



SUMMARY RECORD OF THE 56th MEETING

Chairman: Mr. BUJ-FLORES (Mexico)

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

CONTENTS

AGENDA ITEM 100: UNITED NATIONS PENSION SYSTEM (continued)

- (a) REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD
- (b) REPORT OF THE SECRETARY-GENERAL

AGENDA ITEM 98: PERSONNEL QUESTIONS (continued)

- (a) COMPOSITION OF THE SECRETARIAT: REPORT OF THE SECRETARY-GENERAL
- (b) OTHER PERSONNEL QUESTIONS: REPORTS OF THE SECRETARY-GENERAL

AGENDA ITEM 95: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT
(continued)

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The meeting was called to order at 10.45 a.m.

AGENDA ITEM 100: UNITED NATIONS PENSION SYSTEM (continued) (A/35/9 and Add.1, A/35/30 and Corr.1, A/35/720; A/C.5/35/37, A/C.5/35/41 and Corr.1, A/C.5/35/63; A/C.5/35/L.39 and L.41)

(a) REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

(b) REPORT OF THE SECRETARY-GENERAL

1. Mr. STUART (United Kingdom) introduced draft resolution A/C.5/35/L.39 on behalf of the delegations of the Federal Republic of Germany, the United States and his own delegation. The sponsors believed that the draft faithfully reflected the growing interest that delegations took in the investments of the Joint Staff Pension Fund and contained no provision which any Member State could reasonably oppose: they hoped that it could be adopted by consensus.

2. Mr. SCHMIDT (Federal Republic of Germany) said that since becoming a Member of the United Nations, his Government had been pressing for the introduction of a system that would adjust pensions so as to allow for currency changes and inflation. It accordingly supported the proposed system of cost-of-living adjustments for both General Service and Professional staff set out in the reports of the Pension Board and ICSC, while recognizing that further developments might make it necessary for the Committee to return to the question at some future date.

3. He recognized that the new scheme would impose an additional burden on the Fund and significantly increase its actuarial deficit. In his delegation's view, however, the difference which the new system would make to the Fund would be minimal in comparison with the changes that economic upheaval could bring about. His delegation was prepared to accept that burden, but believed that the Board and Member States must begin to look at the financial position of the Fund in the longer term if the Fund was to survive as a means of preserving the independence and living conditions of international civil servants. The Fund had been set up at a time when inflation and price movements had been far less marked, and over the years its investment return had not seemed to keep pace with inflation.

4. He did not feel that the question of staff assessment for General Service employees really belonged under the heading of the pension issue; nevertheless, he believed that the Assembly should accept the recommendations of ICSC in that regard, as it had already accepted the proposed changes in staff assessment rates for Professional employees. His delegation was aware of the claims by some parties that they had been afforded insufficient opportunity to take part in the negotiations on the proposals, but believed that there had in fact been adequate change for such groups to make their views known. In the absence of any clear reason not to adopt the Commission's recommendations, the Fifth Committee would have to trust ICSC, being unable to judge whether opposing claims were well founded or not.

5. Mr. PIRSON (Belgium) remarked that, in its report to the General Assembly the previous year, the Commission had acknowledged that pension benefits for United Nations employees were supposed to add up to a level of compensation similar to

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(Mr. Pirschn, Belgium)

that available in the comparator civil service when taken together with all other elements of remuneration in the United Nations. Yet the Commission was now putting forward proposals to improve United Nations pension benefits before it had reported to the Assembly on the over-all conditions of employment enjoyed by those working for the comparator service in relation to those offered by the common system.

6. As he had pointed out during the earlier discussion of the Commission's report, pensionable remuneration in the United Nations system had risen prodigiously during the past decade. He did not believe that salaries in the comparator service had risen nearly so fast, and called on the Secretariat to provide the Committee with a table setting out current rates of pensionable remuneration for officials at the D-2 level and above together with the amounts paid to their United States counterparts.

7. In 1979, realizing that WAPA was having an exaggerated effect on levels of pensionable remuneration, the Commission had advocated a freeze in the WAPA index. The Washington formula which the Fifth Committee was now asked to approve, however, would perpetuate the WAPA system and increase the actuarial deficit of the Pension Fund, thus necessitating an increase in Member States' contributions to the Fund in spite of the General Assembly's instruction in resolution 31/196 and subsequent resolutions that changes in the pension system should not require an increase in the financial liabilities of Member States. It would allow pensionable remuneration, already swollen as a result of European inflation, to grow further in response to inflation in the United States. And the new scheme would entail far greater administrative costs: hardly surprising, in view of its complexity.

8. Imposing a ceiling of \$50,000 on United Nations pensions, particularly if they were index-adjusted every three months, would not cause undue hardship for any international civil servant. The United Nations must reckon with the economic situation elsewhere around the globe: he feared that the Commission no longer did so. The Commission should learn by the example of the negotiators at Washington, who had at least recognized that cost-of-living adjustments ought not to apply to the entire amount of pensions; ideally, the Assembly should amend the proposed new article 55 of the Regulations of the Fund to stipulate that States' contributions must not increase further as a result of changes in the WAPA index.

9. His delegation would be prepared to accept the Italian proposal to introduce the new scheme for a trial period, provided it received an assurance from the Acting Chairman of the Commission that the studies which the Commission was required to carry out under the decisions adopted by the Fifth Committee earlier in the session would be completed in time for consideration by the General Assembly at its thirty-sixth session.

10. Mr. AKWEI (Acting Chairman, International Civil Service Commission) said that the figures requested by the Belgian representative could be provided fairly quickly, but the matter was not as simple as that. As he had already indicated, the Commission had been unable to determine grade equivalencies in the comparator civil service for United Nations officials beyond the D-2 level. Indeed, the Fifth Committee had agreed the previous year not to seek such grade equivalencies beyond the D-2 level.

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(Mr. Akwei, ICSC)

11. The Woblemaire principle required total compensation in the United Nations and the comparator civil service to be compared. The Commission was currently preparing a study on total compensation for submission to the General Assembly at its next session, but until that study had been completed he would be unable to give the Committee details of how conditions in the one service compared with those in the other. Meanwhile, it had not been possible to do more than establish the differential between the salaries paid in the two systems.

12. Mr. PIRSON (Belgium) said that all his delegation was requesting were figures showing pensionable remuneration for the highest levels of the comparator civil service.

13. The CHAIRMAN assured him that the information he had requested would be circulated as soon as possible.

14. Mr. MORET ECHEVARRIA (Cuba), introducing draft resolution A/C.5/35/L.41, announced that Nicaragua had joined the list of sponsors. He said that the draft resolution covered the twofold aspect of the investments of the United Nations Joint Staff Pension Fund, namely the need to safeguard the interests of participants on whose behalf the Secretary-General held fiduciary responsibility, and the need to act in concert with the Organization's purposes, based on the principle of universality.

15. The Secretary General was to be commended on his efforts to comply with the provisions of General Assembly resolution 34/222, particularly in the light of the serious economic crisis affecting the developed capitalist world, with its wide and erratic fluctuations of investment markets and currencies. While his caution was understandable in those circumstances, and the approach he had taken to geographical and currency diversification was a good one, it had not gone far enough. The number of developing countries in which the Fund invested should be enlarged, and the volume of investments, particularly in development-related bonds, should be increased.

16. The sentiments of the African financial institutions expressed in the course of the mission to Africa should be taken into account, but the unfavourable conditions were temporary in nature, and the Fund should be alert to new bond issues, by those institutions and to issues of other internationally underwritten bonds. In the near future it should thus be possible to promote the diversification of investments with due regard to safety and profitability. Likewise, the Fund should continue to explore new opportunities for portfolio investments in public securities markets in the developing countries, which had proved profitable during 1980.

17. Despite the progress made in diversifying the Fund's investments, the Secretary-General should continue his efforts to ensure that investments were withdrawn from transnational corporations as far as possible and reinvested in developing countries. It was with that aim that the draft resolution had been submitted. It contained no element which had not already appeared in previous resolutions, except that it called for a detailed biennial inventory of investments to be submitted to all future sessions of the General Assembly. He did not believe that delegations would have any difficulty in adopting it.

18. Mr. DUQUE (Secretary of the Committee) pointed out that in the first line of the first preambular paragraph of the Chinese, English and Spanish versions the first resolution mentioned should be resolution 31/197.

AGENDA ITEM 98. PERSONNEL QUESTIONS (continued) (A/35/528; A/C.5/35/7, A/C.5/35/9, A/C.5/35/10, A/C.5/35/16, A/C.5/35/17, A/C.5/35/36, A/C.5/35/48, A/C.5/35/L.34, L.37 and Add.1)

(a) COMPOSITION OF THE SECRETARIAT: REPORT OF THE SECRETARY-GENERAL

(b) OTHER PERSONNEL QUESTIONS: REPORTS OF THE SECRETARY-GENERAL

AGENDA ITEM 95: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT (continued) (A/35/182 and Add.1, A/35/418 and Add.1)

19. The CHAIRMAN said that the Director of the Budget Division would be giving some estimates in response to the requests made at the previous meeting. It was stressed that the figures would be merely indicative, and would in no way commit the Fifth Committee to any expenditure. A full decision on appropriations would, in accordance with normal procedure, follow the relevant consideration by the Advisory Committee.

20. Mr. BEGIN (Director, Budget Division), referring to the draft resolution in document A/C.5/35/L.37/Add.1, said that the estimated financial implications were based on the hypothesis that the committee of experts would meet for two weeks in New York, holding two meetings a day with interpretation in six languages, at a cost of approximately \$85,000, and documentation in six languages, consisting of approximately 25 pages of pre-session, 50 in-session, and 30 post-session documentation, at an approximate cost of \$90,000, making a total of \$175,000. Some of those conference-servicing costs, estimated on a full-cost basis might be absorbed, and would be reflected in the consolidated statement of conference-servicing costs to be submitted shortly.

21. In addition, should the General Assembly decide, as an exceptional measure, to reimburse the travel costs and subsistence of members of the committee of experts not residing in New York, an additional sum of approximately \$25,000 would be required, based on travel and 14 days' subsistence for nine members.

22. Referring to the draft resolution in document A/C.5/35/L.37, he said that a sum not exceeding \$650,000 should be sufficient to cover additional staff resources in the Professional and General Service categories, temporary assistance, and other miscellaneous costs.

23. The CHAIRMAN said that the requests for additional posts and any other additional appropriations would be considered by the Advisory Committee, which would make its recommendations in due course. In the meantime, if he heard no objection, he would take it that the Committee agreed, as an exceptional measure, to reimburse the travel costs and subsistence of members of the committee of experts not resident in New York.

24. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) said that the estimates given by the Director of the Budget Division with respect to draft resolution A/C.5/35/L.37 were more realistic than the ones given at the previous meeting. It was of course, for the Advisory Committee to decide whether or not such expenditures were warranted.

25. His delegation had heard no arguments to justify the reimbursement of travel and subsistence for experts not resident in New York, so it was not in a position to offer any counter arguments. However, it really wondered what grounds there were for making such an exception to the rules.

26. Mr. SADDLER (United States of America) said that there were precedents for making such an exception, and he believed that it was warranted in order to avoid any inequity in bringing the most highly competent and qualified experts from the various regions.

27. Mr. SCHMIDT (Federal Republic of Germany) said that his delegation concurred with the view expressed by the representative of the United States as far as the principle was concerned. However, he wondered what the situation would be should the committee of experts subsequently decide that it needed more than two weeks to complete its work. In particular, he would like to know whether travel costs would be paid only for the first session, or also for subsequent sessions, should the Committee decide to hold any.

28. The CHAIRMAN said that it would be within the power of the Advisory Committee to decide whether additional appropriations could be recommended should the organization of work of the committee of experts require additional sessions. At the current stage, he believed it would be best to proceed on the hypothesis that it would hold only one session. Since he had heard no opinions expressed against his suggestion, he would take it that the Committee concurred.

29. It was so decided.

30. Mr. LAHLOU (Morocco) said that, had the suggestion been put to a vote, his delegation would have voted against it in the belief that States should bear the costs of sending experts. Given the importance they attached to the matter to be considered by the committee of experts, he was sure that they would have no difficulty in paying the necessary travel and subsistence costs.

31. Mr. WILLIAMS (Panama) said that he really wondered whether the experts would be able to complete a thorough, serious evaluation of the matter in the space of two weeks. It might be advisable for the Formal Working Group to study the matter further in order to give a more precise idea of the time required by the experts to complete their work.

32. The CHAIRMAN said that, since it was impossible to predict the outcome of the experts' first two weeks' work, the Advisory Committee might well have to consider making some additional appropriations under the resolution on unforeseen and extraordinary expenses.

33. Mr. MALUKO (Ukrainian Soviet Socialist Republic) said that his delegation had not objected to the decision just taken. If the Chairman's suggestion had been put to the vote however, his delegation would not have been able to support it. It had agreed on the provisions of draft resolution A/C.5/35/L.37/Add.1 on the understanding that the established arrangements regarding the payment of travel and subsistence would be applied to the committee of experts. Without good reason, however, the Fifth Committee had just taken a decision to make an exception which was unacceptable to his delegation.

34. Mr. JASSEM (Sierra Leone) said that he shared the concern expressed by the representative of Panama regarding the amount of time allotted to the committee of experts for its work. In the light of the Chairman's explanation, he understood that the Advisory Committee could, should the need arise, consider the possibility of an additional appropriation.

35. Mr. KUDRYAVTSEV (Union of Soviet Socialist Republics) said that the decision just taken by the Fifth Committee might be misinterpreted by other Main Committees of the General Assembly. The Fifth Committee seemed to have given preferential treatment to a subsidiary body which it wished to set up.

36. With regard to the length of the Committee's session, his delegation considered 15 days to be more than ample. The task of the committee of experts was not to review the entire structure of the Secretariat but to determine what changes would be needed to enhance the effectiveness of the part of the Secretariat dealing with personnel matters.

37. Mr. ALLAFI (Libyan Arab Jamahiriya) said that his delegation had not objected to the adoption of the decision just taken but that it would have abstained had it been put to a vote. His delegation was not fully in agreement with the provision of draft resolution A/C.5/35/L.37/Add.1 and believed that the travel costs and subsistence of the experts should be met by Member States and not by the Organization.

38. Draft resolutions A/C.5/35/L.37 and Add.1 were adopted without objection.

39. The CHAIRMAN said that, as draft resolution A/C.5/35/L.37/Add.1 requested the committee of experts to take fully into account the views expressed during the discussions on personnel questions in the Fifth Committee, it would be necessary to give delegations an opportunity to place their positions on record, since the discussions so far had been carried out in the Working Group.

40. Mr. RUGHIZANCOGA (Rwanda) said that at the preceding meeting he had drawn attention to a discrepancy in the French version of paragraph 2 of section V of draft resolution A/C.5/35/L.37.

41. Mr. DUQUE (Secretary of the Committee) assured the representative of Rwanda that the French version of the paragraph would be brought into line with the English.

42. Mr. THUNBORG (Sweden) said that his delegation was pleased to have joined the consensus on the two draft resolutions just adopted.

(Mr. Thunborg, Sweden)

43. The efficiency and responsiveness of the United Nations depended on the quality of its staff. That was why the discussion on personnel questions was of considerable importance. His delegation firmly believed that the exclusively international character of the Secretariat was not tied to its composition but to the spirit in which it worked and its insulation from outside influences. As the late Secretary-General Dag Hammarskjöld had observed in 1961, anyone of integrity, not subjected to undue pressures, could, regardless of his own views, really act in an exclusively international spirit and be guided in his actions on behalf of the Organization solely by its interests and principles and the instructions of its organs. That view had been confirmed by the General Assembly in various resolutions over the years and it was no less valid at the current time.

44. His delegation shared the concern expressed by the Secretary-General in his annual reports over the growing political pressure and interference by Member States at all levels of the Secretariat in the recruitment and promotion processes. Such political pressure, in violation of the Charter, would inevitably lead to a significant decline in the independence of the international civil service. An international civil service must be composed of individuals whose primary loyalty was to the Organization itself and who did not receive guidance and instructions from their national Governments. Independence also implied that international civil servants should be protected from the reprisals of Member States which might be displeased by their actions.

45. It was essential for Member States to refrain from exerting any form of pressure, so that the Secretary-General could exercise his primary responsibility to implement the Charter and the guidelines laid down by the General Assembly. The Secretary-General must be in a position to exert strong leadership as the chief executive in such matters, otherwise the morale and thus the efficiency and impartiality of the Secretariat would soon be compromised.

46. The discussion on the composition of the Secretariat must, of course, be based on the philosophy that each individual staff member was endowed with a truly international spirit. Article 101, paragraph 3, of the Charter clearly indicated that in recruiting staff paramount consideration should be given to securing the highest standards of efficiency, competence and integrity. It was universally agreed that there need be no conflict between the requirements of efficiency, competence and integrity, on the one hand, and those of geographical balance and a balance between men and women, on the other.

47. The concept of desirable ranges was a useful tool, but it was essential in pursuing the ranges to exercise flexibility in the interest of the Organization. That was of far greater importance than the precise ranges of Member States. His delegation was satisfied with the provisions of the draft resolution on desirable ranges, which seemed to command wide support and would provide for an element of stability over a period of six years, although it would have preferred an even longer period. Resolution 33/143 still constituted a major element for the solution of that problem.

(Mr. Thunborg, Sweden)

48. The Secretary-General had been requested to fill 40 per cent of all vacancies arising in Professional posts subject to geographical distribution with individuals from unrepresented and underrepresented States. However, his delegation could not subscribe to the principle of earmarking a post for a national of a given country or geographical region. Competence, integrity and dedication must not be sacrificed in order to meet the "desirable ranges". The Secretary-General should thus be given more freedom with regard to the geographical distribution of posts, and the determining factor in the recruitment of staff should be the provisions of Article 101 of the Charter. In that connexion, his delegation endorsed the policy outlined by the Secretary-General in paragraph 10 of document A/35/528 and urged that it be consistently applied.

49. Progress towards attaining the target of 25 per cent for the proportion of women in the Professional category, set by the General Assembly in 1978, continued to be very slow. The percentage of female staff in posts subject to geographical distribution had increased from 17.8 per cent in 1978 to 18.9 per cent on 30 June 1980. The target of 25 per cent could be attained by 1982 only by increasing considerably the number of women in the Secretariat during the next two years. Another problem was that most of the women were at the lower levels while the average percentage of women at the four highest levels was only about 5 per cent. Greater efforts were needed in the form of training, review of promotion procedures and practices and increased recruitment of young women.

50. It might, of course, be argued that the United Nations was a mirror of policies pursued in Member States. National employment opportunities for women in responsible positions had been slow in coming and Member States certainly had a great responsibility for improving the representation of women at all levels of society and in all fields. Equal participation of men and women in policy-making and the sharing of other responsibilities would benefit not only women but society as a whole. The organizations in the system stood to gain if the experiences of women were applied at every level, since women brought new and different insights into the problems facing the world and into possible ways of solving them.

51. The Secretariat had a special responsibility not only to live up to the decisions of the General Assembly with regard to the employment of women, but also, as far as possible, to set an example for Member States in demonstrating that a greater proportion of women could be recruited if a concerted effort was made. Setting targets should be a spur to action. The Organization should be prepared to go even further than the target of 25 per cent. Achieving a proportion of 30 to 50 per cent of women in Professional posts could have an enormous impact on the status of women throughout the world.

52. Many good proposals for measures to increase the employment of women in the Secretariat were found in the report of the Joint Inspection Unit (A/35/182 and Add.1) and in the report presented by the staff unions and associations of the United Nations (A/C.5/35/17). His delegation was also convinced of the necessity of abolishing the conditions which assigned certain privileges, obligations or rights to men. It therefore favoured measures to allow men and women with family responsibilities to reduce their working hours temporarily, to extend the period of

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(Mr. Månberg, Sweden)

leave after the birth of a child, to allow men to take leave in that connexion, and to facilitate the employment of spouses of staff members. Improving employment opportunities for spouses of United Nations staff members was increasingly important to the recruitment of highly qualified staff and it was imperative for host countries to co-operate in that endeavour.

53. It was imperative that the principles of consistency, equal treatment and fairness in the administration of the staff rules and regulations should be observed. His delegation was pleased that a number of major reforms were being considered, and thanked the Joint Inspection Unit for its detailed report.

54. His delegation supported the use of competitive examinations for the selection of all staff at the P-1 and P-2 levels, and a more extensive use of the potential of existing staff through career development and staff mobility. He was confident that the Office of Personnel Services would forge ahead with reforms that had priority. It was, however, important that the priorities should be clearly established so that the expectations of staff and Member States could be met.

55. His delegation welcomed the unified report presented by the various staff unions and associations, which offered generally constructive suggestions on how to increase the efficiency and integrity of the Secretariat. It could agree with many of the recommendations put forward in the report and would welcome further studies and information with regard to others.

56. His delegation attached great importance to the physical security and protection of international civil servants against violence and interference in the discharge of their duties. It fully supported the protection of United Nations staff from arbitrary arrest and imprisonment. All Member States which had signed the Convention on the Privileges and Immunities of the United Nations and the Covenant on Civil and Political Rights had pledged themselves to fulfil their obligations under those instruments.

57. The active presentation of staff views was an essential element in the decision-making process. It had already been permitted in a number of organizations of the system and should not be difficult for the General Assembly to accept. His delegation fully supported the demand of the staff associations that a staff representative of the United Nations or of FICSA should be invited to submit statements both orally and in writing on any proposal concerning staff matters and to answer questions from delegations.

58. He drew attention to statistical tables which his delegation had compiled regarding the total contributions of Member States to the United Nations. Total assessed and voluntary contributions to the United Nations system had amounted to \$2,871 million in 1978, or the same amount spent in just two days for military purposes by all countries. Sixty-two per cent of expenditure of the United Nations system was financed from voluntary contributions. In order to have an accurate picture of the financing of the system, it was necessary therefore to take into account both the assessed and voluntary contributions of Member States. The data compiled by his delegation showed that the largest contributors in absolute terms

(Mr. Thunborg, Sweden)

did not necessarily rank high when their per capita contribution was taken into account. When comparing the total contributions of Member States to the system, capacity to pay also had to be taken into account. A calculation of contributions per capita as a rate per thousand of GNP per capita for example, would give a completely different ranking of contributors.

The meeting rose at 1 p.m.