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### SUMMARY RECORD OF THE 31st MEETING

Chairman:

Mr. MAYCOCK

(Barbados)

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

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AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued) (A/45/30; A/C.5/45/23, 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. HAXTHAUSEN (Denmark), speaking on behalf of the five Lordic countries, said that, while the glossary of technical terms contained in annex I to the report of the International Civil Service Commission (ICSC) (A/45/30) was very helpful, any further efforts to improve the comprehensibility of the report would also be welcome. The crucial importance of the common system for the retention of highly qualified and motivated personnel at all levels involved the establishment of a remuneration system based on the fairest possible methodology. In that connection, the Nordic countries welcomed the increased participation of the Administration and staff representatives in the Commission's deliberations, as well as the suggestions concerning the formation of a tripartite working group on major issues, but requested further details on how those issues would be defined.
- 2. Since the Commission's specific recommendations for the treatment of the housing component in both Group A and field duty stations, as well as for the revised rental subsidy scheme, did not seem to simplify the system as such, further efforts were obviously required. However, the recommendations contained in paragraph 162 of the report did represent steps in the right direction, since any effort to standardize practices in different United Nations bodies was welcome. Noting the serious consequences for the entire common system of a freeze on remuneration, the Nordic countries were inclined to agree with the recommendation contained in paragraph 188 (d), but felt that such a delicate issue needed further clarification and consideration. They also looked forward to the report of the Commission on the monitoring of the net remuneration margin.
- 3. While the recommendation to increase the base/floor salary scale through consolidation of post adjustment classes would not mean an across-the-board salary increase, it would increase the mobility and hardship allowance by approximately \$5 million per annum. The Nordic countries were willing to endorse that increase but would appreciate further clarification as to the relationship between the increase in the base/floor salary scale and the mobility and hardship allowance. With respect to the survey of best prevailing conditions of service in New York for the General Service and related categories, they appreciated the Secretary-General's concern for staff-management relations but also understood the position of the Commission, as expressed in paragraph 306, and hoped that such a situation could be avoided in the future.
- 4. Having already expressed their interest in improving the status of women in the Secretariat, the Nordic countries would at the current stage simply note their satisfaction at the Commission's continuous efforts in that field.
- 5. Turning to the report of the United Nations Joint Staff Pension Board, the Nordic countries were pleased to observe that both ICSC and the Board had agreed on the methodology for determination of the scale of pensionable remuneration, on the

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scale itself and on the procedure for adjusting the scale between comprehensive reviews. They looked forward to the results of the review of the pensionable remuneration and consequent pensions of staff in the General Service and other locally recruited categories to be carried out in 1991. As for the complicated issues involved in the pension adjustment system, they were prepared to accept the transitional measure recommended in paragraph 114 of the Board's report but joined the Advisory Committee on Administrative and Budgetary Questions (ACABQ), with respect to a possible longer-term modification, in cautioning against the introduction of more complexity to an already complex system.

- 6. Noting the view, expressed in document A/C.5/45/7, that the total investment return on the United Nations Joint Staff Pension Fund for the year ended 31 March 1990 compared favourably with other pension funds, the Nordic countries requested more concrete information on that comparison. They also wished to know how the figure for administrative costs quoted in paragraph 139 of the Board's report related to the costs of comparable private pension funds.
- 7. Mr. FERNANDEZ (Philippines) said that the harmonious co-operation between ICSC and the United Nations Joint Staff Pension Board, as well as the full participation in the work of the Commission by the Federation of International Civil Servants' Associations and the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations system, were very positive developments.
- 8. His delegation generally supported the recommendations contained in paragraph 38, subparagraphs (a) and (d), of the ICSC report (A/45/30). However, given the divergence of views concerning the establishment of a margin range for pensionable remuneration, that subject should perhaps be further reviewed. The ultimate aim of any pension structure should be to ensure that recipients were protected from exchange rate fluctuations and decreases in purchasing power either by periodic adjustments or through the development of a self-adjusting flexible mechanism which was responsive to changing economic conditions.
- 9. With regard to housing and remuneration structures, his delegation supported the recommendations to improve the post adjustment system and the rental subsidy scheme, which constituted a serious attempt to correct the inequities of the past. It also endorsed the revised housing arrangements for those at the Assistant Secretary-General, Under-Secretary-General and equivalent levels contained in paragraph 124 (b) of the Commission's report.
- 10. Noting the divergence of opinion regarding the margin between the net remuneration of the United States federal civil service and that of the United Nations system, his delegation felt that the virtual freeze on remuneration which would result from the General Assembly's request that the Commission manage the margin over a five-year period would further erode purchasing power of salaries both in New York and at other duty stations. It therefore urged that the matter be reviewed to determine whether greater flexibility was required. It might also be useful to determine whether it was necessar, to identify a better comparator than the United States federal civil service, where salaries were on average some

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30 per cent lower than in the private sector. Comparisons should, however, cover fringe benefits as well as basic salaries. Although fully recognizing the need for adequate pay, his delegation believed that prudence must be exercised in adjusting salary scales, given the current limitations on resources.

- 11. While periodic review and adjustment of the base/floor salary scale was certainly necessary, a more detailed and clearer explanation of the calculations leading to the recommendation in paragraph 207 of the Commission's report was required in order to justify such a major increase in expenditure. It would also be useful to know to what extent the financial implications of that recommendation would be covered by the provisions on absorption contained in General Assembly resolution 44/198.
- 12. The practice of some Member States of making supplementary payments and deductions was unfair, inconsistent with the staff regulations and had the effect of lowering morale. He urged the States concerned to refrain from that practice and to work within the system for improved employee benefits. While generally supporting all other measures to improve the working conditions of the staff, his delegation emphasized that corrective measures should apply to all job categories and be implemented in an equitable manner.
- 13. Despite an apparently unanimous and sincere desire to improve the status of women at all levels of the Secretariat, the Organization was continuing to fall short of the very conservative goals it had established in that regard. A small increase in the proportion of women staff members at the lower levels had been largely overshadowed by a stagnant if not backward trend at the higher levels. The representation of women from developing countries in the upper echelons was even more disappointing. The failure to provide a viable system of training and preparation for women staff members in order to facilitate their promotion to decision-making positions served as a barrier to their career advancement.
- 14. The situation for male employees was also not entirely satisfactory. The developing countries continued to be significantly underrepresented in higher-level posts and that caused frustration and low morale among able and qualified candidates. While ability and merit should be the sole basis for recruitment and promotion, there was no need to sacrifice those principles in order to improve geographical representation in the upper echelons. What was needed was not so much the development of additional remedies as the prompt implementation of measures which had already been approved.
- 15. With respect to the salary scales recommended by ICSC for staff in the General Service and related categories, his delegation, while having full confidence in the ability of the Commission, was concerned that serious doubts had been cast on the manner in which the research had been conducted and therefore on the validity of its findings. It called for a further review of the issue at the earliest possible opportunity in order to erase all remaining doubts.

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16. In conclusion, his delegation wished to reiterate that all measures to improve the working conditions of the staff should be uniformly and universally applied. The decisions of certain United Nations agencies to make individual adjustments to their salary scales defeated the very idea of a common system. Measures must be instituted to minimize the need for similar decisions in the future.

AGENDA ITEM 118: PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

United Nations Institute for Disarmament Research: request for subvention to the Institute for 1991 (continued) (A/45/7/Add.5 and A/C.5/45/6)

17. The CHAIRMAN said that the decision adopted by the Fifth Committee at its 29th meeting in connection with the Institute for Disarmament Research should have reflected the comments of the Advisory Committee in paragraphs 6 and 7 of document A/45/7/Add.5. If he heard no objection, he would take it that the Committee further recommended, in the context of that decision, that the General Assembly concur in the recommendations made by the Advisory Committee in paragraphs 6 and 7 of its report (A/45/7/Add.5).

## 18. It was so decided.

Programme budget implications of draft resolution A/C.6/45/L.3 concerning agenda item 144 (A/C.5/45/34)

- 19. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that document A/C.5/45/34 contained the Secretary-General's estimates of the financial implications of draft resolution A/C.6/45/L.3. Under the terms of that resolution, the General Assembly would authorize the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization to hold its next session from 4 to 22 February 1991, while requesting the Secretary-General to complete work on the preparation of the draft handbook on the peacoful settlement of disputes between States. The Secretary-General estimated that conference-servicing requirements would amount to \$583,000 but would not require any additional appropriations. He therefore recommended that the Fifth Committee inform the General Assembly that, should it adopt draft resolution A/C.6/45/L.3, no additional appropriations would be required under section 26 or 29 of the programme budget for the biennium 1990-1991.
- 20. The recommendation of the Advisory Committee was adopted without objection.
- 21. Mr. HAMEDA (Libyan Arab Jamahiriya) said that his delegation's participation in the Committee's decision did not alter its position with regard to draft resolution A/C.6/45/L.3, as already expressed in the Sixth Committee. The draft resolution contained no new proposals to enhance the work of the Special Committee and thus failed to reflect important changes in international relations. If the Special Committee was to play its role successfully, it must promote such important principles of the Charter as the sovereign equality of States in fulfilling the Organization's responsibilities for the maintenance of international peace and security.

Programme budget implications of draft resolutions A/45/L.16 and A/45/L.17 concerning agenda item 18 (A/C.5/45/35)

- 22. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General's estimate of the full cost of implementing the 1991 programme of work of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples wou; 'amount to \$270,200. However, in the light of experience over the past three bienniums, it was estimated that no more than \$189,000 would actually be required. Since the unspent balance of the 1990-1991 appropriation was \$206,400, the 1991 programme of work could be accommodated within resources already appropriated. He therefore recommended that the Fifth Committee inform the General Assembly that, should it adopt draft resolutions A/45/L.16 and A/45/L.17, no additional appropriations would be required under the programme budget for the biennium 1990-1991.
- 23. The CHAIRMAN proposed that the Fifth Committee inform the General Assembly that, should it adopt draft resolutions A/45/L.16 and A/45/L.17, no modifications in the programme of work for 1990-1991 as contained in sections 3A, 3B and 27 of the programme budget would be required. Furthermore, on the basis of the information provided in paragraphs 4 to 13 and in annex II of document A/C.5/45/35, it was estimated that no additional appropriation would be required under sections 3 and 27 of the programme budget for the biennium 1990-1991.
- 24. It was so decided.

The meeting rose at 4.10 p.m.