAL (Budget Division), replying to questions raised by the representative of the United States, said that the estimates of \$1,497,500 in respect of the United Nations share for the use of ICC represented less than half of the amount approved under section 28E/G of the programme budget and should cover requirements for the biennium 1986-1987. Nevertheless, at an exchange rate of 2.09 Swiss francs to the United States dollar, there would be a gap between the approved appropriations and actual expenditures. The Organization would only pay for services actually used, adjusted on a quarterly basis when bills were presented. Account was taken of the total services used at the end of each biennium, whereupon adjustments were made to the total appropriation initially approved in the framework of the budget performance report. The difference between the figure for 1986 approved estimates in table 1 and the figure for the estimated

(Mr. Duval)

ICC funding in table 2 was due to the fact that the two figures were calculated at different exchange rates. With regard to the lack of provision for residual income designated as "Others" in table 2, he noted that the current estimates submitted to ICC for the preparation of budget estimates were provisional, and there was no reason to foresee any requirement for services, other than those requested by the organizations listed in table 2, that would entail an increase in the expenses of the Centre.

82. In reply to the question raised by the representative of the Soviet Union, he said that United Nations use of ICC consisted mainly in work for the United Nations Office at Geneva (UNOG), the Statistical Office, the United Nations Conference on Trade and Development (UNCTAD) and the Economic Commission for Europe (ECE). UNOG used the Centre for support services, including accounting, the Statistical Office requested processing of data on trade, UNCTAD used the Centre to update certain computerized systems and ECE made use of the Centre for the processing of data relating to the economic situation in Europe.

83. With regard to the question raised by the representative of Israel, the list of organizations in table 2 showed that the Centre was used by a number of clients other than the United Nations itself, the share of which in the funding of the Centre had remained virtually unchanged and had even declined slightly in 1987 by comparison with 1986.

84. The CHAIRMAN proposed that based on the recommendation of the Advisory Committee, the Fifth Committee should recommend to the General Assembly that the 1987 budget estimates of the International Computing Centre amounting to \$6,922,200 should be approved.

85. It was so decided.

AGENDA ITEM 116: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/41/11)

86. Mr. ALI (Chairman of the Committee on Contributions) said that most of the speakers in the debate had felt that alternative I would not offer any prospect of improvement over the current methodology since it might introduce elements of confrontation among groups and within groups. Some had doubted the simplicity of that approach, while others questioned the validity of creating the three groups proposed. A number of countries, however, had found it sufficiently innovative to justify further consideration.

87. There had been objections to alternative II because it represented a departure from the capacity-to-pay principle. Some countries feared that it would entail an increase in the contributions of the developing countries. A number of delegations, however, had supported alternative II - including Brazil, the Islamic Republic of Iran, Japan, Singapore and Venezuela - because it contained criteria that took into account sovereign equality as well as the different status of Member States under the Charter, such as permanent membership in the Security Council.

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88. Alternative III had been considered unacceptable because it amounted to imposing a membership fee on the members of the Security Council. Alternative IV had been found worthy of further consideration by a small number of delegations. Others had foreseen substantial difficulties in reaching agreement on the definition of a core activity. Some delegations had expressed strong opposition to alternative IV because it would assign lower priority to technical co-operation and operational and specific assistance activities.

89. Replying to the questions raised by the members of the Committee he said that the percentage share figures given in paragraph 15 of the report of the Committee on Contributions (A/41/11) were for information purposes only. The details of how those figures would be used in arriving at approximate group shares had not yet been worked out. It would, therefore, be erroneous to draw any conclusions regarding the percentage change in group shares by comparing the maximum of each indicative range with the 1986-1988 scale. In answer to the question who would absorb the relief granted to developing countries, he said that the group share, which was the aggregate of individual rates of assessment of Member States within the group, already took into account relief granted to individual members of the group in accordance with the low per capita income allowance formula and the scheme of limits in rate variations between two successive scales. Furthermore, if a group felt that, on the basis of the most recent statistical information, additional relief points might be required for the mitigation process, that could be discussed prior to the determination of group shares. Once the group share had been determined, any point reduction for members in a group would necessarily be accommodated within the group itself.

90. A delegation had expressed concern that alternative I would bring about a kind of "freeze" on contributions directly at the level of the groups and indirectly at the level of countries. That need not be the case if the latest information on national and per capita income was taken into account in determining groups shares. Furthermore, the group shares could apply for one scale period to take account of changes in the international economic environment. In that way, that alternative would not hamper the process of change in the scale of assessments.

91. With respect to country assessments, he drew attention to the last sentence in paragraph 19 of the report, on which stated that the Committee would employ more or less the same criteria for each of the countries in all groups, but with the understanding that some of the supplementary criteria and refinements would be more relevant to one group of countries than to the others. In establishing the scale of assessments for 1986-1988, the Committee on Contributions had run into a number of problems when using external debt data for all countries. Thus the supplementary criteria would be more relevant to the third group than to the first two.

92. A number of countries - Canada, Japan, Singapore, Venezuela and Zaire, among others - had expressed their support for further consideration of the conceptual feasibility of assigning a base relief gradient on the basis of a Member State's national income. Others, however, could not accept that procedure because it would

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cause an increase in assessment for many developing countries. Both groups indicated that that was not in accordance with the principle of capacity to pay. Throughout the discussion of the item, there had been general agreement that that principle should be the fundamental basis for assessment. Nevertheless, Member States did not agree on the definition of the principle or on what elements should be taken into account in determining capacity to pay. Some delegations would like the Committee on Contributions to incorporate economic and social factors to reflect a country's true development status, while others were opposed to that approach. The Committee on Contributions, from its very inception, had tried to follow the guidelines given to it by the General Assembly for interpreting the capacity-to-pay principle. The choice of a methodology depended on the objectives of Member States in apportioning the expenses of the Organization. The Nordic countries favoured a more even apportionment of expenses that would lessen the dependence of the Organization on any single Member State, and Japan, Saudi Arabia, Singapore and Venezuela seemed to share that view. The end-result of that proposal would be larger financial contributions by medium-sized States.

93. He expressed satisfaction at the support for the elimination of the special questionnaire for assessment purposes. Lastly, he said that he had taken due note of the opposition expressed by many delegations to the use of price-adjusted exchange rates to adjust the incomes of countries where high internal inflation was not adequately compensated by the exchange rate movement.

94. Mr. CHUA (Singapore) said that the position of his delegation had been incorrectly described, in the statement of the Chairman of the Committee on Contributions, as one of support for the proposal of the Nordic countries. It did not support any reduction in the ceiling contribution, which would constitute a substantial departure from the principle of capacity to pay. It did not, however, oppose the introduction of refinements to the current methodology, such as that proposed by the representative of Saudi Arabia, and would give its support to any measure leading to a more even apportionment of expenses.

95. Mrs. RODRIGUEZ (Venezuela) said that her delegation supported alternative II in principle and hoped that the Committee on Contributions would continue to study that proposal without deviating from the principle of capacity to pay. Her country did not support the proposal of the Nordic countries.

96. Mr. TAKASU (Japan) said that the position of his delegation had not been entirely accurately reflected in the statement by the Chairman of the Committee on Contributions but had been reflected correctly in the official records of the meetings of the Fifth Committee.

97. The CHAIRMAN said that the stated positions of delegations were, in all cases, most accurately reflected in the Committee's official records.

98. Mr. ZONGWE MITONGA M'PUILUA (Zaire) said that the remarks of his delegation had also been better reflected in the Committee's official records than in the statement of the Chairman of the Committee on Contributions.

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99. The CHAIRMAN, noting the twentieth anniversary of Ambassador Amjad Ali's Chairmanship of the Committee on Contributions, said it was the unanimous wish of members of the Committee to pay tribute to Ambassador Ali in the following terms:

"The Fifth Committee,

"Noting with great satisfaction that this year marks the twentieth anniversary of His Excellency Ambassador Amjad Ali's chairmanship of the Committee on Contributions;

"Emphasizing the singular nature of his rare devotion to the service of the Organization;

"Underscoring the very important contribution made by Ambassador Ali and his far-sighted leadership of the Committee over 20 years;

"Recognizing that the substantial progress made by the Committee on Contributions is largely due to the many qualities of H.E. Ambassador Amjad Ali;

"Pays a well-deserved tribute to His Excellency Ambassador Amjad Ali for the excellent and faithful services he has provided to the international community."

The meeting rose at 1.30 p.m.