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General Assembly
FORTY-SEVENTH SESSION
Official Records

FIFTH COMMITTEE
26th meeting
held on
Friday, 13 November 1992
at 10 a.m.
New York

SUMMARY RECORD OF THE 26th MEETING

Chairman: Mr. DINU (Romania)

later: Mr. ZAHID (Morocco)
(Vice-Chairman)

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

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The meeting was called to order at 10.25 a.m.

AGENDA ITEM 111: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/47/11)

1. Mr. DUHALT (Mexico) said that the scale of assessments was a complex and divisive issue, since it was difficult to satisfy the sometimes conflicting interests of all Member States. Nevertheless, significant progress had been made during the past year in developing criteria for calculating the true capacity to pay of Member States. In that respect, the changes in methodology agreed in resolution 46/221 were particularly important. In its report (A/47/11), the Committee on Contributions had put forward a series of proposals based on that resolution and he wished to comment on two specific aspects of the methodology, namely the criteria used for preparing the illustrative scales and the technical elements used for the model scale.

2. The proposed changes, which were intended to make the methodology simpler, fairer and more transparent, related to the low per capita income allowance formula, debt-adjusted income, and the phasing out of the scheme of limits. Each of the changes would help to rationalize the system for determining the scale of assessments and, taken together, they offered an appropriate political balance between the advantages and disadvantages that would result for individual countries. The use of average world per capita income and a gradient of 100 per cent would simplify the low per capita income formula and prevent any further erosion of its value. The use of debt-adjusted income would help to relieve the burden on indebted developing countries by taking into account the efforts they had made to meet their international financial obligations. The phasing out of the scheme of limits would eliminate the artificial distortions it had created in determining the capacity to pay of Member States.

3. Accordingly, his delegation considered that the next scale of assessments should be prepared on the basis of the criteria laid down in paragraphs 2 and 3 of resolution 46/221 B, namely uniform exchange rates, a low per capita income allowance formula taking account of average world per capita income and with a gradient of 100 per cent, debt-adjusted income, and the phasing out of the scheme of limits in accordance with the approaches described in paragraph 11 of the report of the Committee on Contributions.

4. He agreed with the Committee on Contributions that the model scale contained in its report, which was based on average national income weighted by per capita national income, represented a considerable improvement in the methodology and better reflected the capacity to pay of Member States, since it took due account of both the dimension of the economy and the relative wealth of Member States, while using objective, transparent and technically sound criteria. However, as the rates of assessment derived from the new methodology were significantly different from those currently in force, further efforts were needed to eliminate the anomalies which would place an

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(Mr. Duhalt, Mexico)

excessive burden on many developing countries. He hoped that the Committee on Contributions would continue to study ways of using the new methodology when preparing future scales of assessment.

5. With regard to the rates of assessments calculated for the former Soviet republics and the former Yugoslavia, he commended the objectivity and technical rigour with which the Committee on Contributions had tackled the complex problems involved, noting that the recommendations were viewed as an unavoidable transitional step and that the rates concerned might undergo considerable adjustment in the preparation of the next scale of assessments. While he felt that the Committee's recommendations offered a sound basis for a solution, he was willing to consider other options which adequately reflected the relative capacity to pay of all Member States and were acceptable to all.

6. Mr. MORET (Cuba) said that the delicate balance achieved in General Assembly resolution 46/221 had been the result of complex and arduous discussions and should be maintained at the current session. He noted that, in paragraph 6 of its report, the Committee on Contributions agreed that the guidelines for uniform exchange rates laid down by the General Assembly were appropriate, and he hoped that any final decision on the matter would take account of differences in exchange rates in accordance with the criteria set out in paragraph 3 (b) of resolution 46/221 B. He also supported the continued use of debt-adjusted income in order to take account of the situation of many indebted developing countries. However, he noted the view of some members of the Committee on Contributions that its application would increase the rates of assessment of some indebted developing countries; he would therefore welcome information from the Secretariat as to whether that was the case. He agreed that 100 per cent gradient should be used for the low per capita income formula in order to assist developing countries with low per capita incomes facing serious economic difficulties. There had been some disagreement within the Committee on Contributions, but his delegation shared the view expressed in paragraph 8 of the report that the adjustment of the low per capita income formula, together with the other adjustments presented in paragraph 3 of resolution 46/221 B, represented an integral package for the improvement of the methodology and would better reflect the relative capacity to pay of Member States.

7. While he welcomed the various proposals for the phasing out of the scheme of limits, he shared the concern expressed by other delegations that none of the proposed scales was realistic, since they were based on methodological principles which had not been approved by the General Assembly. The Committee on Contributions should therefore continue to examine the question and put forward new proposals at the next session.

8. A general consensus had emerged from the debate that the capacity to pay of Member States should continue to be the fundamental criterion for determining scales of asssessment. However, the capacity to pay, particularly that of the developing countries, was affected by economic factors such as

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(Mr. Moret, Cuba)

those mentioned in paragraph 3 of resolution 43/223 B, which had been reiterated in subsequent General Assembly resolutions following the failure of the Committee on Contributions to put forward firm proposals to deal with them. His delegation was not satisfied with the remarks contained in paragraphs 16 to 26 of the report and he hoped that the Committee on Contributions would continue to study the matter and submit firm proposals at the next session of the General Assembly. He also hoped that measures would be taken to enable the Statistical Division to collect the data needed to assist the Committee on Contributions in its deliberations at its next session.

9. The calculation of the rates of assessment of new Member States was a crucial question which should be carefully considered with a view to finding solutions satisfactory to all Member States.

10. Ms. ANZOLA (Venezuela) welcomed the fact that the Committee on Contributions had largely complied with the mandate given to it by the General Assembly at its forty-sixth session and commended its efforts to determine the rates of assessment for the former Soviet republics and the former Yugoslavia, as well as the Baltic States. While she understood the serious economic and political problems those countries were facing, she felt that the recommendations of the Committee on Contributions were reasonable, bearing in mind that the rates were provisional and would be adjusted in the preparation of the next scale of assessments, once detailed information on national income, population and exchange rates was available.

11. The elements to be used in the establishment of future scales advocated by the General Assembly in resolution 46/221 B - namely a ten-year statistical base period, uniform rates of exchange, debt-adjusted income, a low per capita income allowance formula with a gradient of 100 per cent, floor and ceiling rates, and the phasing out of the scheme of limits over two three-year scale periods while avoiding the allocation of additional points to the developing countries - had been the product of difficult negotiations at the forty-sixth session and were part of a compromise designed to improve the methodology and make it more transparent. Although there was room for further improvement, it would not be useful to reopen the discussion on those criteria at the present time. With regard to the scheme of limits, it was clear from the illustrative scales contained in annexes I to III to the report that the adverse effects of the system could be eliminated in two three-year scale periods.

12. She welcomed the model scale presented in annex V to the report, which used a ten-year statistical base period and was based on average national income weighted by per capita national income, together with floor and ceiling rates. Her delegation was willing to consider any proposal to improve the methodology, provided that capacity to pay remained the basic criterion. She felt that the proposed model scale should be studied in greater depth, since it was based on objective, transparent and technically sound criteria and took due account of the dimension of the economy and relative wealth of Member States, and thus provided a more accurate reflection of their capacity to

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(Ms. Anzola, Venezuela)

pay. The Committee on Contributions should consider the question of transition from the current scale to the model scale, as requested in resolution 46/221 and as proposed by the representative of Brazil. Finally, she welcomed the inclusion in the Committee's report of the summary of a progress report on the further development of price-adjusted rates of exchange.

13. Mr. BELYAEV (Belarus) said that, although the work done by the Committee on Contributions relating to the improvement of its methodology had not produced results of the expected significance, it did provide a good basis for completion of the exercise, so that the assessed contribution of every State would be based on its actual capacity to pay. The Committee should give priority to the question of the statistical base period: the existing 10-year period ensured consistency of data but did not take into account the situation of the newly independent States. It would take the Committee five to seven years to react to the adverse changes in their capacity to pay. Either the base period should be shortened or special criteria should be devised for its flexible application. The Committee should also complete its study of adjustments to national and per capita income, the application of price-adjusted rates of exchange (PARE) and alternative metnods of calculating national income. The results of the application of the scheme of limits had been insignificant and dubious, and the Committee should therefore comply with paragraph 2 (a) o′ resolution 46/221 B by phasing the scheme out.

14. Every effort must be made to eliminate the methodological shortcomings noted in the Fifth Committee and the inaccuracies in the assessment of the contributions of a number of States, including Belarus. In that connection, Belarus was grateful to all those delegations which had shown an understanding of its dissatisfaction with the recommendation of the Committee on Contributions and a willirgness to work together to solve the problem.

15. In view of its radically changed economic circumstances, the Committee had been wrong to try to calculate the rate of assessment of the now independent Republic of Belarus in accordance with existing practice. The recommended assessment did not correspond to the true economic situation and would make Belarus a debtor of international organizations. It was unacceptable for a founder Member of the United Nations to be placed in such a position. The Committee had used a simplistic methodological approach, taking as the basis for its calculations data on the former Byelorussian SSR relating to the time when it had been integrated in the economy of the former USSR, data which were irrelevant to the present situation. Nor had it taken into account the enormous changes in the former USSR and the resulting difficulties for Belarus. The assessments of the new States of the region should be calculated in the context of the whole scale of assessments and not on a regional basis. The former Soviet republics had declared themselves successor States with respect to the foreign debt of the former USSR but not with respect to the future financial obligations to the United Nations of a non-existent State. The existing methodology provided for the application of special adjustments: it was quite permissible that most of them should not

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(Mr. Belyaev, Belarus)

have been used in assessing the contribution of the former USSR, but it was difficult to see why they had not been applied to Belarus.

16. One of the many factors affecting the country's economy was the aftermath of the Chernobyl disaster. The United Nations had a programme to mitigate the consequences of the disaster but the fund currently amounted to only about $1 million out of a total implementation cost of almost $640 million. The Government of Belarus was therefore compelled to go ahead using its own resources. The list of other economic difficulties was unfortunately a long one.

17. Given the gap between the assessed contribution of Belarus and its actual capacity to pay, the Committee on Contributions might give some thought to introducing an agreed procedure for the practical application of its recommendation. It was to be hoped that delegations would continue to show understanding of the situation of Belarus and, indeed, of Ukraine.

18. Mr. COHEN (United States of America) said that, in view of the divisive nature of the question of the scale of assessments, it was regrettable that so few ideas had been put forward for the revitalization of the way in which the United Nations apportioned its expenses. His delegation had long argued that many of the difficulties connected with the scale were due to excessive reliance on capacity to pay as the fundamental criterion. There should be less focus on the parochial fiscal interests of individual Member States and more emphasis on the pride all Member States should feel in the Organization. In that connection, his delegation wholeheartedly endorsed the proposal contained in paragraph 36 of the report of the Committee on Contributions that an independent high-level body with a much wider, non-technical viewpoint should be established to review the principle of capacity to pay and report thereon to the General Assembly. It also endorsed the proposal on the same subject put forward by the representative of Japan and hoped to see both proposals reflected in any resolution adopted under the current agenda item.

19. He noted that the Committee on Contributions had studied six different alternative approaches to assessment, but regretted that some members felt the Committee was not competent to give its opinion on approaches which raised political issues. He pointed out that the Committee was required to give its technical opinion on varying approaches so as to enable the General Assembly to make an informed political decision. That was clearly the intent of paragraph 1 of resolution 46/221 D and he therefore hoped that the Committee would not hesitate to give its technical opinion on approaches with political implications when completing the report requested for the forty-eighth session.

20. Accordingly, his delegation retained an open mind with regard to the improvement of the existing methodology but insisted that it should be transparent, fair and based on realistic mathematical concepts. The alternative approach contained in annex V to the report might meet the first two criteria but the mathematical relationship simply did not obtain.

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(Mr. Cohen, United States)

21. His delegation still had difficulty with the continuation of the scheme of limits, not because it limited growth from period to period but because it created distortions over several periods. The scheme should be eliminated altogether.

22. The decision of the Committee on Contributions to reapportion the assessed contribution of the former USSR among the 15 former Soviet republics was valid and based on precedent. In paragraphs 45 and 46 of its report the Committee gave a satisfactory explanation for the inclusion of Ukraine and Belarus in the reapportionment. However, in view of the wide-ranging consequences of the break-up of the Soviet Union, his delegation would give its support to any compromise which might emerge from negotiations on the issue.

23. The scale of assessments was traditionally a contentious issue, but it must be remembered that the true work of the Organization was the preservation of international peace and security, the fostering of economic development and the strengthening of respect for human rights. Viewing the scale of assessments from that larger perspective would restore a sense of proportion and build the consensus needed for the smooth operation of the Organization.

24. Mr. OSELLA (Argentina) said that his delegation endorsed the recommendations contained in the report of the Committee on Conferences. The solution which the Committee had chosen to the problem caused by the admission of the new Member States was not ideal for many States but was certainly the least costly for the system as a whole. His delegation was ready to collaborate constructively in the search for a definitive solution.

25. The methodology could be improved by continuation of the work on the basis of resolution 46/221. In particular, the machine scale of national income weighted by per capita national income was based on objective criteria which produced fairer results. The methodology must reflect the true capacity to pay of all States, and in that connection the proposal regarding the convening of a group of experts to define the concept of capacity to pay warranted consideration.

26. States usually took the opportunity to comment on the effect of the methodology on the amount of their assessed contributions. The time had perhaps come to establish criteria and concepts which would invest the scale of contributions with the necessary credibility for it to be accepted by all. Otherwise, what was now a zero-sum game might become a negative-sum game for the Organization.

AGENDA ITEM 113: UNITED NATIONS COMMON SYSTEM (A/47/30; A/C.5/47/25, A/C.5/47/36, A/C.5/47/37 and A/C.5/47/38)

27. Mr. BEL HADJ AMOR (Chairman of the International Civil Service Commission) said that the International Civil Service Commission (ICSC) was an

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(Mr. Bel Hadj Amor)

independent technical body whose mandate was to regulate and coordinate the conditions of service of the staff of the United Nations common system. The matters falling within that mandate affected over 50,000 staff members employed at some 700 locations in a wide variety of bodies whose concerns could vary greatly at any given time. The Commission had to maintain its objectivity while balancing the concerns of the various parties concerned - staff, management and Member States. Those concerns need not be mutually contradictory but perceptions as to their relative importance might vary. It was therefore essential for the Commission's impartiality and objectivity to be beyond reproach. Some groups had succumbed to the temptation of criticizing ICSC on that ground, but the Commission considered it a token of its impartiality and objectivity that it did not please all the people all the time. A frank discussion of the issues was, of course, necessary, but it must be based on mutual respect and tolerance.

28. In accordance with resolution 46/220, the ICSC reports would be submitted to the Committee for decision-making purposes only every two years, and in other years for information only. The Commission did not see any major problems with biennialization but did attach importance to the annual review of the base/floor salary. From time to time there would also be other issues requiring a departure from the biennial system.

29. Considerable time had been devoted during 1992 to two issues affecting the conditions of service of the General Service: a review of the methodology for determining pensionable remuneration, and a review of the methodology for conducting salary surveys at the seven headquarters locations. Both reviews had been conducted in consultation with management and staff representatives, and working groups had been convened to consider the relevant issues in depth. It would be recalled that when on a previous occasion the staff had suspended participation in ICSC, they had made the establishment of tripartite working groups on all important issues a condition of their return. It was therefore unfortunate that the staff had decided not to participate in deliberations at the recent session of the Commission.

30. The results of the salary review had indicated that, while the methodology was basically sound, it required fine tuning, as indicated in the Commission's report.

31. The Commission had not completed its deliberations on pensionable remuneration, but it did not feel that maintaining the system unchanged was a viable option, given the anomalies it had caused, a position which had also been taken by the representatives of the executive heads and of the Member States in the Pension Board. The anomalies resulted from differences between the General Service and Professional categories with regard to staff assessment rates, methodological approaches and adjustment procedures. The methodological aspect had been settled through the use of income replacement for both categories, and ICSC had aligned the adjustment procedure for General Service staff with that applied to Professional staff. The Commission would

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report on its deliberations on the staff assessment methodology at the forty-eighth session.

32. The Commission had also taken up, in response to General Assembly resolution 46/192, the question of pension arrangements for elected ungraded officials who were not participants in the Pension Fund. The Commission recommended guidelines which were designed to provide comparability both among the group of officials concerned and with the pension benefits of similarly situated officials participating in the Fund. The Commission also submitted recommendations on the conditions of service of Assistant Secretaries-General, Under-Secretaries-General and equivalent staff.

33. ICSC had continued to devote attention to the conditions of employment of the Professional and higher categories, mainly with regard to salaries and allowances. With regard to the request by the General Assembly, in resolution 44/198, for an interim report on the margin between the United Nations system and the comparator, the Commission had decided to report that no action was necessary at the current stage.

34. A study of the base/floor salary scale had revealed a 6.9 per cent difference between the two systems, and ICSC therefore recommended an upward adjustment in the United Nations scale of that amount, with effect from 1 March 1993. It also recommended that future adjustments should be considered on an annual basis. The Commission, with the assistance of a consulting firm, had also completed the bulk of the technical work relating to revised procedures for determining the cost-of-living differential between New York and Washington.

35. ICSC had recently come under fire for failing to keep United Nations system salaries competitive and for being slow to respond to recruitment and retention difficulties. In particular, lower margins at the D-1 and D-2 levels had caused the Administrative Committee on Coordination (ACC) to request a salary increase for those grades, but the Commission was of the view that it should also investigate a number of factors relating to the structure of the scale itself. In a bid to address the problem of retention in highly specialized technical areas, the Commission was considering the establishment of special occupational rates, and invited the Fifth Committee to endorse that approach in principle pending determination of the actual modalities.

36. In the area of allowances, the Commission had completed methodological reviews of the dependency allowances for Professional and higher category staff, and of the education grant. It recommended upward adjustments in specific currency areas in response to inflation. It should be noted that those adjustments did not represent a real increase and that the amount of the secondary dependant's allowance had remained unchanged for 15 years.

37. The Commission had reviewed the mobility and hardship scheme and concluded that it appeared to be operating satisfactorily within the cost

(Mr. Bel Hadj Amor)

structure foreseen at the time of its introduction. It therefore recommended that the scheme should continue to operate unchanged. A follow-up review would be conducted in 1995. The linkage between the mobility and hardship allowance and the base/floor salary scale should continue.

38. The Commission had issued a series of recommendations relating to the status of women, and trusted that real progress would finally be achieved.

39. While the Commission had focused heavily on the remuneration side of the personnel management spectrum, commensurate time must also be given to such complementary and important issues as human resources planning and management, career planning and staff development, and the enhancement of staff motivation and productivity. ICSC had recently launched a study aimed at identifying more effective means of evaluating staff performance. Such issues, which had been neglected for far too long, were critical in bringing personnel management in the international public service into the twenty-first century.

40. It was not for the Commission alone to defend the common system; the strengthening of the system should be a shared endeavour and the collective responsibility of all those concerned. It was gratifying that organizations were now increasingly approaching ICSC with their problems in a timely fashion. If the trend continued, it would be possible to work in harmony to enhance the unity of the system. In that connection, he regretted the suspension of participation by the staff in some Commission activities. The Commission's doors, however, remained open. ICSC recommended that the General Assembly should make it mandatory for all organizations to invite the Commission to be represented at meetings where proposals pertaining to conditions of service were discussed.

41. The common system was a compact between the parties concerned. If all were not committed to making it work, it would fall apart to the detriment of all. The emphasis should be on improving, not removing, the common system.

42. The CHAIRMAN said that he had received a petition addressed to the Fifth Committee, signed by 2,243 staff members of the Vienna-based organizations, expressing serious concern at the attitude taken by certain Governments towards the staff of the common system. As agreed at a previous meeting, he would invite the representatives of the staff associations to address the Committee in connection with its consideration of the ICSC report.

43. Mr. ABOU-ZAHR (President of the Coordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA)) said that it was ironic that, at the very time when the Organization's prestige had increased, it should continue to be plagued by funding problems, and it was frustrating that destructive criticism should continue to be levelled against it. It should not be forgotten that the United Nations did not exist in isolation from its constituent components - the Member States.

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(Mr. Abou-Zahr)

44. The United Nations had embarked on a wide-ranging restructuring programme, about which, contrary to precedent and a long tradition of staff-management consultation, little had been communicated to the staff. That situation had had an extremely negative impact on staff morale. The promise of improvements in conditions of service at some undefined point in the future seemed even more elusive in the light of recent experience.

45. Professional salaries and pensions had been drastically cut in the 1980s to adjust them to the deteriorating levels of those in the comparator, and the loss in purchasing power had yet to be recovered. It might be argued that during the 1980s the Organization's prestige had been at its lowest level ever, that its role had been undermined by super-Power rivalry, and that there had thus been little interest in putting money into an institution regarded as being of limited usefulness. Yet it might also now be expected that, with the end of the cold war, there would be a change in attitudes towards the Organization and its financing. Regrettably, that was not the case.

46. Unable or unwilling to recognize the essential role of the staff, the General Assembly had consistently ignored their pleas that the malaise troubling the common system should be addressed. Now ICSC, on the pretext that there was an overlap with Professional salaries and pensions, was recommending reductions in General Service salaries and pensions of up to 20 per cent. Such an approach overlooked the fact that the overlap was a direct result of the earlier cut in Professional emoluments as well as of the existence of different parameters for the two categories of staff.

47. The wisdom of implementing such measures at a time when the Organization, more than ever, needed motivated staff to fulfil the expectations of its Member States was questionable. The Secretary-General and ACC had recognized the problem, but no specific proposals had been advanced aimed at making the salaries and conditions of service of Professional staff competitive while maintaining those of General Service staff at their current levels. He hoped that an opportunity for doing so would arise in the informal consultations. That it should be considered feasible to cut salaries and pensions and undermine career prospects by restructuring while the staff had to shoulder an increased workload suggested insensitivity, short-sightedness and self-defeating disregard for the Organization and its personnel.

48. Year after year since the mid-1980s the staff had come before the Fifth Committee in an annual ritual of petitions and complaints, only to meet with an unsympathetic response from an audience which seemed to regard anything that came from the staff as unreasonable, by definition. Yet the staff demands - conditions of service on a par with those of other international organizations of comparable standing, such as the European Community and the World Bank - were far from unreasonable.

49. It was disingenuous to argue now, that, given the world economic recession, it was unreasonable for the staff to expect any improvement, since

(Mr. Abou-Zahr)

at a time when most economies had been growing, in the booming second half of the 1980s, United Nations salaries and pensions had been reduced.

50. The staff were firmly committed to the Organization and its activities and to meeting the new challenges of a world racked by civil strife and ethnic conflict. They recognized that their role, along with that of the Organization, had changed in the post-cold war era, but they asked that their value and contribution should be recognized, both in words and in deeds, by their employers. Such an expectation was not unreasonable, it was only fair.

51. Mr. FREEMAN (President of the Federation of International Civil Servants' Associations (FICSA)) said that the United Nations was not a competitive employer. Salaries and pensions for staff in the Professional and higher categories were no longer competitive with those of the private sector, other international organizations or the comparator civil service staff posted abroad. The proof was in a two-volume report, commissioned by FICSA and paid for by the contributions of 32,000 staff members, which had been reviewed by ICSC at its thirty-sixth session. Although the Commission had acknowledged that the salaries and pensions of staff in those categories were less than those of the international organizations with which they had been compared, the report had been shelved, no recommendations being made for improvement. The General Assembly was now being asked to note the Commission's decisions regarding changes in the methodologies concerning salary surveys and pensionable remuneration of staff in the General Service and related categories that, if implemented, would result in a steep decline in those salaries and pensions, making them uncompetitive with their equivalents in the local labour markets. The United Nations was a particularly uncompetitive employer with regard to women, who could scarcely be expected to join or stay with an organization in which women continued to be severely underrepresented at the decision-making levels. Despite all the rhetoric, when the new Secretary-General had restructured the Secretariat at the highest levels, he had eliminated female staff and engaged only men.

52. The representatives of 32,000 staff members had travelled to New York at their own expense and on their own time in order to be present during the Committee's deliberations on issues relating to the common system. Speaking on their behalf, he wished to express their great disappointment that the necessary agenda modifications had not been made to permit the representatives of CCISUA and FICSA to speak during their stay. They had left New York with the perception that the Committee did not want them to be present.

53. The reason given for changing the methodology for deriving the pensionable remuneration of General Service staff was that there was a possibility of "income inversion", in other words, of a General Service staff member receiving a larger pension than a Professional staff member who had earned more whilst in active service. As far as he knew, the problem had never actually arisen. Furthermore, income inversion compared situations which were not comparable: a senior General Service staff member at the end

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(Mr. Freeman)

of his or her career and at the top of the scale, and a junior Professional staff member at the start of his or her career who would thus hardly be going on pension. Pensionable remuneration for General Service staff was based on 100 per cent of net salary in order to conform with the practices of local employers, who used total gross salary. Applying the staff assessment scale to only 56.25 per cent of net salary, as suggested by ICSC, would take the methodology back to where it had been in the 1960s.

54. As ICSC had just introduced a new salary survey methodology, it was impossible to forecast the future level of salaries in the General Service category and, consequently, that of pensions. Furthermore, the introduction in January 1992 of a lower staff assessment scale, approved by the General Assembly in resolution 46/191 III, had already resulted in pension reductions of up to 10 per cent for General Service staff. The actuaries had always advised the United Nations Joint Staff Pension Board to avoid continually revising the methodology for calculating pensions and contributions as that changed the basis on which the actuarial valuations were made. Therefore, until such time as the impact of the recent changes in the General Service staff assessment scales and salary survey methodology had been evaluated, there should be no further changes in General Staff pensions.

55. On the question of the security and independence of the international civil service, he said that every year some 100 staff members were arrested, detained, imprisoned, executed, reported missing or held against their will. That issue should be dealt with annually, and FICSA requested that it should remain on the agenda despite the decision regarding the biennialization of the work of the Fifth Committee.

56. FICSA remained deeply concerned about its working relationship with ICSC. In its resolution 46/191 I, the General Assembly had reaffirmed the importance of the Commission working with all its partners, as well as its right to hold executive meetings. While no executive meetings had been held in 1992, they had been replaced by "private briefings", at which many members of the Commission appeared to have reached decisions on various subjects before they were ever discussed publicly. Moreover, there had been no technical deliberations at all on the methodologies for General Service salary surveys and pensionable remuneration. That had led FICSA to withdraw from the Commission's session and it would not attend another until there was a meaningful study of the Commission's role and functioning. No international organization that offered competitive salaries and conditions of service had any advisory body even remotely similar to ICSC.

57. The Commission's methods had already been faulted by the Administrative Tribunals of both the United Nations and the International Labour Organisation. Now, in its latest report (A/47/30), the Commission recommended a revision in the methodology for determining the pensionable remuneration of General Service staff that would require a change in article 54 of the Pension Fund regulations. Article 49 of those same regulations provided that the

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(Mr. Freeman)

Board might recommend amendments to those regulations to the General Assembly. If the recommendation of ICSC was accepted, it would render the consultation process with the Pension Board perfunctory, and, in the event of a legal challenge, it would almost certainly be found invalid.

58. FICSA understood that one of the principal motivations for adhering to the Commission's recommendations was the desire to ensure a truly "common system" within the United Nations. Although the idea was laudable, it should be applied with caution or it would destroy the very system it was intended to preserve. As a result of decisions taken to ensure commonality, some of the specialized agencies were no longer able to recruit the best talent and were experiencing operational difficulties. Problems of that type would multiply if the new methodology for conducting salary surveys was approved. FICSA therefore urged the Committee to endorse the position taken by ACC (in its statement A/C.5/47/25) and to request ICSC to re-examine the methodology in collaboration with the staff, with a view to arriving at a negotiated position.

59. It was time for the United Nations system to move on to contemporary management methods and to give staff an equal voice in negotiating their conditions of service. It was time to restore the salaries of staff in the Professional and higher categories to competitive levels and avoid reducing the salaries and pensionable remuneration of General Service staff, in order to ensure that the most qualified and technically skilled people could be recruited and retained. It was time to stop seeking to economize at the expense of the staff. Involving and supporting the staff was the key to ensuring the future of the United Nations.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

(c) APPOINTMENT OF A MEMBER OF THE BOARD OF AUDITORS (A/47/130; A/C.5/47/32)

60. The CHAIRMAN said that the General Assembly needed to appoint an Auditor-General (or officer holding the equivalent title) of a Member State to fill the vacancy that would arise in the membership of the Board of Auditors on 1 July 1993. The Government of Pakistan had withdrawn the candidature of the Auditor-General of Pakistan, leaving two candidates for one vacancy: the Comptroller and Auditor General of India and the Chairman of the Commission on Audit of the Philippines. The Committee would therefore hold a secret ballot.

61. At the invitation of the Chairman, Mr. Penev (Bulgaria) and Mr. Elizmaity (Egypt) acted as tellers.

62. Mr. Zahid (Morocco), Vice-Chairman, took the Chair.

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63. A vote was taken by secret ballot.

Number of ballot papers:	143
Number of invalid ballots:	13
Number of valid ballots:	130
Abstentions:	1
Number of members voting:	129
Required majority:	65
Number of votes obtained:	
Comptroller and Auditor General of India	105
Chairman of the Commission on Audit of the Philippines	24

64. The Comptroller and Auditor General of India having obtained the required majority, the Committee recommended his appointment as a member of the Board of Auditors for a three-year term beginning on 1 July 1993.

The meeting rose at 1.25 p.m.