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SUMMARY RECORD OF THE 26th MEETING

Chairman: Mr. AMNEUS (Sweden)

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

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The meeting was called to order at 10.15 a.m.

AGENDA ITEMS 115 AND 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 AND PROGRAMME PLANNING (continued) (A/42/3, A/42/6 and Corr.1, A/42/7 and Add.2, A/42/16 (Part I) and Add.1 and (Part II), A/42/512, 532 and 640; A/C.5/42/2/Rev.1)

First reading

Section 1. Overall policy-making, direction and co-ordination

1. The CHAIRMAN said that in its first reading of individual sections of the budget the Committee should bear in mind that the proposed programme budget for the biennium 1988-1989 would be revised extensively in the early part of 1988. Delegations might prefer, therefore, not to spend a great deal of time and effort on detailed aspects of each budget section. Additional information would be provided with the revised estimates to be submitted in the spring of 1988. The information provided for the time being was of a broad and general nature. The proposals that he would formulate for decision by the Committee after the discussion of each budget section would be based on the amounts recommended by the Advisory Committee on Administrative and Budgetary Questions as set out in the right-hand column of the table at the end of its third report (A/42/7/Add.2).

2. The Committee was engaged in an exercise that had two purposes: first, to give the Organization a workable budget as from 1 January 1988, and secondly, in that process, and in the light of General Assembly resolution 41/213, to broaden the general area of agreement on the content and level of the United Nations budget.

3. Mr. MSELE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General's original estimate for section 1 of the proposed programme budget had been \$41,947,500. The initial estimate recommended by the Advisory Committee had been \$40,621,900. The resulting reduction of \$1,325,600 had been broken down in the manner indicated in table 1 in chapter I of the Advisory Committee's first report on the proposed programme budget for the biennium 1988-1989 (A/42/7). The bulk of the reduction, \$738,800, was related to the Advisory Committee's general recommendation in regard to the turnover rate, as explained in paragraph 27 of chapter I. The other large reduction, in the amount of \$245,300, was accounted for by the Advisory Committee's general recommendation on savings on unliquidated obligations, as explained in paragraph 34 of chapter I. Other smaller reductions had been recommended in respect of consultants, official travel and publications.

4. The Secretary-General's first progress report on the implementation of General Assembly resolution 41/213 (A/42/234) and his updated progress report (A/C.5/42/2/Rev.1) contained information on the way in which the reform process had begun to affect the structure and programmes of units of the Secretariat grouped under section 1 of the proposed programme budget. For example, under the estimates for the Executive Office of the Secretary-General, in section 1.B, there was to be a new Office for Research and the Collection of Information. The rationale for the

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new Office was stated in paragraphs 17 to 19 of its first progress report, and the related programmatic and budgetary implications were set out in detail in paragraphs 13 to 21 of the updated report. Paragraph 16 of that report indicated that a total of 42 posts, 21 posts in the Professional category and above and 21 General Service posts, would be required for the new Office. Of those posts, 15 Professional and 21 General Service posts had already been identified for redeployment, leaving 6 Professional posts yet to be identified for transfer to the new Office.

5. Other changes had been made which also affected section 1. Section 1.B.3, relating to the Office of the Under-Secretary-General for Political and General Assembly Affairs, was dealt with in paragraphs 1.36 to 1.39 of the Advisory Committee's first report. The changes summarized in paragraph 1.36 were described in greater detail in paragraphs 6 and 7 of the Secretary-General's updated report (A/C.5/42/2/Rev.1). Most of the functions and related resources under section 8 of the proposed programme budget for 1988-1989 would be transferred to that Office. In paragraph 1.38 of its first report, the Advisory Committee called on the Secretariat to ensure that there was no duplication of work as far as the Office's dealings with non-governmental organizations were concerned. The Advisory Committee had expressed that opinion because units of DPI and DIFSA also serviced non-governmental organizations.

6. Section 1.B.7, relating to the Office for Special Political Questions, was dealt with in paragraph 1.41 of the Advisory Committee's first report. As could be seen from paragraph 8 of the Secretary-General's updated report, that Office was to be removed from section 1 and its functions and related resources redeployed to section 3. The functions and related resources of the Unit for Special Economic Assistance Programmes, which were to be reassigned, would also be transferred for the time being to section 3.

7. Section 1.B.8, relating to the Office for Field Operational and External Support Activities, was dealt with in paragraph 1.42 of the Advisory Committee's first report and in paragraph 10 of the Secretary-General's updated report. That budget element would likewise be removed from section 1 and the unit's functions and related resources transferred to the new Office for Research and the Collection of Information and to section 28 of the proposed programme budget.

8. The new functions to be assigned to the Offices of the Directors-General at Geneva and Vienna were described in paragraphs 1.43 and 1.44 of the first report of the Advisory Committee and in paragraphs 11 and 12 of the Secretary-General's updated report.

9. The resource implications of the changes he had just described were an increase in the initial estimate under section 1. The total estimate for section 1 had been revised upwards from the original \$41,947,500 to \$43,749,900 because the amount resources transferred into the section was in the end larger than the amount transferred out of it. The Advisory Committee had revised its recommendations accordingly, and it now recommended an amount of \$42,382,000 under section 1 rather

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than the amount of \$40,621,900 recommended in its first report, representing a reduction of \$1,367,900 from the new amount proposed by the Secretary-General. The summary of the Advisory Committee's recommendations as compared with the Secretary-General's revised proposals would be found at the end of its third report (A/42/7/Add.2).

10. The Advisory Committee had made a number of other specific proposals in regard to section 1. In paragraph 1.5 of its first report, there was a recommendation that the provision for travel to the General Assembly by representatives of the least developed countries should be reduced by \$57,300 in order to exclude the provision for representatives of two countries which were not Member States. In paragraph 1.10, it was indicated that the Committee on Contributions would be meeting for a total of seven weeks rather than eight as incorrectly stated in the initial estimate. The estimate had, however, been calculated on the basis of seven weeks and consequently no reduction would be required. Paragraphs 1.14 to 1.16 of the Advisory Committee's first report dealt with expenditures related to the activities of the United Nations Joint Staff Pension Board, including the United Nations share of the cost of the secretariat of the United Nations Joint Staff Pension Fund. Although those expenditures could be explained in the context of the discussion of the estimate for the Board, it was perhaps advisable to complete the picture by a further explanation in the context of section 1.

11. At its thirty-seventh session, in August 1987, the Board had proposed certain changes in its size and composition. General Assembly representation on the United Nations Staff Pension Committee had been increased from three members and three alternates to four members and four alternates. The initial travel estimates for the biennium 1988-1989 had assumed that there would be two Board sessions in Europe and four meetings of the Standing Committee, two in Europe and two in New York, and that six appointees of the General Assembly, six participants and five representatives of the Secretary-General would attend those meetings. The proposed changes would entail additional travel for two more representatives of the General Assembly, at a cost of approximately \$26,200, at 1987 rates. However, the Advisory Committee had been informed that the additional costs would be more than offset by the anticipated savings from the Board's decision to forgo its 1988 session and to hold its 1989 session in New York. The revised travel costs arising from those modified arrangements would be reflected in the first performance report for 1988-1989, to be submitted to the General Assembly at its forty-third session.

12. Paragraphs 1.22 and 1.24 of the Advisory Committee's first report, on the World Food Council, called for greater transparency and more detailed justification regarding the costs of consultants and missions to various countries in connection with the Council's activities.

13. Lastly, in regard to staffing changes and the staffing table usually presented by the Advisory Committee, he said that, since the full result of the post-reduction exercise would not be known until the forty-third session of the General Assembly, the Advisory Committee had not taken any position on the number of posts or the related grades transferred into or out of section 1, or in

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connection with any other section of the proposed programme budget. That position would be expressed in the context of the revised estimates to be presented by the Secretary-General to the General Assembly at its forty-third session. Accordingly, no staffing table similar to the table at the end of chapter I of the Advisory Committee's first report on the proposed programme budget for the biennium 1986-1987 would be found at the end of chapter I of the current first report.

14. Mr. MOHIUDDIN (Chairman of the Committee for Programme and Co-ordination), highlighting certain aspects of document A/42/16 as they related to section 1, said that the Committee had postponed the final adoption of that section of its report to its resumed session in order to examine the additional programmatic and budget implications submitted by the Secretary-General in the light of the reform process set in motion by General Assembly resolution 41/213. In view of the concern expressed by some delegations that the newly created Office for Research and the Collection of Information might duplicate some of the functions of the Department for Public Information, the Committee had recommended that the latter Department's activities under section 27 should be submitted to a systematic review. It had also recommended that the mandate of the World Food Council be made more explicit and that vacant Professional and higher-level posts in the Office of the Co-ordinator of Assistance for the Reconstruction and Development of Lebanon should be filled as soon as the situation permitted, while its staffing table remained unchanged. It took note of the Secretariat's intention to revise its programme budget proposals on the basis of a four-week session for the Committee on Contributions in 1988 (a "scale" year) and a three-week session in 1989 (a "non-scale" year). At its resumed session, the Committee had, following a review of the revised proposals submitted by the Secretary-General, recommended that the General Assembly approve the programme narratives for that section of the proposed programme budget for the biennium 1988-1989.

15. Mr. FIGUEIRA (Brazil) noted that the recommendations contained in paragraphs 27, 34, 48, 69 and 78 of chapter I of the Advisory Committee's report were of a broad nature and had a certain coherence and balance of their own, in contrast to the recommendations made in chapter II with respect to individual sections. If the five broad recommendations were to be examined and amended on a section-by-section basis, that coherence and balance might be lost. His delegation hoped that the broad recommendations would be examined on their own merits at some stage, separately from the consideration of individual budget sections, and requested clarification if that were not to be the case.

16. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said he believed that one of the reasons for beginning with section 1 was the need to settle once and for all how the broad recommendations referred to by the representative of Brazil should be addressed. If each section were discussed individually in the traditional manner, the Fifth Committee ran the risk of losing sight of the balance inherent in those recommendations. On the other hand, not all delegations might agree with the idea of considering the broad recommendations before proceeding to a reading of the individual sections. He hoped that the Committee might agree to take up its consideration of individual

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sections, beginning with section 1, and to allow any questions arising in connection with the broad recommendations to be answered and further explained by him in the context of each section. At the conclusion of its consideration of each section, the Committee might be invited to take a position on the related estimates in the light of the Advisory Committee's recommendations and the exchange of views in the Fifth Committee, on the understanding that a further opportunity to review the Advisory Committee's recommendations would be provided at a later stage when the shape of the 1988-1989 programme budget was clearer. Delegations would thus be able to take a definitive position on the budget after expressing their final views on the Advisory Committee's recommendations. Any other course would involve difficulties and, contrary to the intentions of the Advisory Committee, hamper the work of the Fifth Committee.

17. Mr. FONTAINE-ORTIZ (Cuba) said that it would indeed be wrong to consider individual sections without taking account of the manner in which the broad recommendations of the Advisory Committee affected all budget sections. The examination of individual sections should be preceded by a debate, however brief, on those broad recommendations. The Committee could then consider those recommendations in the course of its analysis of individual budget sections or, perhaps more appropriately, begin by approving the broad recommendations in principle, while allowing sufficient flexibility for the adoption of further decisions relating to individual sections, if required, in the light of additional information. With regard to the very high vacancy rate in certain regional commissions, for example, it would appear extremely difficult to apply the relevant recommendation of the Advisory Committee, and it might therefore be necessary to make a special arrangement in that particular case. Even if no special arrangements were introduced, it was essential to take account of the need for flexibility in considering the Advisory Committee's recommendations.

18. Mr. GOMEZ (Controller) said that the initial budget estimates submitted by the Secretary-General must be considered in the context of the foreword and introduction to the proposed programme budget, as well as of the statements made by him to the Committee for Programme and Co-ordination, the Advisory Committee and the Fifth Committee. The report of the Advisory Committee, for its part, contained the views of the body of technical experts established by the General Assembly to provide detailed advice and recommendations to Member States in their review of the Secretary-General's budget proposals. Both the Secretary-General and the Advisory Committee had the duty to invite such a review on the part of Member States, in fulfilment of their distinct but fully coadjutory roles. It was the stated intention of the Advisory Committee, in making its recommendations, that movements in the vacancy rate should be monitored closely on the basis of information to be provided by the Secretariat and, if necessary, in the light of revised estimates submitted during the biennium. The Advisory Committee's recommendation for a reduction across the board must therefore be seen as merely indicative in relation to each section, given that account must be taken of the relative programmatic requirements of each unit concerned. The observation made by the Advisory Committee in paragraph 28 of chapter I of its report was in line with the position of the Secretary-General. Recognition of the need for flexibility, together with

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the knowledge that the situation would be kept under close review, ensured that the recommendations before the Committee constituted a solid basis for the consideration of all budget sections.

19. Mr. GUPTA (India) said that his delegation had taken particular note of the Advisory Committee's recommendation of a further adjustment in the turnover deduction of 2.5 per cent for both Professional and General Service posts, leading to a reduction across the board of \$31.7 million. If it was the belief of the Secretariat that such a high reduction could be absorbed without any impact on the implementation of programmes, his delegation could not but conclude that there must have been considerable slackness in the initial budget exercise.

20. The CHAIRMAN, in answer to the concerns raised by the representative of Cuba, said that a decision had been taken in the course of informal consultations to the effect that consideration of the proposed budget should begin with a reading of individual sections, and he suggested that that decision should be respected. However, a meeting might perhaps be arranged in due course for separate consideration of the broad recommendations made by the Advisory Committee in chapter I of its report in view of their implications for all budget sections.

21. Mr. GOMEZ (Controller), replying to the representative of India, said that the programme budget proposals before the Committee had been prepared at a time when the General Assembly was still negotiating the compromise embodied in resolution 41/213. The fundamental changes provided for in that resolution would not be fully in place until 1991. The transitional budget before the Committee must therefore be considered in that light.

22. In his introduction to the proposed programme budget, the Secretary-General made it very clear that staff cuts must not have a negative impact on programmes. If anything, the reform process should improve programme delivery as the Organization's efficiency and effectiveness increased.

23. The Secretary-General's budget proposals had been based on a number of assumptions, some of them virtually acts of faith. The first assumption had been that once the budget was agreed upon, the activities it covered would be fully funded and assessments paid on time. The second assumption was that Member States would favour a process of orderly change. The third assumption was that the Secretary-General would revise his estimates in order to produce a programme budget that was less difficult to read. It was an act of judgement on the Secretary-General's part that the resources in the budget were sufficient to implement programmes. The Committee's own act of judgement - to agree or disagree with the Secretary-General - must be based on the Advisory Committee's, and not the Secretariat's, opinion. The Committee should not place the Secretariat in an adversarial role vis-à-vis any Committee established by Member States.

24. Mr. MONTHE (Cameroon) said that the Advisory Committee's recommendation on procedure was acceptable, but that the representative of Cuba had made a valid point concerning substance. If indeed the transitional budget was based on certain assumptions, as described by the Controller, problems might well arise in relation

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to overall allocation of resources and the estimates for individual sections. As the representatives of Cuba and India had rightly pointed out, if the Committee began a first reading of individual sections, it might be unprepared to deal with additional reductions and reforms which had emanated from the Secretariat. In his annual report on the work of the Organization (A/42/1), the Secretary-General had indicated that the prolongation of austerity measures, the recruitment freeze and restrictions on meetings had indeed had an adverse effect on programme implementation and on the Secretariat staff. And yet, the year before, both the Fifth Committee and the General Assembly had stressed that the staff reductions recommended by the Group of High-level Governmental Experts must be applied with flexibility. Apparently, then, the effect of reductions had been more drastic than anticipated. Cuba's concern was justified, but should be expressed at the proper time, following the procedure outlined by the Advisory Committee. For example, when it came time to discuss section 13, for example, his delegation might raise the issue of the vacancy rate at the Economic Commission for Africa (ECA). In its consideration of individual budget sections, the Fifth Committee should bear in mind the programmatic consequences of the financial crisis, as described in the relevant reports of the Secretary-General and the Administrative Committee on Co-ordination.

25. Mr. FONTAINE-ORTIZ (Cuba) said that in the past, the Committee had proceeded directly to a reading of individual budget sections, because there had never been any recommendations for across-the-board cuts. Since the Advisory Committee's general recommendations affected every section of the budget, it would be more logical to take up those recommendations first. Otherwise, the general recommendations would be brought up each time an individual section was considered and sidetrack the debate. An initial presentation by the Advisory Committee and the Secretariat would be good preparation for the section-by-section analysis to follow.

26. Mr. MUDHO (Kenya) said that his delegation could be flexible concerning procedure, but not substance. The General Assembly had clearly indicated that the reform process must not have a negative impact on programmes. The General Assembly did not merely make recommendations; it took decisions and gave instructions. Therefore, any change in the budget that would adversely affect programmes could not be taken as a change mandated by resolution 41/213 and should be deferred until it could be implemented without any negative consequences.

27. The CHAIRMAN said that since he had heard no objection to the procedure recommended by the Advisory Committee, the Committee would provisionally approve the amounts recommended by the Advisory Committee for each budget section. Later, it would deal with across-the-board reductions. Naturally, the Committee should be as flexible as possible in discussing specific issues, such as the turnover deduction for a given budget section. One way to accommodate Cuba's request would be to focus on the general recommendations once the Committee had had the experience of reviewing a few individual sections. In his opinion, the general recommendations should be discussed in relation to one or several budget sections. On the other hand, since the general recommendations related to every section, they

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should be taken into account when considering the individual sections. That would constitute a modified version of the arrangement proposed by the ACABQ Chairman. In the mean time, the Committee could turn its attention to section 1 of the budget.

28. Mr. FONTAINE-ORTIZ (Cuba) said that if there had been no objection to the Advisory Committee's proposal, neither had there been any to the proposal put forward by his delegation. The Cuban proposal was in no way at variance with the procedure outlined by the Chairman of the Advisory Committee, but rather complemented it. A preliminary discussion of the general recommendations would facilitate the Committee's reading of individual budget sections by providing an opportunity to obtain clarifications as to how the proposed changes would affect individual budget sections.

AGENDA ITEM 123: UNITED NATIONS COMMON SYSTEM; REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (A/42/30 and Corr.1; A/C.5/42/19 and 20)

29. Mr. AKWEI (Chairman of the International Civil Service Commission) said that the financial implications for the United Nations system in general of the decisions and recommendations of the International Civil Service Commission (ICSC) had been estimated in July 1987 to amount to \$19.8 million for 1988. The implications for the regular budget of the United Nations had been estimated, by the United Nations, at \$4.7 million for 1988. Estimates relating to individual items were apt to fluctuate with the value of the United States dollar.

30. Under General Assembly resolution 41/213, the Secretary-General had transmitted to ICSC recommendations 53 and 61 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations (Group of 18), which had a direct impact on the common system, with the request that the Commission should report thereon to the General Assembly at its current session. The views of the Commission had also been invited on a number of other recommendations by the Group of 18 relating to personnel questions, and the Commission had taken up five further recommendations of interest to it.

31. Regarding recommendation 53 by the Group of 18, the Commission had felt there was no need to modify its mandate since articles 1, 9, 13, 14 and 17 of its statute already clearly covered the monitoring function. It had found no rationale for the position taken by the Group of 18 in recommendation 61, on total entitlements of staff, and had therefore been unable to support it. It had noted that the coverage of the education grant had expanded, not diminished, since the founding of the United Nations; it therefore reiterated its earlier recommendations on the use of the educational grant to cover post-secondary studies, and felt that the existing entitlement should not be changed. As for annual leave, it had concluded that United Nations entitlements were reasonable by comparison with those of other, similar services, and should not be reduced.

32. The other recommendations of the Group of 18 referred to the Commission at the prompting of the Fifth Committee had been generally welcomed, and most had been

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found to be in line with earlier recommendations made by the Commission itself. Performance appraisal and the administration of justice were already covered by the Commission's current and future work programme. The Commission recommended 11 principles and associated guidelines on performance appraisal and the recognition of merit (A/42/30, annex XV); it planned to report in 1989 on the administration of justice in organizations of the common system.

33. Calculated in accordance with the methodology which the Commission had developed since 1976, the margin between the net remuneration of United Nations officials in grades P-1 to D-2 inclusive in New York and their counterparts in the United States federal civil service in Washington, D.C. (the current comparator), for the period 1 October 1986 to 30 September 1987 had been calculated at 116. In 1986 the Commission had proposed changes in the method of calculating the margin; in resolution 41/207, the General Assembly had requested it to review the issues associated with the cost-of-living differential and the location of the bases used for comparison. The Commission presented its overall recommendation in paragraph 83 of its report, and detailed the implications in paragraphs 85 and 86. Its conclusions on the subject of grade equivalencies between the United Nations and the comparator civil service, reached after more than two years of extensive study, were presented in paragraph 132.

34. In resolution 41/207, the General Assembly had also requested ICSC to examine the total entitlements of the United Nations system and the comparator civil service, with a view to determining the feasibility and usefulness of a comparison based on total entitlements. The Commission had undertaken a thorough review of various aspects of the subject. The total compensation margin, calculated on the basis of non-expatriate benefits in the two services and taking into account some of the changes it recommended in total compensation methodology (see para. 97 of the report), was 113.7. The Commission's conclusions as to the feasibility and value of total compensation comparisons were given in paragraphs 102 to 104 of its report. The General Assembly might wish to request it to complete the exercise.

35. The United Nations had requested ICSC to consolidate a portion of post adjustment into base salaries in order to prevent a projected deficit in the United Nations Tax Equalization Fund. In view of the undesirable effects of consolidating post adjustment into base salary, which would include putting many countries or areas into negative post adjustment classes, and extra expenditure, ICSC had studied alternative means of generating the additional revenue needed. Details of the alternative it proposed were given in paragraphs 110 to 118 of its report. The effects of its proposal would be to leave net salaries and separation payments unchanged, except for some minor differences in the case of staff members without primary dependants; gross base salaries and gross separation payments would increase, thereby generating the additional revenue needed for the Tax Equalization Fund. The scale given in annex VIII to the report had been calculated on the basis of the net separation payments in effect in July 1987. In conformity with the procedure approved by the General Assembly, separation payments had been increased by 9.5 per cent with effect from 1 October 1987. A revised scale would be submitted to the Committee shortly.

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36. At the request of the Federation of International Civil Servants' Associations (FICSA), the Commission had re-examined the question of supplementary payments by certain Member States to their nationals working in United Nations organizations. It had also sought information on deductions from staff remuneration, and on the provision by some Governments of staff on reimbursable or non-reimbursable loans - another questionable arrangement which was becoming more commonplace. The question was clearly a sensitive one: only 44 countries of the 155 approached had replied to the Commission's queries by October 1987, and of the 40 which had provided any information, some had not addressed the question of deductions, and the great majority had not addressed the issue of reimbursable and non-reimbursable loans. The executive heads of organizations had been generally reluctant to seek information from their staff on supplementary payments and deductions, expecting a limited response and assuming that the staff members concerned would not wish to incriminate themselves. After a second approach, 14 of the 20 organizations in the common system had responded to the Commission's queries by 1 November 1987, but only three of them had conducted an internal survey.

37. The replies received revealed growing concern among Member States and the executive heads that United Nations remuneration was no longer competitive enough to attract staff of the highest standards of efficiency, competence and integrity. Several Member States were providing some of their nationals, especially at very senior levels, with housing allowances and more. The Federal Republic of Germany, Japan and the United States of America had maintained or were even expanding their provisions for supplementary payments, despite the action called for by the General Assembly in resolutions 36/233 and 37/126. There was something seriously wrong if Member States complained of an overcompensated international civil service while at the same time offering supplements to attract their nationals into that service. The Commission would continue its consideration of the matter in March 1988 and report more fully to the General Assembly at its forty-third session.

38. For reasons outlined in paragraph 151 of its report, the Commission had decided to review the level of the education grant in July 1988, and make a recommendation to the General Assembly at its forty-third session. At selected duty stations, however, where educational facilities were unavailable or inadequate, it recommended that staff members should be permitted to claim reimbursement of 100 per cent of boarding costs, up to a maximum of \$1,500 per year, in addition to the maximum education grant of \$4,500 (para. 153).

39. Wide fluctuations in the currencies of most countries where United Nations officials were stationed vis-à-vis the United States dollar, the base currency for the United Nations Professional salary system, had produced a number of problems and anomalies in the post adjustment system since the mid-1970s. In Western Europe and some other countries with convertible currencies, the continued weakening of the dollar meant constant decreases in take-home pay in local currencies. In countries in the developing world, local currencies had depreciated substantially in relation to the dollar and staff members' dollar remuneration had fallen, creating difficulties for them in meeting their out-of-area expenses. In 1986, the Commission had reported on a means of reducing the effects of the weakening dollar

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in countries with convertible currencies; it had since refined its suggestion, the Remuneration Correction Factor (RCF), setting a floor below which remuneration in local currency would not be allowed to fall, and a ceiling above which it would not rise. At present the floor protection would apply in only five countries: Austria, Denmark, Japan, the Netherlands and Switzerland. The system represented only an interim solution, however, and did not apply universally. The Commission had undertaken to study a long-term solution to the problem.

40. On the recommendation of the Advisory Committee on Post Adjustment Questions (ACPAQ), the Commission had approved a number of changes in the rental subsidy scheme to give additional relief to newly arriving staff members whose rents were substantially higher than the average rents used to determine post adjustment classifications. Changes in the rental subsidy scheme were, by and large, cost-neutral; short-term expenditure amounting to \$350,000 in 1988 was, however, expected to result from the Commission's decisions.

41. The Commission had recommended to the executive heads of Vienna-based organizations new salary scales for staff in the General Service and related categories, based on a survey of conditions of service in Vienna conducted in March 1987. The financial implications of its recommendation amounted to \$4 million per year. Owing to financial constraints, however, the recommendation had not been implemented and it seemed that organizations might not implement it uniformly because the Member States concerned had not provided the requisite funds. The problem was disrupting the common-system approach in Vienna; unless the matter was soon resolved, the staff concerned would not receive the salary increases due to them, with retroactive effect, from March 1987. Staff morale had already suffered seriously as a result.

42. For several years, executive heads and staff had been expressing serious concern at deteriorating conditions of service in the field for staff in the Professional and higher categories. Executive heads were complaining of increasing difficulty in recruiting and retaining staff for field assignments, largely because of the low level of overall remuneration at many field duty stations. The result was reduced programme delivery by the specialized agencies. Some improvements had been made in recent years, but because of continuing devaluations of local currencies vis-à-vis the dollar the situation had gradually become worse, resulting in strikes and resignations, both threatened and actual. The Commission had therefore decided to make another comprehensive study of conditions of service in the field; it would then be in a position to make recommendations to the General Assembly on long-term remuneration policy for field staff. Pending the outcome of its study, it felt that some interim relief should be provided to the staff most adversely affected by current world economic and monetary instability. It had therefore recommended changes in the post adjustment system to give relief to staff at duty stations where the overall remuneration package was substantially lower than that available in New York or offered by the comparator service.

43. The deterioration of conditions in the field was still more marked for staff members who were mobile. The Commission had therefore decided to add to the

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present assignment allowance scheme an additional element, to be given exclusively to mobile staff on their second and subsequent field assignments. The revised assignment allowance would take effect from 1 January 1988.

44. The Commission had made changes in its classification of duty stations according to living and working conditions, and had increased the financial incentive at levels I and II for service at very difficult locations with effect from 1 July 1987 (paras. 219 and 220). It had also kept the security situation in Beirut under constant review. Recognizing the increased hazards and expense of service there, it had agreed to increase the temporary financial incentive for internationally recruited staff from \$50 to \$1,100 per month as of 1 April 1987, and had made corresponding improvements for locally recruited staff in Beirut. As part of its overall consideration of conditions of service in the field, it had also addressed some specific issues affecting National Professional Officers and the Field Service category; it would report to the General Assembly on those issues in 1988.

45. The Commission had continued its studies on special measures for the recruitment of women, training policy, and the harmonization of common staff regulations, but had no specific recommendations to make.

46. The Commission had made further progress in developing job classification standards for the General Service and related categories (paras. 247 to 277); it had approved a definition of General Service work which would help organizations to classify posts on the borderline between the Professional and the General Service category, and had promulgated a support standard to go with the common classification standard for the General Service at small and medium-sized duty stations, thereby completing the exercise for the great majority of field duty stations. The standard for Baghdad was nearly complete and should be promulgated before the end of the year; progress in Santiago, Chile, had been delayed somewhat, and that standard was expected to be submitted in 1988.

47. On the question of recruitment policy, the Commission had concluded that the larger organizations of the common system could establish criteria to define equitable geographical distribution, but smaller organizations should apportion posts in accordance with their individual programmes and mandates. The majority of unrepresented countries were new, small island or oil-producing States, mainly in the Middle East and least developed countries. The Commission recommended that organizations should develop a concerted programme for recruiting staff from unrepresented countries (paras. 287 and 288).

48. Annex XV to the Commission's report presented a set of 11 principles and guidelines on performance appraisal and recognition of merit, including suggestions on appropriate recognition of merit, guidance for staff to improve their performance and sanctions for unsatisfactory performance. The Commission would continue to consider the subject in 1988, reviewing a new model appraisal form and the relationship between performance appraisal and human resources planning.

(Mr. Akwei)

49. By resolutions 40/244 and 41/207, the General Assembly had requested ICSC to study the mobility of Professional staff in the common system. The Commission had considered data on the mobility of staff in 19 organizations and programmes from 1980 to 1985, finding considerable differences in mobility between and within organizations. It considered that the mobility of staff between headquarters and field locations had been insufficient, and had thus decided to incorporate the new mobility element in a restructured assignment allowance (see para. 43 above). It would continue to review the issue in 1988.

50. In general, the organizations of the common system had co-operated with ICSC in putting its recommendations into effect. In several areas, however, organizations still needed to harmonize their practices - for example, setting the same date at the same duty station for applying the results of ICSC surveys of conditions of service, and for paying interim cost-of-living adjustments to General Service staff. The United Nations was one of the chief offenders in that regard. In a number of resolutions the General Assembly had emphasized the maintenance and strengthening of the common system and the need to promote uniformity and co-ordination throughout the system. It was in the interest of Member States to ensure that the United Nations have a proper and responsible lead.

51. The Commission had in the past requested organizations to modify or clarify their practices relating to long-service steps and related grades. He hoped the Fifth Committee would recommend that the General Assembly should introduce one long-service step in the salary scales for Professional staff at the levels P-1 to P-5, as the Commission had recommended in 1984 and 1985.

52. The World Intellectual Property Organization (WIPO) used a significantly different procedure for arriving at the Swiss franc remuneration of its Professional staff in Geneva from that applied by other organizations. As a result, many WIPO staff members in the Professional category and above, especially at the higher levels, had since 1985 received substantially higher remuneration than colleagues in comparable positions, both in WIPO and in other organizations of the common system. That situation was a source of concern to ICSC and a violation of the important principle of "equal pay for work of equal value". Unless executive heads and governing bodies co-operated with ICSC, the Commission could not fulfil its mandate. It would also be impossible to explain to staff denied their legitimate entitlements because of the financial difficulties cited by Member States why those same Member States could afford to over-compensate WIPO staff. For the common system to be credible, it must be seen to be fair.

53. Not only had staff of the United Nations and other organizations of the common system sometimes been unlawfully detained, but they were also increasingly exposed in the line of duty to the dangers of terrorism, abduction and even execution. The Secretary-General and other executive heads had made strenuous efforts to obtain the release of staff unlawfully detained, and the General Assembly itself had adopted resolutions on the subject. The staff had appealed to ICSC to study the problems involved and recommend how to deal with them. The Commission would, therefore, pursue the matter actively in 1988.

(Mr. Akwei)

54. After Judgement No. 370 of the United Nations Administrative Tribunal, concerning the post adjustment freeze in New York as of 1 December 1984, and the four-month delay in the introduction by the United Nations of the Remuneration Correction Factor, it had been necessary to revise the Commission's rules of procedure. The changes affected rules 32 and 33 and the relevant annotations. The Commission had decided to review all rules with annotations at the same time, and the resulting amendments were outlined in paragraph 354 of its report. The amended rules of procedure and an updated version of the ICSC statute would be issued shortly.

55. Steps must be taken to strengthen and maintain the common system, and harmonize remuneration and budgetary practices; the United Nations should set the pace in that process. Most of the organizations in the common system faced serious financial constraints because of shortfalls in contributions by Member States. That, together with the different budgetary systems applied in various organizations, made it very difficult to ensure uniform implementation of some of the Commission's recommendations. It also made it harder to recruit and retain staff of the requisite calibre. ICSC had been created to regulate and co-ordinate the conditions of service of common system staff; it would be helpful if the legislative bodies of the common system could address problems in a uniform manner so that the Commission's decisions and recommendations could be applied uniformly in all United Nations organizations.

56. The CHAIRMAN announced that he had received requests from representatives of the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) and the Federation of International Civil Servants' Associations (FICSA) to address the Committee in connection with agenda item 123. In conformity with established practice, he intended to give those representatives the opportunity to do so at a future meeting of the Committee.

57. In his capacity as Chairman of the Committee, he had also received cables from local staff associations and groups around the world in support of the recommendations of ICSC and the Joint Staff Pension Board. He would make those cables available for inspection by any interested delegation.

The meeting rose at 1.05 p.m.