



SUMMARY RECORD OF THE 42nd MEETING

Chairman: Mr. BUJ FLORES (Mexico)

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

CONTENTS

AGENDA ITEM 91: PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

United Nations accommodation at Nairobi

Administrative and financial implications of the draft resolution submitted
by the Special Political Committee in document A/SPC/35/L.16 concerning agenda
item 57

AGENDA ITEM 99: REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued)

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The meeting was called to order at 8.35 p.m.

AGENDA ITEM 91: PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

United Nations accommodation at Nairobi (A/C.5/35/35 and Add.1 and A/35/7/Add.11)

1. Mr. MAYCOCK (Barbados) said that his delegation found itself faced with a dilemma in that the Committee was considering a recommendation by the Executive Director of the United Nations Environment Programme which, in the interest of the United Nations, sought to effect economies by a revision of a decision adopted by the General Assembly the previous year. In spite of the information presented in the report of the Executive Director (A/C.5/35/35/Add.1), his delegation found it difficult to understand the mechanics which had led to the recommendations contained in it.
2. In paragraph 3 of the Executive Director's report, it was stated that preliminary site works (contract I) had commenced in September 1979 and had been completed. However, in paragraph 5, it was stated that in March 1980 "it was assumed that the Contracts Committee at United Nations Headquarters would make the final recommendation regarding the award of contract II". His delegation found it inconceivable that in March 1980 there should be any lack of clarity as to the finalization of contracts in respect of a project that had been under consideration from 1977.
3. In the same paragraph 5, it was stated that "the United Nations Legal Counsel advised that the responsibility for awarding the proposed contract II lay with the Executive Director of UNEP after seeking and considering the advice of the UNEP Committee on Contracts (Building)". However, it was not indicated who had referred the matter to the Legal Counsel or why or in what circumstances. His delegation would like clarification of those issues; it would also like to know whether contract I had been referred to the Legal Counsel and, if so, whether the advice given then was similar to that given in May 1980.
4. In paragraph 20 of the report there seemed to be an intimation that the preference of the World Bank and UNHCR to remain at the Nairobi Centre somehow had a bearing on the Executive Director's decision to present a revised project to the General Assembly at its thirty-fifth session. His delegation would like to know whether that was so or whether, on the contrary, that preference had come to light only after the decision to revise the project had been taken.
5. At the previous meeting, the Executive Director of UNEP had cited the figure of 162 million Kenyan shillings. His delegation would like to know whether that figure would mean any change in table 9 on comparison of costs in the Executive Director's report (A/C.5/35/35/Add.1, p. 19).
6. Since the objective of the Nairobi project was to provide the first such centre in a developing country, his delegation felt strongly that no stone must be left unturned to ensure that the project was finalized with as little delay as possible, provide adequate accommodation to meet the needs of the foreseeable future and conform to the requirements and standards expected of an international centre.

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(Mr. Maycock, Barbados)

7. His delegation hoped that, regardless of the decision adopted on the matter (to accept the recommendation of the Executive Director or to accept the recommendation of the delegation of Kenya), the revision of a plan recommended and approved by the General Assembly would never be repeated.
8. Mr. ABDEL RAHMAN (Sudan) said that his delegation fully supported the report of the Executive Director of UNEP, because it had taken account of the misgivings expressed in the Fifth Committee at the last session regarding the high cost of the accommodation. His delegation also accepted the recommendations made by the Advisory Committee.
9. The Nairobi accommodation would be the first permanent United Nations site in a developing country. His delegation considered that, in order to meet the needs which would arise in the future, two new conference rooms should be added, over and above those approved by the General Assembly in 1977. The construction costs of those conference rooms should be considered within the framework of the budget approved for 1979. A draft resolution to that effect would shortly be submitted, and his delegation hoped that the Committee would adopt it.
10. Mr. EL HOUDERI (Libyan Arab Jamahiriya) said that his delegation attached great importance to the question of United Nations accommodation at Nairobi, which would be the first of its kind built by the United Nations in a developing country. Such accommodation should be used by various United Nations bodies, and international meetings should be held there which would make it possible to decentralize the activities of the system.
11. The General Assembly had adopted its decision on the accommodation at Nairobi on the basis of the detailed considerations submitted by the Secretary-General. However, as the Executive Director of UNEP had pointed out in his report, some circumstances had changed, the needs of certain organizations, such as the World Bank, had to be considered and information was already available on future needs (A/C.5/35/35/Add.1, paras. 24-26 and tables 2 and 3). The General Assembly should therefore take into account all those factors and adopt a realistic decision on the subject.
12. His delegation commended the positive measures adopted by the Executive Director of UNEP, in implementation of General Assembly resolution 34/228 and rule 110.21 of the Financial Regulations of the United Nations. It also supported the recommendations made by the Advisory Committee in its report.
13. The construction of the premises, including the conference rooms, should be carried out in accordance with the resolutions adopted by the General Assembly at its thirty-second and thirty-fourth sessions and in a manner conducive to the achievement of the Centre's objectives.
14. Lastly, his delegation was prepared to hold consultations with as many delegations as wished it in order to reach agreement on the draft resolution under consideration.

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15. Mr. KASRAWI (Jordan) said that the report submitted by the Executive Director of UNEP was extremely valuable and the Advisory Committee's recommendations for the adoption of the revised project appropriate. His delegation therefore supported the recommendations of the Advisory Committee.

16. His delegation was also prepared to study any proposal aimed at improving the situation and facilitating the satisfaction of future needs. Accordingly, it supported the proposal of the representative of the Sudan.

17. Mr. TOLBA (Executive Director, United Nations Environment Programme) said that he wished to reply to the questions raised by the representative of Barbados. With respect to the reason why the awarding of contract II had been referred to the Legal Counsel, he said that decision had been made by the Under-Secretary-General for Administration, Finance and Management. The question had been under examination in New York since the beginning of March 1980, and that was the sense in which paragraph 5 of the report in document A/C.5/35/35/Add.1 should be understood. According to that paragraph, "it was assumed that the Contracts Committee at United Nations Headquarters would make the final recommendation regarding the award of contract II".

18. A different procedure had been followed in each case because contract I was for 12 million Kenyan shillings, whereas contract II was for between 170 million and 175 million Kenyan shillings. In view of the magnitude of the figures in contract II, which were 15 times greater than for contract I, the competent Secretariat officials had decided in the first instance that it was for the Contracts Committee at Headquarters to consider the question. However, the final ruling of the Legal Counsel was that the responsibility for awarding contract II lay with the Executive Director of UNEP after seeking and considering the advice of the UNEP Committee on Contracts (Building).

19. The delegation of Barbados had also asked if the preference of the World Bank and UNHCR for continuing at the Nairobi Centre was related to the Executive Director's decision to submit a revised project to the General Assembly, or if, on the contrary, that preference had been voiced after the decision had been adopted. In reply, he pointed out that the World Bank and UNHCR were proposing to stay on in Nairobi, specifically in the Nairobi Centre, and not in the new premises of UNEP on the outskirts of the city. He had received that information between the end of December 1979 and the beginning of January 1980, in other words, long before the final decision had been adopted in May 1980.

20. With reference to the amount of 162 million Kenyan shillings referred to by the delegation of Barbados, he explained that that figure represented a bid, and had no connexion with the figures included in his report.

21. Lastly, with respect to the hope expressed by the representative of Barbados that in future there would be no revision of any plan recommended to the General Assembly and approved by it, he regretted to have to disagree, since in his view, any conscientious international official had an obligation to submit the facts to the General Assembly, and when in doubt to ask the views of that body before taking a decision.

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Administrative and financial implications of the draft resolution submitted by the Special Political Committee in document A/SPC/35/L.16 concerning agenda item 57 (A/C.5/35/59)

22. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, under the terms of draft resolution A/SPC/35/L.16, the Special Committee to Investigate Israeli Practices would continue its work during 1981. According to the statement submitted by the Secretary-General (A/C.5/35/59), the Special Committee would implement a programme of work similar to that carried out in 1980. The estimated cost of that work programme (field mission to Europe and the Middle East) was shown in paragraph 9 of the Secretary-General's statement. In addition, the Secretary-General requested supplementary staff (one P-3 post, one P-2 post and two General Service posts). The Secretary-General estimated total requirements at \$248,300. The conference servicing costs would not exceed \$264,500.

23. The Advisory Committee was recommending that the Fifth Committee inform the General Assembly that, should draft resolution A/SPC/35/L.16 be adopted, an appropriation of \$248,300 would be required under section 23 of the programme budget for 1980-1981, plus an appropriation of \$35,500 for staff assessment under section 31, to be offset by a corresponding amount under income section 1.

24. Conference servicing requirements not exceeding \$264,500 would be considered in the context of the consolidated statement to be submitted towards the end of the current session of the General Assembly.

25. Mr. PAPENDORP (United States of America) said that in paragraph 9 of document A/C.5/35/59, which set forth the administrative and financial implications of draft resolution A/SPC/35/L.16, the Secretary-General made certain assumptions about the programme of work of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories. Those assumptions were based on the Special Committee's intention of following the "pattern of the programme of work undertaken by the Committee since 1970".

26. With respect to the assumption in paragraph 5 (c), according to which "in September 1981, the Special Committee would meet in Geneva for a period of approximately 10 working days to continue its study and analysis of further evidence and to adopt its report", the United States delegation had two comments. Firstly, as had emerged from the lengthy debate in the Special Political Committee, although the Special Committee had met in July to adopt its report, it had not been distributed to the General Assembly in all languages until the end of October. Secondly, according to paragraph 24 of General Assembly decision 34/401, "subsidiary organs should be required to complete their work at the latest by 1 September, so that their reports may be available in all the working languages in time for consideration by the opening of the session of the General Assembly". The United States delegation hoped that the Secretary-General would remind the Secretary of the Special Committee of those provisions in the General Assembly decision, and that at its organizational session, which would be held at the beginning of 1981, the Special Committee would adopt a programme of work in conformity with decision 34/401.

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(Mr. Papendorp, United States)

27. In view of those circumstances, the United States delegation also questioned the costs envisaged for the 10-day meeting. In his delegation's view, the amounts already allocated under section 29 of the regular budget, which were over \$190 million, should suffice to finance a very considerable number of activities. The United States delegation considered that the Secretariat already had sufficient resources to cover the costs involved. Consequently, it could not support any increase of the financial burden on Member States for such purposes.

28. Mr. BEGIN (Director, Budget Division) said, in reply to the comments by the United States, that the Secretary-General, in document A/C.5/35/59, had in fact given the date of September 1981 for the adoption of the report of the Special Committee but that it should be understood as being somewhat indicative. The Secretary-General would certainly make recommendations to the Chairman of the Special Committee on the lines indicated by the United States delegation.

29. Mr. HILLEL (Israel) said that the financial implications under consideration by the Fifth Committee related to a draft resolution that took absolutely no account of the real conditions in the occupied territories. His delegation had already explained at length in the Special Political Committee its opposition to the Committee in question, which seemed to wish to perpetuate its own existence. He would accordingly confine himself to saying that the activities of that Committee were tendentious and partisan. He wished to record his delegation's objection to the financial implications of the document in question.

30. Mr. HAMZAH (Syrian Arab Republic) said that his delegation would accept the financial implications of draft resolution A/SPC/L.16, as set forth in document A/C.5/35/59. In his view, the lack of co-operation by Israel and its refusal to respond to the Secretary-General's requests or to comply with the provisions of various United Nations resolutions designed to allow the Special Committee to fulfil its functions was clear proof of that country's fears of any investigation of the barbarous and inhuman practices to which Arab nationals were subjected in the occupied territories.

31. The work of the Special Committee would not be justified if in fact it was a question of Arab nationals resident in the occupied territories on a footing of equality with other citizens. On the contrary, both the information obtained by the Special Committee and the public statements of the Israeli leaders gave a deplorable picture of the situation of Arab nationals in the territories under Israeli control, which was characterized by brutal repression and the complete lack of freedom.

32. The policy of annexation and the Israeli practices in the occupied territories violated United Nations resolutions, the provisions of the Charter, and the Geneva Convention. Israel's opposition to the Special Committee's activities in the field were due to its fear of the publication of certain facts that were known to all. Consequently, the Syrian delegation would support endorsement of the financial implications before the Fifth Committee.

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33. The CHAIRMAN said that, on the basis of the recommendations of the Advisory Committee, he proposed that the Fifth Committee should inform the General Assembly that, if it adopted draft resolution A/SPC/35/L.16, an additional appropriation of \$248,300 under section 23 of the programme budget for the biennium 1980-1981 would be required. An appropriation of \$35,500 under section 31 (Staff assessment), to be offset by a corresponding amount under income section 1 (Income from staff assessment), would also be required.

34. Conference servicing costs, not exceeding \$264,500 would be considered in the context of the consolidated statement of conference servicing requirements to be submitted at the end of the current session of the General Assembly.

35. If there was no objection, he would take it that the Committee approved the proposal without a vote.

36. It was so decided.

37. Mr. ROOBAERT (Belgium), speaking on behalf of the countries members of the European Economic Community, said that the nine members of the Community had abstained in the voting on draft resolution A/SPC/35/L.16 in the Special Political Committee because of their reservations with regard to General Assembly resolution 2443 (XXIII), creating the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories. The countries members of the European Economic Community had joined in the consensus in the Fifth Committee, but if the proposal had been put to the vote, they would have abstained.

AGENDA ITEM 99: REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued)
(A/35/30 and Corr.1; A/C.5/35/37, 39 and 61; A/35/7/Add.15)

38. Mr. AKWEI (Acting Chairman of the International Civil Service Commission) said he would continue replying to questions on the report of ICSC (A/35/30).

39. With regard to the question of the consolidation of 30 points of post adjustment into base salary, he said that, although many delegations had supported the relevant recommendations of ICSC, others had requested further details to substantiate the validity of the proposal to increase base salary. The reasons for consolidation were set forth in paragraphs 94 and 95 of the ICSC report (A/35/30).

40. The first reason was the desirability of striking a balance between base pay and total remuneration - in other words, a balance between net salary and post adjustment. That was necessary in order to correct a situation in which base salary constituted a relatively small proportion of total remuneration, whereas post adjustment accounted for more than half of total remuneration.

41. The second reason was that pensionable remuneration should be brought into line with gross salary. In theory, gross salary should be equal to pensionable remuneration. While a degree of difference between pensionable remuneration and gross salary could be tolerated, the existing situation, in which pensionable

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(Mr. Akwei, ICSC)

remuneration represented 50 per cent of gross salary, was patently anomalous and should be corrected.

42. The third reason was that it was necessary to redress the anticipated deficit in the United Nations Tax Equalization Fund resulting from the high levels of inflation in many countries and the continued depreciation of the United States dollar. Sooner or later, those factors would make for a situation in which the post adjustment component would represent a higher proportion of total remuneration than base salary.

43. As a result of consolidation, base salaries would rise, but that would not imply any increase in total net remuneration, since the increase in base salary would be accompanied by a corresponding decrease in post adjustment. Therefore, total net remuneration, which was made up of net base pay and post adjustment, would remain unchanged before and after consolidation, except for the minor increases that would occur in certain cases, as explained in paragraph 99 (b) of the ICSC report.

44. With regard to consolidation, it was stated in paragraph 101 of the report that it was advisable to avoid subjecting too many staff members to deductions from base salary on account of negative post adjustment classes. Hence, the consolidation would be restricted to 30 points, precisely in order to avoid subjecting too many staff members to such deductions.

45. As of 1 March 1980, there had been only one duty station where deductions were made from base salary because of the lower cost of living in comparison to the base city. During that same month, 38 duty stations had become negative post adjustment stations. In October 1980, 15 duty stations had had negative post adjustment classifications. In that regard, he drew the attention of the Committee to the fact that it did not matter whether a particular duty station went into a negative post adjustment class after consolidation, because total net remuneration remained unchanged, regardless of the post-consolidation post adjustment class.

46. In response to questions on the possible effects of consolidation on the margin between salaries of United Nations staff and those of United States civil servants, he said that consolidation would give rise to a fractional increase in total net remuneration which would not affect the margin.

47. A question had also been asked regarding the deficit in the Tax Equalization Fund. In that regard, and without prejudice to any further explanation which might be given by the Assistant Secretary-General for Financial Services, he pointed out that, at its most recent session, the Commission had been informed by representatives of the United Nations that a deficit of approximately 13 per cent had been foreseen in the Fund for 1980. Unless a sufficient amount of post adjustment was consolidated into base salary to replenish the Tax Equalization Fund, that deficit would, under rule 105.3 of the Financial Rules of the United Nations, be financed from the regular budget of the Organization and thus become a charge upon all Member States. As members knew, some Member States taxed the

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remuneration of their nationals who were staff members of the United Nations. Since all staff members received uniform net salaries, reimbursement of income tax became a charge on the Tax Equalization Fund, which derived its resources from the staff assessment scheme.

48. The remuneration subject to such national taxation included post adjustment. In that regard, he noted that the latest consolidation, which had taken place in 1977, had also been made in order to redress a similar situation. Since that date, there had been a general increase in post adjustments. New York, for example, had risen from class 5 in 1977 to class 10. The United Nations had informed ICSC that its estimates showed that, because of the increases in post adjustments, which were not reflected in staff assessment rates, the increases in tax payments would exceed staff assessment by some 13 per cent in 1980. Therefore, in the opinion of the United Nations, the consolidation of 30 points would generate sufficient income from staff assessment to prevent the Tax Equalization Fund from falling into deficit.

49. The delegation of Czechoslovakia had made some interesting observations on the relationship between staff assessment and the Tax Equalization Fund. It had noted that consolidation would actually produce neither gains nor losses, except as far as the operating costs of the Tax Equalization Fund were concerned, and that, such being the case, the most appropriate course of action might be to do away with the Fund. The ICSC itself had recommended at its most recent session that a special study of other possible means of reimbursing taxes should be undertaken as a matter of urgency. Naturally, the Fund could not realistically be eliminated unless a solution had been found; it would therefore be necessary to wait until the study concerned had been completed and recommendations were submitted to the General Assembly at its next session.

50. On the subject of the education grant, to which a number of delegations had referred, he noted that, as was mentioned in the Commission's report (chap. IV, sect. D), the relevant recommendation was only intended to re-establish the reimbursement levels in real terms, as they had been accepted on the occasion of the previous revision, since those levels had been affected by inflation and currency fluctuations in the past four years. ICSC was not recommending a higher percentage level of reimbursement than that of four years previously, nor was it proposing a new type of grant or allowance.

51. The formula for determining the level of reimbursements was of a degressive character, providing for a higher rate of reimbursement for the first part of expenses and then a declining rate as the expenditure level increased, up to a specified limit. That method was based on the need to avoid reimbursement of unreasonable or excessive amounts. Hence, the grant was normally expressed in terms of brackets and with a ceiling. However, since the brackets and ceiling were expressed in United States dollars, while the educational expenses were incurred in a variety of local currencies, the brackets and ceiling amounts were substantially affected by exchange rate fluctuations. If the education grant were to be expressed in United States dollars at the current exchange rates, the brackets

(Mr. Akwei, ICSC)

and ceiling amount would have to be significantly altered, and that would result in very high rates of reimbursement for some duty stations and very low rates for others. For that reason, the date of 1 January 1977 had been maintained as a "currency floor".

52. Another delegation had suggested that the "currency floor" of 1 January 1977 might perhaps have been eliminated. That would have been possible if the Staff Rules had stipulated that the grant would be paid in the form of a specific percentage of local currency costs, but the relevant staff rule specified that the educational grant should be paid in United States dollars. Therefore, in order to ensure that the currency floor of 1 January 1977 was maintained, it had been necessary to use the exchange rates applicable on that date.

53. The question had also been raised in relation to FICSA's request for an extension of the education grant to staff members not currently entitled to it, as to whether the extension would be general or limited. The Commission, at its most recent session, had agreed to keep the matter under review and to revert to the question in the context of the total compensation study. Thus the Commission proposed to study the problem, but for the time being all it could do was to recommend that the education grant should be maintained on the basis of the currency floor in effect on 1 January 1977 and that the Fifth Committee should approve the proposed increases.

54. With regard to the classification of duty stations according to living and working conditions, in spite of the broad support within the Fifth Committee on the issue, it was not possible to ignore the statements made by some delegations, which had argued that no action should be taken at the current stage. Meanwhile, many international civil servants had to face the various problems which arose at duty stations in the field, such as those connected with the education of their children and isolation.

55. Concerning the latter factor, the representative of Ghana had noted that even in a city such as New York one could experience a feeling of isolation. However, the isolation referred to by ICSC was of a special type. Some field duty stations even lacked telephone services, and it was sometimes necessary to travel five or six miles before meeting another human being. Moreover, the staff member serving in the field frequently had to live separated from his family. As the representative of FAO had said, it was a tragic situation which it was impossible to avoid.

56. Some delegations had observed that the Commission should wait to receive a greater number of replies to the questionnaire distributed in the field duty stations with a view to classifying them according to conditions of life and work (A/35/30, para. 215). As stated in paragraph 222 of document A/35/30, the Commission's recommendations had been made on the basis of replies received from 268 duty stations, out of a total of about 600 field duty stations to which staff members were assigned. It should be repeated, however, that the replies received covered approximately 75 per cent of all staff assigned in the field.

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57. It had also been said that it would be appropriate to adopt a decision on that subject in a budget year. Since the Commission had been studying the question for about five years, and the financial implications of its recommendations were minor, it would be unfair to postpone a decision on the grounds that 1980 was not a budget year. Moreover, taking account of the fact that the recommendation to increase the periodicity of home leave would increase costs by \$296,000 for all organizations and all duty stations (A/35/30, para. 224), that the recommendation to increase the frequency of travel of children of staff members serving in the field between the duty station and the place of schooling would entail additional costs of approximately \$75,000 (A/35/30, para. 226) and that the cost of the rest and recuperation leave which it was proposed to abolish (A/35/30, para. 223) was approximately \$594,000, the approval of the Commission's recommendations would actually mean a saving of \$223,000.

58. A number of speakers who had referred to the possibility of granting financial incentives to field staff had also pointed out that field staff salaries were already high enough and had indicated, in that connexion, that the margin over remuneration of the United States Civil Service was 16 per cent. ICSC adopted a pragmatic approach in that area. Two years earlier that margin had abruptly narrowed and, when FICSA had proposed an increase in base salary in order to compensate for that narrowing, ICSC had rejected that proposal. ICSC therefore considered that that argument could not be used now.

59. A proposal had also been made to ICSC that it should make partial recommendations and defer adoption of a final decision. In that connexion, the representative of Ghana and other speakers had drawn attention to the need to ensure that the system was not abused. It followed from what he had just said that the recommendations put forward by ICSC were neither controversial nor unreasonable. Furthermore, it should be recalled that ICSC had a system for rating each of the six factors used for classifying duty stations (health, climate, education, housing, isolation and other local conditions) that had enabled it to establish an objective over-all profile for each duty station.

60. With regard to the Master Standard (A/35/30, paras. 234-246), a number of facts should be brought to the Committee's attention in order to dispel obvious misunderstandings of the ICSC job classification system.

61. Firstly, the Master Standard had been developed not on the basis of a review of job classification systems used in the private sector, but on the basis of a review of classification systems of national Governments and, in particular, of the Government of the country that was used as the comparator, as well as of the systems existing in the principal United Nations organizations.

62. Secondly, having been based on real job data, the Master Standard reflected job classification realities in the various organizations. As explained in the current report of ICSC (A/35/30, paras. 234-243) and in its report of the preceding year (A/34/30, paras. 189-200), the Master Standard had been tested on more than 750 jobs within the organizations of the common system. Furthermore, during the three years of its development, extensive consultations had been held with organizations and staff.

(Mr. Akwei, ICSC)

63. Thirdly, with regard to the degree of completion of the system, it should be pointed out that the Master Standard had been completed and could stand on its own as an integral classification system. The standards envisaged for Tier II were designed to give further guidance to organizations as to how the Master Standard should be applied within specific occupational groups.

64. With regard to the relationship between the ICSC Master Standard and the Noblemaire principle, the Master Standard was the very system used for calculating the margin of remuneration of United Nations officials over those of the comparator country (the United States). In fact, it had been the Master Standard that had been used as the basis of the 1977-1978 and 1979 grade equivalency studies, which had established the points of comparison between the two remuneration systems and which the General Assembly had approved at its thirty-third and thirty-fourth sessions (resolutions 33/119 and 34/165).

65. With regard to the financial implications of the application of the Master Standard, although the United Nations lacked experience in applying the Master Standard in a systematic way to United Nations jobs, such an exercise had been carried out by an interagency group of job classification specialists, which had reviewed a total of over 200 United Nations jobs and had concluded that the amount of time required for applying the Master Standard was the minimum required for applying any job classification system. It should also be pointed out that there were organizations which were already applying the Master Standard and that they, too, had concluded that no additional resources were required for that purpose.

66. Secondly, there was a false impression of what conversion from the current system to the ICSC system involved, as there was a belief that all the work and resources that organizations had devoted to their own classification systems would have been wasted.

67. The truth was that in many organizations in the common system the classification systems dated from much further back than that of the United Nations, which had just begun to be introduced by 1976. Over the years the classification systems of those organizations had proved useful in meeting the needs of each organization, and the resources spent had therefore fulfilled their purpose. However, unlike ICSC, those individual systems did not seek to establish common classification standards throughout the common system. Certainly, the General Assembly had been aware of the existence of other job classification systems in the various organizations when establishing article 13 of the ICSC statute, but it had wanted to bring about consistent use of grades on the part of the organizations, in order to ensure that the common professional salary scales were meaningful and to prevent organizations from competing unnecessarily among themselves in engaging staff by unilaterally inflating the grades of their posts in order to attract candidates.

68. The Master Standard designed by ICSC was intended to establish common standards among the organizations and thus prevent spiralling grade inflation. Therefore, while the United Nations classification system had been useful in the past, it was now essential that the Master Standard should be applied in order to

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(Mr. Akwei, ICSC)

achieve the additional benefits to which he had referred. Furthermore, application of the ICSC system would not require a full-scale review of all United Nations posts. As indicated in paragraph 249 of the ICSC report, the minimum required for application of the Master Standard would be to apply it, beginning 1 January 1981, when any job classification decision was required. It would thus be unnecessary to carry out any classification reviews other than those that the organizations were normally required to carry out.

69. The Assistant Secretary-General for Personnel Services had indicated that the United Nations, like other organizations, would begin to apply the Master Standard as of 1 January 1981 and that Administrative Instruction ST/AI/227 of 10 November 1980 had been issued to that end. For its part, the Advisory Committee on Administrative and Budgetary Questions had also indicated that there was no question that the United Nations needed a rational job classification system based on the recommendations and other proposals put forward by ICSC (A/35/7/Add.8, para. 30).

70. In conclusion, with regard to the length and clarity, or lack of clarity, of the ICSC report, it was gratifying to note that a number of delegations had drawn attention to positive aspects. With regard to length, it should be noted that the report contained two annexes which would not normally have been included and that, if they had been omitted, there would have been a reduction of 20 per cent in its length. With regard to clarity, it should not be forgotten that the questions taken up in the report were extremely complex and technical, and that the report reflected consultations held with FICSA and ACABQ. However, ICSC would continue to make a great endeavour to reduce the length of its reports and to present questions as clearly as possible.

71. Mr. RUEDAS (Assistant Secretary-General for Financial Services), replying to a question raised by the representative of the Soviet Union concerning the Tax Equalization Fund, said that, in order to establish the origin and meaning of the last sentence of rule 105.3 of the Financial Rules of the United Nations, it was necessary to refer to the ninth and tenth sessions of the General Assembly, during which the establishment of the Tax Equalization Fund had been considered and approved. At that time, the regular budget had included an item covering income received by a number of Member States (particularly the United States) from income tax on the salaries of their nationals who were United Nations officials, in respect of which the Organization refunded a corresponding amount to the officials in question. By 31 December 1953 that item had amounted to almost \$9 million.

72. In 1954, the Secretary-General had submitted a report (A/C.5/584) in which he had outlined his view of the Tax Equalization Fund. One of the benefits of the Fund would be the nearly complete elimination of that item of the budget. In paragraph 15 of the report the Secretary-General had stated the following: "Should, however, the total amount of tax reimbursement paid in respect of a Member State exceed its share in the Fund, the Member State would not receive any benefit from the Fund, that is, from staff assessment income. In such case provision would also have to be made in the annual budget to cover the difference between the

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(Mr. Ruedas)

two amounts involved." Furthermore, in paragraph 16 the Secretary-General had said that "the effect of the plan would therefore be a considerable reduction of the usual budget appropriations for reimbursement of national income taxes" and that "the plan would, therefore, mean a large step towards achieving equity among Member States".

73. In 1955 the Secretary-General had submitted a revision of the 1954 proposal. In the new proposal the Tax Equalization Fund had been increased by \$1.5 million through a transfer from the Working Capital Fund, made so as to avoid a situation where the regular budget, in the years 1956, 1957 and 1958, would have to absorb the possible difference between income from staff assessment and expenditures for reimbursement of taxes levied on staff remuneration. At the tenth session of the General Assembly, ACABQ had indicated in document A/3035 that the Secretary-General's revised proposal was an improvement on the 1954 plan inasmuch as residuary charges to the Organization's budget would not arise during the first two years of application; that the Secretary-General's proposals did not afford an absolute guarantee that no budgetary appropriations in respect of tax reimbursement would be required; and that while there was no absolute certainty that the budgetary problems in respect of national taxation would be finally removed by means of the Secretary-General's proposals, it served no useful purpose to prejudge the situation that was likely to exist in 1958.

74. That last comment of the Advisory Committee was reflected in the Fifth Committee's report to the General Assembly (A/3104), on the basis of which the General Assembly had adopted resolution 973 (X) establishing the Tax Equalization Fund.

75. That was the background to the final sentence of rule 105.3 of the Financial Rules, according to which the regular budget would be drawn upon if the Tax Equalization Fund proved inadequate. The General Assembly had never prohibited drawing on the regular budget for such purposes; on the contrary, there had been acceptance of the fact that such a case could arise, and that possibility was provided for by the sentence in question.

76. Mr. JONAH (Assistant Secretary-General for Personnel Services) said that, although he had no wish to contest the comments made by the Acting Chairman of ICSC with regard to the adoption by the United Nations of the Master Standard of post classification, he wished to state that the United Nations had based its position on various evaluations and assumptions with regard to the cost and time-table for the adoption of that standard.

77. The Chief of the Classification Section had informed members of the Working Group of the views of the Office of Personnel Services. He wished to point out that there were differences in approach, particularly with regard to the matter of resources and the need to study all posts that had already been classified, and he did not wish to have his silence interpreted as complete agreement with the comments of the Acting Chairman of ICSC on the subject.

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78. Mr. SOKOLOVSKY (Byelorussian Soviet Socialist Republic) said that his delegation had studied the report of ICSC (A/35/30) with great interest and wished to make some comments on it. His delegation felt it necessary to point out that its evaluation of the results of the work of ICSC was based on the provisions of article 6 of the Commission's statute, which stated that the Commission should be responsible as a body to the General Assembly; that its members should perform their functions in full independence and with impartiality; and that they should not seek or receive instructions from any Government, or from any secretariat or staff association of an organization in the United Nations common system.

79. Since its establishment the ICSC had carried out valuable work in studying the various and complex aspects of the activities of the international civil service, as had been recognized by the General Assembly; however, the Assembly would be ill-advised, especially for the future work of the Commission, to disregard dangerous tendencies and obvious defects that were affecting the Commission's work.

80. The report showed that in its two 1980 sessions the Commission had continued to study isolated matters without attempting to solve the fundamental problem of establishing general methods and standards for setting the level of remuneration of United Nations staff in comparison with that of the United States Civil Service. Despite the clear and specific instructions given by the General Assembly in its resolutions 31/141 B and 32/200, the Commission had failed to study the problem up to the present. Instead, the Commission was submitting to the Fifth Committee a series of recommendations of a partial, provisional and frankly dubious nature which would lead to increases in the remuneration and benefits of United Nations staff. His delegation was of the view that such a liberal approach to the matter would lead to problems in personnel administration. In its view, ICSC ought, once and for all, to confine itself strictly to the provisions of its statute and the instructions of the General Assembly.

81. With reference to chapter IV, section A, of the report, dealing with the comparison to be made in application of the Noblemaire principle, his delegation was not convinced that the procedures used were adequate for the correct application of the principle, which should provide the basis for the remuneration system of the International Civil Service. In paragraph 88 of the report it was stated that the Commission continued to keep the relationship between the levels of remuneration of the United States, the present comparator, and the United Nations common system under continual review. However, a close look at the core of those matters showed that for the first time ICSC had compared the net remuneration for grades P-1 to D-2 with the corresponding grades of the United States Civil Service. It was shown that the average remuneration for United Nations staff during the past year had been 13.9 per cent above that of the United States Civil Service and that the difference for the current year had risen to 16 per cent.

82. Paragraphs 94-97 of the ICSC report dealt with the question of consolidation of post adjustment into base salary. During the debates in the Fifth Committee at the thirty-fourth session, a question had been asked whether the time had not come to consolidate part of the existing level of post adjustment into base salary and it had been noted that similar views had also been expressed by the

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(Mr. Sokolovsky, Byelorussian SSR)

administrations and by staff representatives. The Secretariat had convinced ICSC that such a consolidation would not entail additional expenditures and the Consultative Committee on Administrative Questions had urged ICSC to recommend to the General Assembly at its thirty-fifth session the consolidation of a part of the post adjustment into base salary, with effect from 1 January 1981. The Federation of International Civil Servants Associations (FICSA) had even gone further by deciding how many classes of post adjustment should be consolidated and by stating that the time had also come to increase the real income of staff in the Professional and higher categories.

83. His Delegation had been astonished to read that ICSC had decided to accept those views of the administration and the staff without first having made the necessary calculations and proposals. All those matters, dealt with in the Commission's report (A/35/30), were a perfect example of the Commission's methods of work, and the Fifth Committee should consider to what extent ICSC was carrying out the provisions of its statute as to the independence and impartiality with which it was to work. It should be asked who determined the Commission's programme of work and when the Commission would finally heed the General Assembly's request with regard to the formulation of a methodology for comparison of total remuneration of the United Nations staff with that of the United States Civil Service, and with regard to the application of that methodology. Some paragraphs of the report gave the impression that there was no intention to carry out that request.

84. Furthermore, in paragraphs 109 and 110 of the report, reference was made to certain vague doubts as to the validity of the assumption that the United States Federal Civil Service was still the highest paid civil service. On the basis of those doubts the Commission had decided to carry out a pilot study involving one other national civil service, for which it had chosen that of the Federal Republic of Germany. Such a pilot study was to be carried out in accordance with a rather curious method consisting in comparing, in the first stage, the remuneration of the United Nations staff in the Professional and higher categories in New York with that of the officials of the Federal Republic of Germany in Bonn and, in the second stage, the results of that comparison would be compared with those obtained from the United Nations/United States comparison made by the Commission for the purpose of the determination of the margin. His delegation had serious doubts as to whether such experiments could be justified and was concerned that the Commission was wasting time and money in such experiments when it had more important things to do.

85. In short, the Byelorussian delegation concurred in and supported the proposals of many delegations that ICSC should be asked to complete as a matter of priority its study of total compensation in the United Nations system and in the United States Civil Service and submit a report on it to the General Assembly at its thirty-sixth session. The Fifth Committee should not take decisions on the basis of the ICSC recommendations regarding increased allowances for United Nations personnel, a matter which should be considered in a general context. ICSC should be asked to comply strictly with the provisions of its statute and the decisions of the General Assembly, which required it to formulate a uniform policy on all the matters within its jurisdiction. ICSC's attention should be drawn to the need to improve the formulation of its programme of work, so as to avoid duplication in the consideration of some matters, which meant a loss of time and money and led to an

(Mr. Sokolovsky, Byelorussian SSR)

unjustified reordering of priorities among the matters under its consideration. ICSC should also continue to improve the form and content of its report, making it briefer and not including in it unnecessary summaries of other documents.

86. Mr. OKEYO (Kenya) said that his delegation had always followed the work of ICSC with great interest and had noted the commendable actions taken to bring about a single unified international civil service through the application of common personnel standards, methods and arrangements. The Commission had provided meaningful solutions to the problems of personnel management that faced the organizations and the staff, while always being conscious of the implications of its decisions and recommendations. The delegation of Kenya accordingly wished to associate itself with the support expressed by other delegations for the ICSC recommendations regarding the classification of duty stations according to conditions of life and work.

87. Any decline in the calibre of the experts sent by the organizations of the common system to work on technical co-operation projects must be prevented, since it would be detrimental to the developing countries, whose genuine needs for technology transfer could be met only by experts who were positively motivated and possessed the highest qualifications. The delegation of Kenya was aware that the United Nations system, in comparison to private concerns and other international organizations, was lagging behind in the conditions of service it provided for its staff in the field. It felt, therefore, that it was essential to redress that situation in order to ensure the effectiveness of United Nations programmes in the field.

88. The delegation of Kenya supported the recommendations of ICSC to establish relevant, objective, and culturally unbiased factors as the basis for improving conditions of service for field staff serving in particularly difficult duty stations.

89. With regard to the ICSC recommendation on the education grant, the Kenyan delegation considered that, as the grant had not been changed since 1976, as education costs had increased and as global monetary and economic problems had resulted in a reduction in family incomes, it was time for an adjustment in the grant. It therefore supported the ICSC recommendation to restore the coverage provided for by the grant to the 1976 level.

90. In connexion with the work undertaken by ICSC under article 13 of its statute, the delegation of Kenya noted that in the current year ICSC had taken its first major decision in the area of job classification. The promulgation by ICSC of the Master Standard was the first important step to be taken within the organizations of the common system to bring order into what could currently be regarded as a chaotic situation. It was essential for the General Assembly to give wholehearted support to the measures adopted by ICSC in order to develop a unified international civil service on the basis of coherent, co-ordinated and broadly accepted personnel policies.

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(Mr. Okeyo, Kenya)

91. In the opinion of the Kenyan delegation, the three alternative approaches put forward by ICSC (A/35/30, para. 249) provided a sufficiently flexible basis upon which each organization in the common system could, according to its own needs and existing resources, institute the Master Standard. In that connexion, the Kenyan delegation noted with satisfaction the statement of the Assistant Secretary-General for Personnel Services that the United Nations intended to implement the Master Standard as of 1 January 1981, and hoped that the other organizations would take similar action. He thought that ICSC should report again to the Fifth Committee in 1981 on the action taken by the organizations.

92. With regard to the work done by ICSC under article 14 of its statute, the Kenyan delegation noted the progress that ICSC had made in the difficult areas of special career development programmes and performance appraisal. Careers for serving staff should be developed on the basis of merit, and the Kenyan delegation therefore believed that no special career development programmes should be instituted for particular groups which would single out and "groom" them for higher grades or establish target quotas for them at given grade levels.

93. At the same time, the Kenyan delegation considered that in recruiting new staff certain groups should be given preference, in accordance with the General Assembly resolutions on the matter. Such preference in recruitment was desirable in order to give effect to the resolutions on geographical distribution, and in the opinion of the Kenyan delegation therefore, the Commission should support that principle in developing further recommendations on recruitment policy.

94. With regard to performance appraisal, the Kenyan delegation generally supported the conclusions reached so far by ICSC, but urged it to give careful consideration to all facets of cross-cultural communication in developing the criteria to be used in judging staff performance. Without such clarifications, the delicate and essential exercise of ensuring that the staff performed effectively could not be properly carried out.

95. The work of ICSC on pensionable remuneration was connected with the item on the staff pension system, and the Kenyan delegation would speak on that subject when the Committee took up the report of the United Nations Joint Staff Pension Board.

96. In conclusion, the Kenyan delegation commended ICSC on its highly informative and concise report, which was most useful for a better understanding of current personnel systems.

97. The CHAIRMAN said that the substantive debate on the item was now concluded. The Committee would return to it only in order to vote on the relevant draft resolution, which would be submitted as soon as the consultations on it, which had already started, were completed.

The meeting rose at 11.05 p.m.