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Monday, 18 November 1991  
at 3 p.m.  
New York

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SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. MUNTASSER (Libyan Arab Jamahiriya)

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

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20 P.

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

AGENDA ITEM 115: PERSONNEL QUESTIONS (continued) (A/46/370 and 377, A/C.5/46/2, A/C.5/46/4 and Add.1, A/C.5/46/7, A/C.5/46/9, A/C.5/46/13, A/C.5/46/16 and A/C.5/46/21)

(a) COMPOSITION OF THE SECRETARIAT (continued)

(b) RESPECT FOR THE PRIVILEGES AND IMMUNITIES OF OFFICIALS OF THE UNITED NATIONS AND THE SPECIALIZED AGENCIES AND RELATED ORGANIZATIONS (continued)

(c) OTHER PERSONNEL QUESTIONS (continued)

1. Mr. SPAANS (Netherlands), speaking on behalf of the Twelve States members of the European Community, emphasized that the staff of the Organization was its most important asset and enabled it to play an increasingly important role in dealing with existing and new tasks. Accordingly, the Twelve would like to know why several reports on personnel questions requested in resolution 45/239 had not been issued. Indeed, most of the reports now available had been distributed so late that they could not be given serious consideration by the Committee. Since the agenda item was very important, the Twelve supported the proposals for it to be considered on a biennial basis, for the Committee would then be able to give more time to it. The former framework of budget years and personnel years could be used as a basis for discussion of the biennialization of agenda items.

2. Since the Secretariat was a principal organ of the United Nations, Member States must respect the relevant provisions of the Charter, in particular Articles 97 and 101. Staff members were not the representatives of Member States, and there must be no form of discrimination in making appointments to the Secretariat.

3. The Twelve had taken note of the alternative options for desirable ranges for the geographical distribution of staff in the Professional category and above set out in the report of the Secretary-General (A/C.5/46/2). Discussion of the options could easily take up the remaining time available to the Committee, and the representative of Japan had been right to point out that in any event what one country gained, another lost. The use of desirable ranges was an indicator of the extent to which the Organization was fulfilling the requirements of Article 101, paragraph 3, of the Charter to recruit staff "on as wide a geographical basis as possible". Member States would not be brought within their desirable ranges by changing the relative weight of the factors which determined them. The Twelve emphasized the need for adequate representation of Member States in accordance with the Charter. Geographical groupings could serve only as a basis for comparing statistical data over the years. Representation was better considered individually rather than in the groups indicated in the Secretary-General's report on the composition of the Secretariat (A/46/370). Collectively the Twelve were below the mid-point of

(Mr. Spaans, Netherlands)

the desirable ranges; individually, an increasing number of them was underrepresented and none was overrepresented. They hoped that the Secretary-General would take that fact into account in the recruitment process.

4. The ability of the Secretariat to attract and retain highly qualified staff was a source of concern. The Secretary-General and the International Civil Service Commission (ICSC) should study ways of improving the working climate: good personnel practice required appropriate financial incentives and a consistent career-development policy for all staff. In that connection, more attention should be given to the training of present and future management staff in order to make the United Nations system more challenging and rewarding for highly skilled officials. A professional career-development system should be linked to a competitive promotion policy. The Twelve had studied with interest the views of the staff representatives set out in document A/C.5/46/21.

5. The Twelve agreed with the view expressed by the Secretary-General in his analytical report on the implementation of resolution 41/213 (A/45/226, para. 202) that the concept of an international civil service implied that a significant number of staff would spend a large portion of their careers in the Organization, but that their knowledge and skills when entering did not necessarily equip them for years of service in the Organization. The analytical report also referred (para. 204) to the need to evaluate the training programmes and monitor the optimum utilization of allocated resources. The Twelve would welcome a progress report on those two points in the next personnel year.

6. The Twelve had noted with satisfaction from the report of the Secretary-General on improvement of the status of women in the Secretariat (A/46/377) that some progress had been made in that field. Consistent with the provisions of Article 8 of the Charter, they reiterated their commitment to increasing the recruitment of women, in particular at the highest levels. They urged Member States to put forward qualified women candidates and the Secretariat to step up its search for women recruits. At the previous session, ICSC had correctly referred to the need to overcome "traditional attitudes". The delay in the preparation of the action programme for the advancement of women requested in paragraph 6 of resolution 45/239 C was regrettable; the Secretary-General should submit the programme and the comprehensive evaluation and analysis to the General Assembly in time for the forty-seventh session.

7. The Twelve could in general support the findings of the Joint Inspection Unit (JIU) contained in its report on rotation of staff within the United Nations (JIU/REP/91/3, annexed to document A/46/326), but they would welcome clarification of recommendations 5 (a) and (b). As well as offering opportunities for career development, a rotation system could facilitate redeployment of staff and thus enhance efficiency. However, the advantages must be weighed against the costs, and the Twelve would like to hear the views

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of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

8. The use of competitive examinations for normal recruitment at the P-1 and P-2 levels was welcome, but it might result in a concentration of representation of Member States at the lower levels. The delay in the recruitment of successful candidates was also a source of concern. Paragraph 43 of the report on the composition of the Secretariat indicated that 19 candidates had been recruited to P-1 and P-2 posts outside the context of national competitive examinations. The Twelve would be grateful for an explanation from the Secretariat and recommended improvement of the coordination between the recruitment and examinations units so that one did not undo the work of the other. They favoured the inclusion of the P-3 level in competitive examinations, but care should be taken not to jeopardize the promotion prospects of P-2 staff. Other means of competitive selection might be useful for external recruitment at levels higher than P-3; recommendation 43 of the Group of High-level Intergovernmental Experts was relevant in that regard, as was resolution 43/224 B. In principle, posts should be open to nationals of all Member States, and the decision to open up the procedure for application for D-2 posts was an initial step which deserved to be followed up.

9. The Twelve would welcome clarification of the criteria governing posts subject to geographical distribution. With regard to language posts, they sought information about the number of candidates recruited in the past year, the rules governing eligibility to take the examinations, the grounds on which candidates could be excluded from the examinations, and the way in which the Secretariat applied the concepts of mother tongue and language of education.

10. The introduction of a ten-year limit on the employment of officials at the level of under-secretary-general and assistant secretary-general should be given urgent consideration.

11. As stated in the report of the Secretary-General on secondment from government service (A/C.5/46/9), secondment could be beneficial to both the Organization and Member States. However, the terms for secondment must be spelled out clearly, particularly with regard to the status of the official concerned. A person seconded to the United Nations became an independent international civil servant without any ties whatsoever to his country's Government. The Twelve accepted the legislative changes proposed in the annex to the report and reiterated their commitment to Article 101, paragraph 3, of the Charter as being the standard for the recruitment of staff.

12. The report of the Secretary-General on the administration of justice in the Secretariat (A/C.5/46/7) had not been requested for the current session. Perhaps the Secretariat could explain the reason for its early submission, especially since other reports had not been issued at all. The Twelve were intrigued by the remark in paragraph 25 of the report that the reform

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programme was working "reasonably well"; the increase in the number of cases could be attributed to reasons other than the greater confidence of staff members in the redress procedures.

13. Lastly, the Twelve drew the Committee's attention to the question of the employment of spouses raised in resolution 36/130, on which little action appeared to have been taken. They would welcome further information from the Secretariat and hoped that the issue could be discussed at the next session.

14. Mr. COSTA PEREIRA (Portugal) said that his delegation fully supported the views expressed by the representative of the Netherlands on behalf of the Twelve States members of the European Community.

15. For the second consecutive year, Portugal found itself in the group of underrepresented countries. Competitive examinations were a useful tool for bringing underrepresented countries into their desirable ranges, and the examinations held in Portugal in May 1989 had therefore been welcome. However, 18 months later only one of the two successful candidates had been recruited, notwithstanding the request made in paragraph 5 of part I of resolution 45/239 A for the Secretary-General to expedite the recruitment of successful candidates. Furthermore, the practice of recruiting for P-1 and P-2 posts outside the context of the competitive examinations seemed to defeat their purpose. His delegation would like the Secretariat to justify the 19 exceptions mentioned in the Secretary-General's report (A/46/370, para. 43), for there was a troubling lack of coordination between the recruitment and examinations units. Such coordination should be improved as part of the proposed strengthening of the examinations unit.

16. The recruitment of his country's two successful candidates would bring it just within its desirable range. Portugal had never been represented at the decision-making level, and its three current staff members were at the P-3 and P-4 levels. His delegation emphasized the importance of paragraph 7 of part I of resolution 45/239 A in that respect, in particular the request that service at the level of under-secretary-general and assistant secretary-general should be limited to 10 years. Although paragraph 8 of the same resolution reaffirmed that no post should be the exclusive preserve of any Member State or group of States, paragraph 27 of the Secretary-General's report on the composition of the Secretariat indicated that no improvement had been made in that area: four of the six posts falling vacant had been filled by nationals of the same countries. His country attached great importance to the need to secure staff of the highest standards, but such standards were not restricted to a few persons, and it was to be hoped that the inequitable situation would be corrected.

17. Mr. STÖCKL (Germany) said that his delegation endorsed the statement made by the representative of the Netherlands on behalf of the Twelve States members of the European community.

(Mr. Stöckl, Germany)

18. His country was still underrepresented in the Secretariat. Although an effort had been made to correct the situation by holding competitive examinations in Germany, there had been a regrettable delay in the recruitment of the successful candidates. In future they should be recruited within a reasonable period of time, and at least the most qualified of his country's junior Professional officers should be offered permanent appointments. In order to increase the percentage of women in Professional posts, his country supported the proposal that vacancies for posts at the P-3 and higher levels should be open to external women candidates.

19. In view of the provisions of resolution 45/239, his delegation was confident that, by mid-1992, Germany would no longer be represented at a level below its desirable range. Even a permanent position near the bottom of the range was not desirable, since normal staff turnover could mean a return to the status of underrepresented country. The efforts made by the Office of Human Resources Management (OHRM) to recruit staff from unrepresented and underrepresented States should not be belittled, but it must be pointed out that recruitment from such States had fallen from 29.7 to merely 16.4 per cent since the previous report. It was to be hoped that the coming year would see an improvement in that situation and that staff would be recruited from overrepresented States and States which were near the upper end of their range only in exceptional cases.

20. His Government also wished to have an adequate qualitative representation in the Secretariat. At present, Germany was represented at the policy-making level by only one Under-Secretary-General and two D-2 officers, ranking twelfth with respect to posts at the D-2 and higher levels. That was entirely unsatisfactory, for Germany was the fourth-largest contributor to the Organization and actively involved in its work. The provisions of resolution 45/239 should be recalled in that regard. Eighteen years after its admission to membership in the United Nations his country should be accorded adequate representation with respect to both number and level. His delegation wished nevertheless to pay a tribute to OHRM, which had coped well with a much increased workload in the past year.

21. Mr. ERDENECHULUUN (Mongolia) said that, at a time when a new world order was beginning to take shape, there was a greater need than ever to adapt the activities and structures of the United Nations and improve the coordination of international organizations and the utilization of their resources. The staff was certainly the Organization's most important asset and it should be representative of all Member States on the basis of the principles of equitable geographical representation and proper qualifications. However, unrepresented or underrepresented States had increased in number from 30 to 33, and overrepresented States from 19 to 23. Although the number of unrepresented States had been reduced, the 7 new Member States would force it up from 9 to 16. The Secretariat and Governments must therefore continue their efforts to achieve equitable representation.

(Mr. Erdenechuluun, Mongolia)

22. His own country was one of the most seriously underrepresented States, having only one staff member in the Secretariat even though the mid-point of its desirable range was seven. There was, however, some prospect of improvement: earlier in 1991 the Secretariat had organized preliminary interviews with Mongolian nationals, and a national competitive examination was to be held in 1992. His Government appreciated those moves and was ready to continue to cooperate with the Secretariat. Competitive examinations offered the most objective method of recruitment, and while permanent contracts had their advantages, fixed-term contracts were also useful in bringing in staff with new ideas. The Secretariat must give priority in geographical distribution to women from underrepresented or unrepresented States, for the percentage of women staff members from developing countries remained far below the target of 30 per cent.

23. The report of the Secretary-General on respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (A/C.5/46/4 and Add.1) noted certain positive developments, but the number of cases of arrest and detention remained very high. His delegation urged the Governments involved to live up to their obligation to respect the privileges and immunities in question.

24. Mrs. CLIFF (United Kingdom) said that her delegation associated itself fully with the statement made by the representative of the Netherlands on behalf of the European Community. It wished, however, to reaffirm its commitment to the relevant provisions of the Charter, contained in Article 8 and Article 101, paragraph 3, and to express its belief that the prerogative of the Secretary-General should be upheld. As the chief administrative officer of the Organization, he deserved the full support and respect of the Assembly in his efforts.

25. Mr. CISS (Assistant Secretary-General for Human Resources Management) said that the Secretariat shared the concern that had been expressed regarding the number of unrepresented and underrepresented Member States and was making great efforts to improve the situation. Its task was complicated by the fact that the number of staff of any given nationality fluctuated as a result of retirements and other separations from service, transfers from posts not subject to geographical distribution, and promotions from the General Service to the Professional category. With respect to the increase in the number of underrepresented States, the situation of three of those States, Djibouti, Dominica and Mozambique, had actually improved, since they had formerly been unrepresented. The underrepresentation of Spain and Botswana was due to the separation from service of some of their nationals - six in the case of Spain and one from Botswana.

26. While respecting the principle that the paramount consideration in the employment of the staff should be efficiency, competence and integrity, the Secretariat recognized the need to intensify its efforts to remedy the situation of unrepresented or underrepresented countries. It would continue

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to make use of national competitive examinations, which had proved to be an effective tool, and it planned to take action along the lines suggested by the representative of Japan to improve geographical distribution and the representation of women.

27. Responding to the questions asked by the representative of Cuba, he said that, first of all, it was often very difficult to convince developing countries to propose candidates and to accept national competitive examinations. Nevertheless, as indicated in Table C of the Secretary-General's report on the composition of the Secretariat (A/46/370), in 1991, 181 of the 371 posts at the D-1 level and above were held by nationals of developing countries. That represented 48.8 per cent over, the highest percentage since 1987.

28. Between June 1990 and July 1991, four women had been appointed to posts at the D-1 level and above, two of them nationals of developing countries. More recently, between 30 June 1991 and 30 September 1991, the percentage of women in posts subject to geographical distribution had risen from 29.2 per cent to 29.4 per cent and the number of women at the D-1 level and above, from 8.6 per cent to 9.5 per cent.

29. There were a number of reasons for the regrettable delays in the recruitment of some of the candidates who had been successful in the 1989 and 1990 national competitive examinations. The Economic Commission for Africa (ECA) and the Economic and Social Commission for Western Asia (ESCWA), which normally absorbed a number of those candidates, had suspended all recruitment as a result of developments in their regions. Furthermore, in connection with the transfer of offices from Baghdad to Amman, a number of ESCWA staff at the P-2 level had been temporarily placed in P-2 posts at other duty stations that would otherwise have been filled by recruitment. Lastly, a number of appointments at the P-2 level had been made outside the context of national competitive examinations under a liberal policy of exceptions - which had now been discontinued - aimed, inter alia, at improving the representation of women. OHRM would be taking steps to strengthen coordination in the identification of posts and the placement of candidates.

30. As the representative of Japan had noted, the number of appointments made in the context of competitive examinations had dropped from 69 to 29 for the period covered by the report. However, it was necessary to take into account the considerable fluctuation in the number of such appointments: there had been an unprecedented 70 in 1990, compared to an average of 30 in previous years. He wished to assure the representatives of Indonesia, Portugal and Romania that every effort was being made to ensure that all the candidates who had been successful in competitive examinations in their countries would soon be recruited.

31. The representative of Denmark, speaking on behalf of the Nordic countries, had requested an explanation concerning the exceptions to



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recruitment by competitive examinations for posts at the P-2 level. Under the aforementioned liberal policy of exceptions, 10 women had been recruited to posts at the P-2 level during the second half of 1990. In addition, during the same period, six men had been recruited at the P-2 level for highly specialized posts for which there had been no successful candidates in the competitive examinations. That policy had been discontinued as a result of reservations expressed in the Committee during the forty-fifth session of the General Assembly and in 1991 only three exceptions had been approved, two for candidates whose fields of expertise had not been represented among the candidates successful in the examinations and one for a candidate from an unrepresented country in which it had been impossible to hold an examination.

32. With respect to the distribution of vacancy announcements, the Secretariat would take the necessary steps to ensure that they were issued far enough in advance for all interested Governments to submit candidates. Governments might find it easier to respond if they followed the example of some of their number, which maintained files of interested and qualified candidates for posts which were regularly available within the Secretariat. In that connection, he wished to thank those delegations which had offered to place staff at the disposal of the United Nations Transitional Authority in Cambodia (UNTAC). OHRM would contact them as soon as it was able to identify all the staffing needs.

33. In response to the comments of a number of delegations, he wished to recall the principles governing the geographical distribution of posts. Whether or not a post was subject to geographical distribution did not necessarily depend on the source of financing, but mainly on the functions attached to the post and the method of appointment. Posts in the subsidiary organs listed in paragraph 5 of document A/C.5/46/2 were not subject to geographical distribution, as the heads of those organs, with the explicit approval of the General Assembly, had the authority to make all decisions relating to appointments. For financial reasons, posts in the General Service category, which could be filled locally, were excluded from the system of geographical distribution. Language posts were also excluded from that system, because the skills required were not available in all Member States. In order to guarantee the quality of work, candidates for language posts were required to have as their main language the language into which they would work. While a person's main language was usually his or her mother tongue, it might also be the language in which he or she had been educated, or that spoken in a country in which he or she had worked for many years. In response to the question posed by the representative of the Netherlands on behalf of the European Community, from September 1990 to September 1991, there had been 27 appointments to language posts on contracts for one year or more.

34. Responding to the questions asked by the Indian and Pakistani delegations, he said that the Secretariat currently had 8,981 staff in the General Service category and 718 Field Service staff. Tables indicating the distribution of those posts by nationality would be distributed as soon as

(Mr. Ciss)

possible. Of the 81 new posts requested in the proposed programme budget for the biennium 1992-1993, 39 were General Service posts, 6 were Professional posts in subsidiary organs not subject to geographical distribution, and 36 were posts subject to geographical distribution. From 1987 to 1991, the total number of posts in the Secretariat as a whole had declined from 23,667 to 23,015. Those figures did not include some 2,000 operational posts linked to technical cooperation and humanitarian assistance. By the forty-seventh session of the General Assembly, it would be possible to submit statistical tables indicating the nationality of Secretariat staff serving in posts financed from extrabudgetary resources, in accordance with General Assembly resolution 45/239.

35. As the representative of Romania had rightly stated, the Secretariat needed to concern itself not only with recruiting nationals of unrepresented and underrepresented States but also with retaining them. Unfortunately, a number of staff members, in particular from developed countries, left after only a few years' service. The problem of retention could only be solved by offering Secretariat staff better conditions of service and better career opportunities. The Secretariat would submit proposals for a career development system at the forty-seventh session of the General Assembly. However, in the final analysis, career opportunities would depend above all on the number of supervisory and policy-making posts available and the incentives offered. Morale in the Secretariat was low. As the Secretary-General had already noted on several occasions, the conditions of service had seriously deteriorated. It was essentially up to the Committee to improve them.

36. Mr. FLEISCHHAUER (Under-Secretary-General, the Legal Counsel), referring first to the question of the respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations, said that, as the representative of Senegal had pointed out, paragraph 19 of resolution 45/240 required the Secretary-General to include, to the extent possible, the views of the Member States in the information he compiled on the privileges and immunities of officials. The organizations of the United Nations systems had been asked to submit their contributions to the report, contained in documents A/C.5/46/4 and Add.1 in a circular letter of 23 May 1991, which had placed particular emphasis on that provision. However, since the report was not exclusively a report of the Secretary-General but was submitted by him on behalf of the organizations in question, he could do no more than continue to remind them of their responsibility in that regard.

37. Referring to the statement of the representative of Afghanistan that the three staff members of the Food and Agriculture Organization of the United Nations (FAO) referred to in document A/C.5/46/4 had been released, he wished to point out that, as indicated in section C of annex II to the report, those members had thereupon been promptly conscripted for military service. For reasons that had been explained to the Afghan authorities on several occasions and repeated in the Fifth Committee during the forty-fifth session, the United Nations continued to insist that those staff members should be exempt from

(Mr. Fleischhauer)

military service for the duration of their employment with FAO and should be given the opportunity to resume their duties.

38. The representative of the Sudan had said that it was possible for Sudanese nationals working for the United Nations to request exemption from the so-called voluntary national contribution payable upon renewal of their passports and had maintained that that contribution was not an income tax. Once again, the position of the Organization, reflected in document A/C.5/46/4/Add.1, was that those payments were levied on the basis of income and constituted a tax on the salaries of United Nations officials. Further discussions with the Sudanese authorities were therefore necessary.

39. According to the representative of Israel, it was the practice of the Israeli authorities to inform the directors of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) offices in the administered areas, upon request, as to the circumstances of the detention of UNRWA staff members and details of trials and judgements. A lengthy and very blunt rebuttal of that contention had been received from UNRWA and would be transmitted to the Permanent Mission of Israel. He hoped that the resulting discussions would lead to positive results.

40. With respect to the question of secondment, the Ukrainian representative had questioned the Legal Counsel's unilateral determination of the secondment status of staff members of Ukrainian nationality without any consultation with the Government concerned. As a result of United Nations Administrative Tribunal judgement No. 482, the Secretary-General had been required to examine all existing secondment contracts to determine whether the terms and appointment procedures used met the Tribunal's complex requirements. Asking a Government for its views as to the status of seconded staff would not assist in making that determination. In accordance with paragraph 4 of section II of resolution 45/239, the Secretary-General was required, under resolution 37/126, to give such staff every reasonable consideration for career appointment after five or more years of continuing good service. In so doing, the Secretary-General was to exercise his own discretion on a case-by-case basis. Moreover, in the view of the Administrative Tribunal, the existence of a rotation policy per se was not a sufficient reason to refuse an offer of permanent appointment. If a staff member should seek an appointment while on secondment, that appointment would, of course, require the consent of the Government. The difficulties involved in determining whether a potential secondment was valid had led the Secretary-General to propose a simplified procedure, which was set out in the amendments to the Staff Regulations proposed in the annex to his report (A/C.5/46/9).

41. The representative of China had stated that, during the whole period of secondment, the status of seconded staff should remain unchanged, that the establishment and extension of secondment contracts should be decided through consultation with the three parties involved, and that the notion that, after a certain period, one of those parties should no longer have any right to say

(Mr. Fleischhauer)

anything about arrangements for seconded staff was unacceptable and unjustifiable. The Secretary-General was bound by the aforementioned provisions of resolution 37/126. Both the Administrative Tribunal and the International Court of Justice had upheld the applicability of that resolution to seconded staff members. Unless the General Assembly decided to amend the resolution, the Secretary-General was obligated to apply it to all staff members.

42. In response to the request for clarification from the delegation of Senegal, he said that the amendment suggested by the United States delegation to the change proposed in paragraph (c) of the annex to the report (A/C.5/46/9) was in line with the Tribunal's requirements. It would, in any event, be useful for the documentation in question to be attached to, or noted in, the United Nations letter of appointment.

43. The question of the representation of all major legal systems in the Secretariat was an aspect of equitable geographical distribution as established by the Charter. Secondment could play a useful role in ensuring such representation, as could national competitive examinations.

44. With regard to the exceptional practice of replacement, he noted the general principle reaffirmed in General Assembly resolutions 35/210, 41/206 B and 43/224, that no post should be considered the exclusive preserve of any Member State or group of States. Furthermore, the Administrative Tribunal had concluded that the replacement practice contravened the provisions of Article 101, paragraph 1, of the Charter and was inconsistent with the requirement that efficiency, competence and integrity should be the paramount considerations in the appointment of staff. It could therefore be assumed that the Administrative Tribunal would continue to oppose the replacement practice in future judgements. The view expressed by the Secretary-General in his report (A/C.5/46/9), that the replacement procedure should cease and all posts should be filled through the normal recruitment and placement procedures, without prejudice to his commitment to ensure equitable geographical representation, was consistent with the Charter and the Staff Regulations.

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45. Mr. JU. Kuilin (China) said that the use of capacity to pay as the fundamental criterion for determining the scale of assessments had been widely accepted for many years. The capacity to pay of Member States was currently measured by their national income, duly adjusted by the low per capita income allowance formula. China supported the raised upper per capita income level of \$2,600 proposed by the Committee on Contributions in response to changes in the world economic situation and to the sharp increase in the financial obligations borne by low-income developing countries. China also supported the practice of adjusting the upper limits in accordance with changes in the average world per capita income in determining future scales of assessment.

(Mr. Ju Kuilin, China)

46. The economic development of the developing countries was seriously hampered by their debt problems and the current debt relief formula, based on a debt service ratio of 12 per cent, was still not in line with the real circumstances. In the absence of a better formula, China would accept the 12 per cent ratio but urged the Committee to work out a more realistic solution to the problem as soon as possible.

47. Ad hoc adjustments were useful for countries whose capacity to pay had been undermined by natural disasters and regional upheavals. China commended Japan for the contributions it had made in the ad hoc adjustment process and hoped that other developed countries with a stronger capacity to pay would also support the ad hoc adjustments.

48. His delegation supported the new scale of assessments recommended by the Committee on Contributions and accepted the proposed scales for the Baltic States and the corresponding deduction from the Soviet Union's rate of assessment. That scale of assessments was consistent with the provisions of resolution 45/256 and China hoped, therefore, that the General Assembly would approve the scale and endorse its use for the next three years in accordance with the rules of procedure of the General Assembly.

49. The scale of assessments was of vital importance in securing the financial resources of the Organization and the preparation of an equitable and reasonable scale was therefore an issue of major concern to every Member State. While the present methodology was in general conformity with the principle that the financial obligation of a Member State should be determined by its capacity to pay, certain inconsistencies remained in such areas as the national income factor and the debt relief formula. His delegation hoped that further improvements could be made in those areas to ensure that future scales were more equitable and their methodology simpler, more transparent and stable over time.

50. China did not accept some of the views expressed in paragraphs 47 and 48 of the report of the Committee on Contributions (A/46/11) as those views deviated from the capacity-to-pay principle and suggested that Member States should be allowed to buy their rights and prerogatives. That was directly contrary to the spirit of sovereign equality among States provided for in the Charter.

51. Mr. AYEWAH (Nigeria) said that the debate on the apportionment of the expenses of the United Nations continued to be a matter of great controversy, particularly with regard to the issue of equity in the scales of assessment. Nigeria believed that, while capacity to pay remained a strong basis for the scale of assessments, national income should be the fundamental criterion in its determination.

52. While he supported the decision of the Committee on Contributions to raise the upper per capita income level to \$2,600, that level still did not

(Mr. Ayewah, Nigeria)

adequately reflect the true economic situation in countries like Nigeria which were implementing structural adjustment programmes, and he felt, therefore, that a \$3,000 upper per capita limit would be a more realistic level of assessment for developing countries. The \$3,000 limit could be adopted after the three-year period of the current assessment, unless there was a dramatic change in the economic performance of the developing countries.

53. With regard to the statistical base period, Nigeria believed that a 10-year period was not appropriate for developing countries in view of the instability of their economies caused by recent structural adjustments and fluctuating exchange rates. Consequently, his delegation believed that three, or at most five, years would be a more realistic statistical base period for the developing countries and hoped that those considerations would be borne in mind for the next assessment period.

54. Nigeria supported the continued use of exchange rates and population growth data supplied by both Member States and non-member States as such information would reduce the incidence of over-assessment or inadequate assessment of some Member States.

55. While his delegation did not object to the use of the debt adjustment approach in the preparation of the new scale of assessments, it noted that the current formula gave relief to countries with large outstanding debts, rather than to those which were making payments. It therefore believed that the approach required further refinement.

56. His delegation supported the retention of the scheme of limits, which protected developing countries from the impact of substantial changes in the scale of large countries, as it had no viable alternative except the voluntary redistribution of points from major beneficiaries of the scheme of limits to those most disadvantaged. He was disappointed to note that only one country from the industrialized group had offered part of the benefits it received from the application of the scheme of limits for distribution.

57. A technical solution to the issue of price-adjusted rates of exchange (PARE) was required to permit the systematic adjustments of national income necessitated by relative price changes. His delegation looked forward to future reports by the Committee on Contributions on that matter.

58. He welcomed the initiative of the Committee on Conferences in holding an information meeting to enable Member States to make any necessary ad hoc adjustments and urged it to maintain that procedure. In conclusion, he expressed his support for the report and said he hoped that it would be adopted on a three-year trial basis for the period 1992-1994.

59. Mr. ZAHID (Morocco) said that the recommendations by the Committee on Contributions concerning the period of applicability did not contradict General Assembly resolution 45/256 on the scale of assessments. The General

(Mr. Zahid, Morocco)

Assembly had sole competence for determining the period of applicability, which, in any event, could not be less than three years.

60. Morocco accepted the decision by the Committee on Contributions to set an upper per capita income level of \$2,600, but believed that the impact of the new level on the scale of assessments would be very limited.

61. The allowance formula for lower per capita income countries had been based on the assumption that total external debt outstanding was repaid on the average in eight years and it failed to reflect the different debt structures in each country and the different repayment periods. The application of debt-relief measures to the national income of indebted countries gave a better reflection of the relative capacity to pay of States Members and should therefore be supported.

62. While Morocco did not oppose the 10-year period retained by the Committee on Contributions for the preparation of the scale, it believed that the period should not be so long that it ceased to reflect the real economic situation of Member States, and, consequently, their capacity to pay.

63. The economic situation of floor-rate countries remained precarious and the rates of assessment of those countries should not, therefore, be revised unless their economic situation showed a substantial improvement.

64. Morocco supported the scale of assessments proposed by the Committee on Contributions for a period of at least three years. It would also support consideration of any proposal aimed at ensuring greater equity in the distribution of the Organization's expenses among Member States.

65. Mr. ENGFELDT (Sweden), speaking on behalf of the Nordic countries, said that the scale of assessments should divide the burden of financing activities under the regular budget in an equitable manner. The obligation to bear the Organization's expenses as apportioned by the General Assembly, on the basis of the Fifth Committee's deliberations, was absolute and unconditional, in accordance with Article 17 of the Charter. The United Nations could operate only on a sound financial basis, which meant that Member States must pay their assessed contributions in full and on time. The amounts involved were very limited; given that fact, and considering the benefits that all Member States derived from their membership, the Committee's discussions should be guided by a spirit of generosity and a sense of proportion.

66. Although the Nordic delegations had reservations with regard to some of the ways in which the proposed scale of assessments for the period 1992-1994 had been calculated, they viewed it, in a spirit of compromise, as a realistic basis for agreement. The expert status of the Committee on Contributions must be respected. In fact, the proposed scale was already out of date, owing to the admission of seven new Members to the Organization. In that connection, he noted the provisions made in respect of the Democratic People's Republic of

(Mr. Engfeldt, Sweden)

Korea and the Republic of Korea in the report of the Committee on Contributions (A/46/11, paras. 25-27), and the fact that it had been suggested that Micronesia and the Marshall Islands should be assessed at 0.01 per cent. The Nordic countries were sympathetic to the proposal that a decision on the rates of assessment for the Baltic States should be deferred pending the completion of a study by the International Monetary Fund (IMF) on their economies, including the complex issue of determining appropriate exchange rates. He noted that particular considerations had been applied in the case of several countries where exchange rates might have resulted in assessments that did not accord with their capacity to pay. Such considerations should be applied to all Member States when calculating rates of assessment.

67. The Nordic delegations agreed that the rights and obligations of Member States were quite different from those of non-member States, and that Member States with similar national incomes and populations should be assessed at comparable levels. The main principle in calculating the scale of assessments should remain capacity to pay, as determined on the basis of national income data provided by Member States and amended by other elements.

68. Serious consideration should be given to abolishing the scheme of limits. The use of longer base periods, which smoothed out economic changes over time, eliminated the need for the scheme. The 10-year statistical base period should thus be retained.

69. The Nordic delegations agreed with others that in applying the mitigation process, the Committee on Contributions had not complied with the criteria specified in General Assembly resolution 45/256. He hoped that the Committee on Contributions would be given a mandate to continue its discussions on possible adjustments of the methodology with a view to proposing new methodology that would gain the confidence of all Member States. Deliberations on that matter should be guided by the consideration that the United Nations was an instrument of all nations of which all were proud to be Members.

70. Mr. TEMEL (Turkey) said that, notwithstanding the many difficulties inherent in establishing capacity to pay, that remained the best criterion for determining assessments because it ensured fairness and equity. The length of the statistical base period was very important. While a short period might better reflect a country's current economic situation, the 10-year base period currently used was preferable since fluctuations in national economies could be smoothed out. Accordingly it should be retained.

71. The increase in the upper per capita income limit to \$2,600 would provide a better indication of the capacity of Member States to contribute. That increase, with the continued application of an 85 per cent relief gradient, had resulted in an 8.27 per cent redistribution, before adjustment for the floor and ceiling and scheme of limits. The result had been that the contributions of 31 countries, mostly developed countries, had increased in



(Mr. Temel, Turkey)

percentage terms, while those of 49 countries, mostly developing countries, had decreased. Given the great importance and the impact of adjusting the upper per capita income limit, he hoped that the level would again be reviewed in future years, although excessive increases in the limit might benefit Member States which were not developing countries.

72. External debt was one of the major problems confronting developing countries, and debt relief had been the most controversial issue during the forty-fifth session. The inclusion of debt relief helped to promote fairness and equity in determining assessed contributions. The Committee on Contributions, in proposing the scale of assessments for the period 1992-1994, had made use of the debt adjustment approach employed in the current scale. Yet the total redistribution impact of the current debt relief component was only 0.71 per cent, which was inconsistent with the importance many delegations attached to debt relief. His delegation could, however, accept the continued use of the current debt adjustment level since there seemed to be no viable alternative for the time being. Work on devising the best means of reflecting the debt burden should continue. In that connection, his delegation supported the use of World Bank data on indebtedness.

73. The continued application of the scheme of limits had a distorting effect when the upper per capita income limit and debt relief were taken into account, since it eliminated some of the benefits that would accrue to various countries with low per capita incomes. That result was clearly in conflict with the principle of capacity to pay. The scheme of limits should be modified accordingly.

74. His delegation preferred the continued use of a three-year period for the scale of assessments since it provided stability and continuity. The application of price-adjusted rates of exchange (PARE) to national and per capita income in United States dollars offered a more systematic alternative to the ad hoc practice followed by the Committee on Contributions, although further study was needed before it could be integrated into the current methodology.

75. Lastly, his delegation agreed that there was a need to increase the transparency of the work of the Committee on Contributions, and that interested Member States should be given easier access to the statistical information on which the Committee based its decisions, including access to restricted documents containing national income information provided by Members to the Statistical Office.

76. Mrs. ANZOLA (Venezuela) said that her delegation had no objection in principle to the scale of assessments proposed in document A/46/11/Add.2/Rev.1, although she was not convinced that the recommendations of the Committee on Contributions were completely appropriate. The proposal to deduct the combined assessments of the Baltic States from that of the USSR and the increase in the scale to 100.02 per cent so as to incorporate the

(Mrs. Anzola, Venezuela)

Marshall Islands and Micronesia seemed inappropriate. The most prudent course would be for the Statistical Office to propose a new scale incorporating those five new Member States, which would result in a scale of 100 per cent.

77. While the Committee on Contributions had largely followed the instructions given by the General Assembly, her delegation saw no justification for the 85 per cent relief gradient when applying the low per capita income allowance formula; any deduction should be at 100 per cent. Debt relief should be applied only to developing countries, and should not be available to members of the Organisation for Economic Cooperation and Development (OECD), as had occurred on some occasions.

78. Her delegation had serious reservations regarding the ad hoc adjustments to the machine scale. The Committee's decision to grant 20 points to one country, which was equivalent to 40 per cent of the total available, ran counter to the views expressed in the Fifth Committee at the forty-fifth session and to the recommendations of the Committee on Contributions which had been endorsed by the General Assembly in resolution 45/256. The situation would be made worse if the contributions of the Baltic States were deducted from the assessed contribution of the State in question.

79. Her delegation regretted the attempt by the Committee on Contributions to reduce the impact of the scheme of limits by application of the mitigation process. A new element of friction had been introduced thereby. Her delegation did not accept the suggestion in paragraph 39 of the Committee's report (A/46/11) that there were "traditional" ad hoc adjustments; that implied that there were others that were not. Such an approach undermined the validity of mitigation, to the detriment of many developing countries. The scheme of limits should be amended or eliminated if it created more problems than it solved.

80. The three-year period of validity of the scale should be retained, in accordance with the recommendations of the Committee on Contributions, which in turn reflected the views of the General Assembly.

81. On the question of the instructions that should be given to the Committee on Contributions in its future work, she noted that the statistical base period should be made shorter so that it would better reflect capacity to pay at the time of payment. A five- or seven-year period would be preferable, and, if applied to the proposed scale, would, in general terms, benefit developing countries. Accordingly, the Committee on Contributions should attempt to define a base period - shorter than 10 years - that would best balance the criteria of capacity to pay at the time of payment and stability.

82. Debt relief should be given greater emphasis. The Committee on Contributions should continue its work on the application of that principle so as to avoid any accrual of the benefits to OECD countries or to countries which, while debtors, were also major creditors. Her delegation agreed that

(Mrs. Anzola, Venezuela)

further refinement of the low per capita income allowance formula was needed, together with periodic updating, in order to reduce uncertainty for those countries affected by it. The establishment of ceiling and floor rates, being a political issue, was more within the competence of the General Assembly.

83. The scheme of limits suffered from the defect that one country absorbed a disproportionate percentage of the points deducted from countries benefiting under the scheme. The Committee on Contributions should revise that aspect of the methodology.

84. The main component of the formula was income, and the Committee on Contributions should therefore give further consideration to alternatives to the use of national income. Various proposals which had been made at previous sessions should be reviewed. Her delegation did not object to the use of price-adjusted rates of exchange (PARE), but was not convinced that they should be universally applied. The Committee on Contributions should prepare a document clarifying the impact of their application to the scale of assessments, as requested by her delegation at the forty-fifth session.

85. Regarding the suggestions that criteria other than capacity to pay should be used, there was a risk of introducing subjective elements that would make preparation of the scale a much more difficult exercise. The introduction of such elements as membership of main organs or representation in the Secretariat would simply result in confusion and friction, and were, in any event, largely irrelevant. A more positive approach would be to maintain capacity to pay as the fundamental criterion, while endeavouring to ensure that the methodology reflected that criterion in the most transparent manner possible.

86. Lastly, the Committee on Contributions should reflect the broadest possible spectrum of technical opinions as to how its work might be improved. Its membership should also be expanded to reflect the changes which had taken place in the Organization in recent decades.

87. Mr. CLAVIJO (Colombia) said that discussion of the scale of assessments had been rendered more difficult by the promotion of individual and short-term interests in considering an inherited situation of scant rationality. A return to fundamental principles was the only way of avoiding repeated confrontations between ad hoc interests. Such an approach would be more profitable than temporary alliances between delegations in defence of an indefensible scale.

88. The haste to devise a scale to be applied from 1992 onwards seemed to be prevailing over the need for careful consideration of the principles that should be applied. Delegations should bear in mind that their contributions were not merely an expense but an investment which should contribute to more effective and equitable participation in the Organization. While the benefits of such a change would outweigh any marginal reduction in the contributions of developing countries, there was a need for a more equal distribution.

(Mr. Clavijo, Colombia)

89. In order to reflect capacity to pay, the scale should be based on a combination of two principles: size and economic strength. In that connection, the use of appropriate exchange rates had become critical in determining the real size of economies. The Committee on Contributions should therefore replace its ad hoc decisions by official consultations with a competent technical body, such as IMF. Given the erosion in real terms of the low per capita income allowance, it would be preferable to establish an objective benchmark that would adjust the allowance automatically in line with world economic developments, an approach which would make the use of the relief gradient unnecessary. Moreover, the use of the long statistical base period made the scheme of limits redundant. With the removal of that element, the rationalization sought in the arrangements for the mitigation process would be achieved.

The meeting rose at 6.10 p.m.