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New York

### SUMMARY RECORD OF THE 41ST MEETING

Chairman:

Mr. MUNTASSER

(Libyan Arab Jamahiriya)

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

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

AGENDA ITEM 107: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (continued) (A/46/6/Rev.1 and A/46/7)

AGENDA ITEM 108: PROGRAMME PLANNING (continued) (A/46/16 and Add.1)

- 1. Mr. SOMOVIA (Chile) said that with the end of the cold war, the United Nations must now attach greater political importance to social issues and focus on developing the tools needed to deal with problems of human security, stemming from economic, social, humanitarian and environmental causes. In so doing, the Organization should strive for the same effectiveness which had characterized its traditional peace-keeping efforts.
- 2. Although the United Nations had accomplished a great deal in the social field, there was much more to be done. At the request of the Secretary-General, he had been holding consultations on the possibility of convening a world summit on social development and had become very familiar with the difficulties which the United Nations faced in tackling the world's social ills. It was essential to ensure the effective utilization of the very limited resources that would be available to the United Nations during the coming biennium. Moreover, since the United Nations would inevitably have to assume increased responsibilities if it was to respond effectively to the needs and expectations of Governments, additional resources would be required, and that reality should be a main concern during the budget preparation process for the biennium 1994-1995.
- 3. Only 5.22 per cent of the current total budget estimates had been allocated for social programmes, of which the Centre for Social Development and Humanitarian Affairs in Vienna was to receive only 0.59 per cent. The United Nations therefore must reassess its priorities and redeploy existing resources for social activities benefiting the needlest members of society.

### First reading (continued)

Section 2. Good offices and peace-making; peace-keeping; research and the collection of information (continued)

- 4. The CHAIRMAN recalled that the Committee had decided to defer consideration of section 2 pending action by the relevant intergovernmental bodies on the question of peace-making. The Special Political Committee had adopted draft resolution A/SPC/46/L.9 at its 25th meeting on 21 November. The fifth preambular paragraph of the draft resolution referred to the question of peace-making.
- 5. Mrs. GOICOCHEA (Cuba) requested the Office of Legal Affairs to inform the Fifth Committee of the justification for the inclusion of the reference to peace-making activities of the Secretary-General, which constituted a new

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mandate, in a preambular paragraph of the draft resolution adopted by the Special Political Committee (A/SPC/46/L.9) rather than in an operative paragraph. That was an unacceptable precedent. Furthermore, the matter unfortunately had not been submitted to the Sixth Committee. Her delegation planned to propose the inclusion in the Fifth Committee's resolution on the item under discussion of an operative paragraph objecting to the violation of precedent she had mentioned.

- 6. The draft resolution adopted by the Special Political Committee included good offices among the peace-making activities of the Secretary-General. However, in the heading of section 2, good offices and peace-making were separate concepts. She asked the Secretariat to clarify where in the medium-term plan the specific activities described in paragraph 2.7 of the proposed programme budget appeared. During the informal consultations on the section, it would be necessary to adjust the language of paragraphs 2.67 and 2.68, and in particular, paragraph 2.68 (f), so that the description of the activities was consistent with the language used in the medium-term plan.
- 7. Lastly, her delegation wished to know what legislative mandate justified the presentation of paragraph 2.71, in particular, the last sentence thereof.
- 8. The CHAIRMAN suggested that the information sought by the Cuban delegation with respect to the draft resolution of the Special Political Committee could be provided in informal consultations, after the Committee adopted section 2 in first reading.
- 9. Mrs. GOICOCHEA (Cuba) said that her delegation wished the information to be provided in a formal meeting of the Fifth Committee.
- 10. Mr. KINCHEN (United Kingdom) said that any request for advice from the Office of Legal Affairs was a matter to be decided on by the Committee as a whole and that his delegation wished to consider the matter further.
- 11. Mr. MICHALSKI (United States of America) said that it was inappropriate for a legal interpretation of a draft resolution of the Special Political Committee to be given in the Fifth Committee. His delegation had no objection to the issue being raised in the informal consultations.
- 12. The CHAIRMAN suggested that since the Committee was pressed for time, delegations should not dwell on whether the legal opinion requested by the Cuban delegation should be given in a Committee meeting or in informal consultations.
- 13. Mrs. GOICOCHEA (Cuba) said that her delegation had no objection to proceeding with the adoption of section 2 in first reading. Her delegation was not seeking legal advice on the concept of peace-making per se. Rather, it wished to know by what authority a new concept creating a new mandate had been included in the preamble to the draft resolution adopted by the Special

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Political Committee, rather than in an operative paragraph. It was necessary to learn what the practice had been in the past.

- 14. She further emphasized that she was not seeking a decision on whether the legal opinion she had requested should be heard in the Fifth Committee itself or in informal consultations. She underscored her delegation's firm belief that the Fifth Committee was fully competent to hear the legal opinion requested.
- 15. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to approve the conclusions and recommendations of the Committee for Programme and Coordination on section 2, as contained in paragraphs 77 to 79 of document A/46/16.
- 16. It was so decided.
- 17. The recommendation of the Advisory Committee for an appropriation in the amount of \$72,071,000 under section 2 of the proposed programme budget for the biennium 1992-1993 was approved in first reading, on the understanding that the issues raised in connection with section 2 would be considered in informal consultations and any necessary adjustments made.
- 18. Mrs. GOICOCHEA (Cuba) said that she presumed that the question of the legal competence of the Fifth Committee in the matter she had raised would be left open.
- 19. The CHAIRMAN said that that was his understanding.
- Section 6. Special political questions; regional cooperation; trusteeship and decolonization (continued) (A/C.5/46/39)
- 20. The CHAIRMAN stated his dissatisfaction at the late submission of the revised estimates under section 6, which had delayed the work of both the Advisory Committee and the Fifth Committee. He suggested that the Committee should defer taking action on the section until the report of the Advisory Committee was available.
- 21. It was so decided.
- Section 27. Economic and Social Commission for Western Asia (continued) (A/46/7/Add.2; A/C.5/46/18)
- 22. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Economic and Social Commission for Western Asia had not discussed its proposed programme of work for the biennium 1992-1993, its sixteenth session having been postponed from April 1991 until April 1992. The proposed programme of work was thus a provisional one, based on that for the biennium 1990-1991. The Advisory Committee was recommending

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approval of the Secretary-General's estimate of \$51,630,000 on the understanding that further revised estimates for section 27 would be submitted to the Assembly at its forty-seventh session.

- 23. Mr. COHEN (United States of America) noted that, according to table 27.5 of the proposed programme budget, there were 188 local-level staff at ESCWA, and that the Advisory Committee had stated that 95 local-level staff members remained in Baghdad (A/46/7/Add.2, para. 4). He asked whether the 95 staff referred to by the Advisory Committee were included in the 188 referred to in table 27.5, and, if so, whether the remaining staff were now in Amman, and what the difference in salary costs between Baghdad and Amman was.
- 24. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that the difference in staff members was accounted for by internationally recruited General Service staff. Local staff had remained in Baghdad, and internationally recruited staff had been moved to Amman. Costs were higher in Baghdad than in Amman, and the difference would be reflected in the revised estimates under the section.
- 25. Mr. COHEN (United States of America) asked for the exact amount to be provided in informal consultations.
- 26. Mr. MORDACO (France) noted that the revised estimates submitted by the Secretary-General under section 27 were higher than the initial estimates, and asked whether the difference would be charged to the contingency fund.
- 27. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that the proposed programme budget had indicated that detailed resource justifications in respect of section 27 would be provided at a later stage, given which the revised estimates now before the Committee were simply part of the budget proposals and did not involve any recourse to the contingency fund.
- 28. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to approve the programme narrative of section 27 as contained in document A/C.5/46/18.
- 29. It was so decided.
- 30. The recommendation of the Advisory Committee for an appropriation in the amount of \$51,630,000 under section 27 of the proposed programme budget for the biennium 1992-1993 was approved in first reading, on the understanding that the issues raised in connection with section 27 would be considered in informal consultations and any necessary adjustments made.

## Section 23. Economic Commission for Africa (continued)

Review of translation and interpretation services for all official languages in the Economic Commission for Africa (continued) (A/46/7/Add.1; A/C.5/46/19)

- 31. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that section 23 contained a provision of \$710,700 for the reviving of the training programme for translators at ECA. The Advisory Committee concurred in the Secretary-General's proposals.
- 32. The Advisory Committee indicated in its report (A/46/7/Add.1) various problems which needed to be resolved. Successful candidates from the ECA training programme had often left the Commission following completion of a few years of service, so that the training programme was essentially providing staff for service elsewhere. The Advisory Committee believed that the Secretary-General should reinforce the contractual obligations of the successful candidates to ensure that they stayed longer at ECA. There was a need for better coordination between Headquarters and ECA with regard to the training, placement and rotation of translators, giving priority to filling vacancies at the Commission.
- 33. With regard to interpretation services, the Advisory Committee had taken the view that the current practice of using freelance interpreters was not efficient. The level of conference services at ECA should be reassessed following completion of the construction programme to determine whether there was justification for full-time interpretation staff who could be redeployed elsewhere for short periods, as necessary.
- 34. Mr. MICHALSKI (United States of America) said that the Secretary-General should submit firm recommendations concerning the contractual status of training programme graduates at the forty-seventh session. There was a need for permanent staff at ECA, and staff members who had been recruited following successful completion of the training course should not then rotate to other duty stations such as New York and Geneva.
- 35. Mr. IRUMBA (Uganda) said that although he agreed with the view of the Advisory Committee that staff should be retained at Addis, the question arose of how that should be done. Part of the problem seemed to be working conditions at ECA, and that aspect should be considered in addition to any contractual arrangements. His delegation also agreed that there was a need to strengthen interpretation services at ECA in order to eliminate the use of freelance staff, but saw no reason to wait until the end of the construction project. Lastly, he assumed that the project to improve the technological capacity of ECA (A/C.5/46/19, para. 15) would be completed by the end of the biennium.
- 36. Mr. ZAHID (Morocco) welcomed the reduction in the vacancy rate at the ECA Translation Services Unit from 41 per cent in 1990 to 33 per cent in August 1991. With regard to retaining staff at ECA, he failed to see how conditions could be imposed on some international staff that were not imposed

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on all others. It might be better to consider the question of motivation of staff at the Commission. His delegation concurred in the Advisory Committee's view that the question of interpretation services could be considered further in the context of the level of conference services required at the Commission following completion of the construction project.

- 37. Mr. LAQUARI (Algeria) said that every effort should be made to ensure that the training programme at ECA resolved the Commission's staffing difficulties in the area of conference services. Particular attention should be paid to the need for Arabic coverage. Further, the Secretary-General should devise incentives to retain staff at the Commission. The use of freelance interpreters was clearly not an efficient practice, given which consideration should be given to a training programme for such staff. The argument that freelance interpreters cost less was not convincing, given the lower level of efficiency that was obtained. He asked what practice was followed at the other regional commissions.
- 38. Mr. MONTHE (Cameroon) said that the General Assembly, in its resolution 45/248 B, had expressed its concern over the difficulties experienced by ECA in the area of conference services, and called for the revival of the training programme. His delegation trusted that every effort would be made to identify appropriate training institutions by the end of 1991. His delegation concurred in the recommendations of the Advisory Committee with regard to the training programme for translators. Further, in view of the number of meetings held at ECA, which was likely to increase, the use of freelance interpretation staff was not an efficient solution. Consideration should be given to establishing a permanent interpretation staff at the Commission, as suggested by the Advisory Committee. Lastly, with regard to other conference services issues, he urged the Secretary-General to strengthen conference services at ECA without waiting for the end of the construction project.
- 39. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that the arrangements for interpreters and translators varied from commission to commission. ESCAP employed translators who also performed interpretation functions, ECE was serviced by the permanent translation and interpretation staff at UNOG, while ECLAC and ESCWA had the same system as ECA.
- 40. The CHAIRMAN said that action on the matter would be deferred pending consultations on the exact wording of the decision.

AGENDA ITEM 116: UNITED NATIONS COMMON SYSTEM (continued) (A/46/30, A/46/275; A/C.5/46/28, A/C.5/46/31, A/C.5/46/33, A/C.5/46/35 and A/C.5/46/45)

AGENDA ITEM 117: UNITED NATIONS PENSION SYSTEM (continued) (A/46/9 and A/46/614; A/C.5/46/15, A/C.5/46/31, A/C.5/46/33 and A/C.5/46/45)

41. Mr. ZAHID (Morocco), speaking on behalf of the member States of the Arab Maghreb Union, said that the aim of the International Civil Service Commission's own review of its functioning (A/46/30, vol. II) was to improve

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its operation as the main United Nations body responsible for regulating and coordinating conditions of employment in the organizations of the common system. According to the report on that functioning by the Administrative Committee on Coordination (ACC) (A/46/275) the Commission's difficulties were not inherent in its statute but in the manner in which the statute had been interpreted. In the opinion of the organizations of the common system, the problems experienced in the Commission's functioning were increasing politicization, lack of appreciation for the differences between organizations of the common system and an overburdened work programme. A number of recommendations were made to solve those difficulties. The Commission, for its part, while reaffirming its independence and objectivity, agreed with ACC that one of its problems was the heavy workload. To cope with that problem, it would need either to reduce its agenda or be given increased means. members of the Arab Maghreb Union considered that the Commission should pursue its efforts to rationalize its agenda while taking duly into account the requests of the General Assembly and the urgency of the matters with which it was required to deal. It should continue to take into account the varying needs of the organizations in the common system and their special concerns. The members of the Arab Maghreb Union agreed with the Commission that the smooth functioning of the common system required cooperation and goodwill from all sides.

- In its resolution 45/241, the General Assembly had requested ICSC to continue to monitor the evolution of the margin and also the impact of the potential changes in the pay levels of the comparator civil service under the Federal Employees Pay Comparability Act of 1990. The aim was to avoid a prolonged freeze of post adjustment and to keep United Nations salaries competitive. On the basis of a number of assumptions, including a probable increase of 4.2 per cent in the CPI and ECI in New York, th Commission had concluded that the implementation of the Act would reduce the margin to 15 per cent in 1994 and 10 per cent by 1996. On the basis of those probable effects, the Commission had recommended the General Assembly to rescind its decision requiring the Commission to manage the margin over a five-year period so that the average margin would be around the midpoint of the range. It had also recommended a transitional measure until 1994 whereby, instead of granting the full increase warranted by the movement of the post adjustment index for New York, only a partial increase would be granted so as to keep the margin within the range approved by the General Assembly. That was a reasonable recommendation and should be given favourable consideration.
- 43. According to paragraph 119 of the report, in 1991 the net base salary of the comparator was 8.6 per cent higher than the United Nations level. The increase for the United States federal civil service, that would take place in 1992 would increase the gap to almost 13 per cent. The Commission accordingly recommended that the current base/floor salary scale should be increased by 8.6 per cent. The financial implications of the recommendation would be some \$5,880,000, most of which would be covered by extrabudgetary funds. Given the size of the gap between the comparator service and the United Nations, the members of the Arab Maghreb Union believed that base

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salaries should be increased, bearing in mind the financial implications of the recommendation for the budget of the United Nations and those of the other organizations of the common system.

- 44. The Commission had engaged in a comprehensive review of the conditions of service of Assistant Secretaries-General and Under-Secretaries-General. Since it had not succeeded in establishing direct grade equivalencies between the common system and the comparator service, it had been obliged to set approximate working equivalents. It had recommended an increase in net remuneration levels for Assistant Secretaries-General and Under-Secretaries-General in the range of 7 to 11 per cent, in order to reflect improved conditions of service at the equivalent levels of the Executive Schedule of the comparator service. It had further recommended that housing arrangements and representation allowances should be left to the discretion of the executive heads of the common system. The members of the Arab Maghreb Union, while supporting an increase in principle, considered that the amount of the increase should be determined during the informal consultations on the basis of additional information about its impact.
- 45. In accordance with General Assembly resolution 45/242, the Commission, in cooperation with the United Nations Joint Staff Pension Board, had reviewed the methodology for determining the pensionable remuneration of ungraded officials, including the executive heads of member organizations, who were participants in the Pension Fund. The Commission recommended that the procedure used for the Administrator of the United Nations Development Programme and the Director-General for Development and International Economic Cooperation should be applied to all ungraded officials, whether appointed or elected, who were participants in the Fund. The members of the Arab Maghreb Union had no objection to that recommendation.
- 46. ICSC and the Pension Board had also examined the question of pensionable remuneration for General Service staff but had been unable to agree on a recommendation. The representatives of the staff had argued in favour of keeping the current system on the grounds that it had worked well and needed only minor modifications. The Commission suggested that the current method should be retained pending a comprehensive study of the matter to be carried out in stages according to the time-frame proposed in paragraph 84 of its report. The members of the Arab Maghreb Union were in favour of carrying out that study bearing in mind the opinion of the staff representatives who were in favour of keeping the current system.
- 47. Mr. OSELLA (Argentina) said that his delegation shared the concern expressed by ICSC at the decision of the International Labour Organisation to establish a Voluntary Thrift Benefit Fund, and at the unilateral action by the International Telecommunication Union to grant a special post allowance, and agreed that those decisions should not set a precedent. The Fifth Committee had a responsibility to stress the advantages to executive heads and to Member States of a genuine common system which would prevent anomalies of that kind.

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- 48. As far as the functioning of ICSC was concerned, the Commission could do very little unless Member States and executive heads were united in a determination to preserve the common system. His delegation had noted the opinion of ACC regarding the increasing politicization of the Commission, its lack of appreciation for the differences between the various organizations. its overburdened work programme and its increasingly regulatory approach. The Commission undoubtedly had a very difficult mandate but it had always maintained a high level of technical skill, impartiality and independence. Its authority as a subsidiary body of the General Assembly in all matters relating to the conditions of service of international civil servants should be ratified. There had been improvements in its functioning, such as the recent changes in the format of its reports. The tripartite working groups were an effective means of settling matters involving staff associations, agencies and Member States, and should be convened whenever the Commission thought it advisable. The appointment of the Commission's members should be based on the need for a balance between experience and technical skill and the need for new blood. The recommendation that appointments should be limited to three terms would seem best suited to achieve that balance. If the current effort to rationalize the work of the General Assembly succeeded in biennializing consideration of a number of agenda items, the United Nations common system should not be an exception to that rule, but the Commission should continue to report each year so that Member States could be kept informed about the many matters with which it dealt.
- 49. Turning to the recommendations contained in the Commission's current report (A/46/30), he said that it was two years since the General Assembly had decided to maintain the margin between the common system and the comparator service at around 115 over a five-year period, on the understanding that it made possible a consensus on the resolution proposing a general increase of 5 per cent. The implementation of that decision had led in the short run to a freeze of salaries for United Nations staff. A solution should be found that would keep salaries at a level that could attract the best candidates. The Committee's decision should take into account the effects of the United States Federal Employees Pay Comparability Act, which was intended to reduce the disparity between the private and public sectors over the next 10 years. Beginning in 1994, the effects of the Act would be encouraging for the United Nations system.
- 50. The Commission and the Joint Staff Pension Board had both continued their study of pensionable remuneration and the pensions system. No agreement had been reached in the Board about whether the current methodology caused problems or anomalies, but the Board should pursue its consideration of the matter and reach a definitive conclusion on the matter at its summer session. The options proposed were retaining the current methodology, applying local practice according to the best prevailing conditions at each duty station, the income replacement concept and using local taxes to gross up net salaries. Until the study of the effects of those proposals had been completed, the current methodology should be retained. When the studies were complete, the

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Commission should give priority to reviewing the methodology and proposing concrete solutions. His delegation was pleased by the report of the Fund's investment income and regarded the 3.8 per cent real rate of return as gratifying. It was also gratified by the effort to increase investments in developing countries, many of which were applying tax reform and economic stabilization policies.

- 51. Mr. KABIR (Bangladesh) said that his delegation attached great importance to maintaining the integrity and unity of the common system. Given the diversity of objectives and operational requirements within the system, that was not an easy task and would require cooperation, goodwill and confidence on all sides. The recent decisions by ILO and ITU were not consistent with the common system and constituted a threat to it. The instrument that the General Assembly had created in 1974 to regulate and coordinate the conditions of employment of the staff throughout the system, namely, ICSC, was still valid and the fundamental concept must be preserved. His delegation shared the Commission's concern and fully supported its recommendations in that connection, and hoped that confidence between the Commission and the other organizations of the common system would be restored through greater understanding of each other's roles and requirements. It hoped that, in future, conditions of employment in all the organizations of the common system would be coordinated through the Commission.
- 52. The Commission's review of its own functioning (A/46/30, vol. II) showed that it was functioning well. Several improvements had been made in its reporting methods, including greater transparency. His delegation was encouraged by the Commission's avowed intention to improve its operations and would support any measure aimed at strengthening its effectiveness, independence and impartiality.
- The question of the net remuneration margin for the Professional and higher categories of staff was a complex issue that merited careful consideration. The Commission's recommendations regarding the removal of the five-year averaging requirement and the granting of a partial post adjustment needed to be viewed in the context of the serious impact of the long freeze on the remuneration of the Professional staff and its consequent decline in real value. His delegation supported the Commission's recommendations in that respect. An upward adjustment of net base salaries by 8.6 per cent would bring them in line with those of the comparator civil service. His delegation was in favour of the increase, which would allow the Organization to recruit and retain the best qualified staff. There were also grounds for improving the conditions of service of Assistant Secretaries-General and Under-Secretaries-General, but the matter could perhaps best be dealt with in the informal consultations, using a pragmatic and prudent approach. His delegation also supported the Commission's recommendations on the pensionable remuneration of ungraded officials. If the governing bodies of some of the organizations in the system wished to keep their elected officials out of the Joint Staff Pension Fund, it was their prerogative to do so. However, once

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those officials became participants in the Fund, their pensionable remuneration should be determined according to the common system approach.

- 54. His delegation had carefully examined the views of the Joint Staff Pension Board on the proposed modifications to the pension adjustment system. The Board's recommendation would make the system more stable and merited favourable consideration. He was happy to note that the real rate of return on the Pension Fund's investments for 1990 was 3.8 per cent despite adverse economic conditions and turmoil in the financial markets. The Fund's defensive strategy and its policy of diversification had protected it in a difficult time. He commended the Investment Committee on its work and hoped that it would continue to ensure steady income through its judicious policies.
- 55. Mr. DUHALT (Mexico) said that the technical complexity and political delicacy of the items relating to conditions of service gave them a special place in the Fifth Committee's work programme. It was the Committee's responsibility to adopt a series of measures that would strengthen the common system, maintaining a delicate balance between what would be technically desirable and what was politically satisfactory. The legitimate interests of the men and women working for the United Nations system must be considered in the light of the administrative necessities that ensued from a system of human resources management which while aiming to be coherent and fair must accord with the financial limitations faced by the organizations of the system as a whole.
- opportunity to hear the views and requests of various representatives of the staff. In some cases, the tone of the interventions had been frank and respectful. In others, however, it had been regrettably aggressive and confrontacional. His delegation was always ready to listen to the staff and urged them to continue to participate in the dialogue. At the same time, however, together with their recommendations for improved conditions of service, the staff associations should make recommendations for improving productivity. Constantly improving the productivity of the international civil service was a joint responsibility of Member States, administrations and staff. His delegation was sure that, on the basis of the Noblemaire principle, the United Nations could achieve a civil service more productive than any national system.
- 57. In general, the Commission's recommendations to the General Assembly seemed solidly based. All of them would, no doubt, receive detailed consideration during the informal consultations. Among those which his delegation regarded as particularly important was that concerning the evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations. There were two dimensions to the problem. On the one hand, the decisions adopted would have important repercussions on the technical management of the relationship between conditions of service in the United Nations system and those of the

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comparator. On the other, they could have serious political effocts on the wider aspects of staff management system-wide. His delegation shared the views expressed by the Commission and hoped that the matter would be dealt with in the Fifth Committee in a spirit of political flexibility, taking fully into account the probable effects of the 1990 United States Federal Employees Pay Comparability Act.

- 58. The Commission also made a number of recommendations on adjustments to the remuneration system that had financial implications for Member States, including the proposed increase in the base/floor scale and the increase in the remuneration of Under-Secretaries-General and Assistant Secretaries-General. His delegation generally agreed with the rationale for the recommendations and hoped that the Fifth Committee would be able to find a solution that would be satisfactory to all parties.
- The functioning of ICSC was a matter of constant interest to Member States as well as to the administrations and staff of the system. His delegation expressed appreciation of the Commission's work and the constant efforts of its Chairman to improve communications with Member States. The General Assembly would need to consider the various recommendations for improving the Commission's functioning in depth before any decision was taken. The Commission's current status as an expert body should be maintained. Making it a tripartite organ, far from reducing the political character of some of its discussions, could turn it into a kind of labour negotiations forum contrary to the principles upon which it had been established. Its heavy workload had not been conducive to the study of general issues related to strategic planning for the system as a whole. His delegation hoped that the Commission's programme of work for 1992 could include a special meeting to be devoted to the consideration of ways of strengthening the common system and promoting mobility of staff among the specialized agencies.
- 60. Turning to the report of the Joint Staff Pension Board (A/46/9), he said that the Board's programme of work had included items of great importance to the operation of the Pension Fund, such as the detailed consideration of the pensionable remuneration of General Service staff, the methodology for determining the pensionable remuneration of ungraded officials and the pension adjustment system. Unfortunately, there had been no consensus on some of those topics ragarding the recommendations to be submitted to the General Assembly. In respect of the pension adjustment system, his delegation supported the Board's recommendation that the "Washington Formula" should be modified as indicated in paragraph 175 of the report. The recommendation was the outcome of lengthy and difficult negotiations among all the members of the Board. The Board's deliberations had taken place in conditions of great pressure. Unfortunately, action in defence of staff interests had taken the form of physical interference in the discussion. It was to be hoped that, in future, the Board would be able to conduct its proceedings in an atmosphere of tranquillity and respect conducive to calm and objective decision-making.

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61. In conclusion, he expressed his delegation's satisfaction at the considerable decline in the actuarial imbalance of the Pension Fund and the positive real rate of return on its investments for the ninth straight year. That result was evidence of the excellent work of the Investment Committee, which had succeeded in combining safety, profitability, liquidity and convertibility in managing the Fund's resources and at the same time ensuring the geographical diversity of the investment portfolio.

AGENDA ITEM 114: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (castinued) (A/46/11 and Add.1 and Add.2/Rev.1)

- 62. Mr. LOOTAH (United Arab Emirates) said that the sharp increase in his country's share of the regular budget in recent years, from 0.07 per cent for 1980-1982 to a proposed 0.21 per cent for 1992-1994, was unfair. The scale of assessments had not taken account of the economic impact of the Gulf war on his country or the great fluctuations in oil prices. In addition, his country had heavy commitments as regards both internal development and foreign aid to developing countries. He urged the Committee to take all those factors into account in determining the scale of assessments. His delegation favoured retaining the current scale of assessments until further consideration could be given to a new methodology which took into account the increase in the number of Member States and which assessed countries according to the human development index compiled by the United Nations Development Programme and described in the Human Development Report 1990. In conclusion, his delegation did not agree entirely with the proposals of the Committee on Contributions, and hoped for constructive negotiations which would guarantee the interests of each State on a basis of justice and equality,
- 63. Mr. AL-DOSARI (Bahrain) said that the Committee on Contributions had increased his country's assessment from 0.02 per cent to 0.03 per cent without taking into account the recession engendered in the region by the Gulf war and The cost of the crisis to Bahrain between August 1990 and its aftormath. June 1991 had been calculated at \$1,908 million. The Committee on Contributions had used national income statistics for 1980-1989 in drawing up the machine scale. His delegation reiterated its reservations regarding the use of such a long statistical base period, especially in the case of oil-producing countries, whose national incomes had fallen sharply, thereby hampering their economic and social development. In the case of those countries it would have been more appropriate to use statistics for the subsequent two years, 1990 and 1991, in which more momentous changes had occurred than throughout the entire period 1980-1989. Furthermore, some countries had been stricken by natural or man-made disasters, which had affected their capacity to pay. It was inadmissible to ignore that the capacity to pay of many countries had been impaired by unfavourable economic circumstances, even though his delegation agreed with the capacity to pay as a basic criterion of the current methodology.

(Mr. Al-Dosari, Bahrain)

64. His delegation felt that the use of national income as an indicator was imprecise and misleading in measuring social well-being in small island States. He noted that the United Nations had adopted resolutions providing for specific measures in favour of developing island countries, whose economic problems were compounded by a series of factors such as the limited scale of the local market, which resulted in higher production and import costs. Financial resources available for economic and social development were also limited, as were natural resources, especially in the case of countries which relied on one main non-renewable natural resource, oil. Heavy reliance on the world market for imports and exports made the national economy particularly vulnerable to fluctuations in supply and demand, which made it more difficult to estimate the resources available or required to finance development projects. Government revenue was falling with the continuing decline in oil production levels. The scarcity of water for domestic and agricultural purposes had reduced the area of land under cultivation, which accounted for no more than 2 per cent of the gross domestic product (GDP). It was important to take account of all those factors in drawing up the assessment scales and not to rely solely on the criterion of national income. The regrettable increase in Bahrain's assessment to the United Nations budget was bound to be at the expense of Bahrain's contributions to specialized agencies and hence would affect the country's economic and social development efforts.

The meeting rose at 5.45 p.m.