



FIFTH COMMITTEE
61st meeting
held on
Thursday, 3 December 1981
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 61st MEETING

Chairman: Mr. ABDALLA (Sudan)

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

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The meeting was called to order at 10.55 a.m.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIIUM 1982-1983 (continued)

Implementation of revised General Service salary scales in Geneva (A/36/7/Add.8; A/C.5/36/29)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/36/7/Add.8), reminded members of the circumstances leading to the adoption of a revised salary scale for General Service staff in Geneva as recommended by ICSC, together with transitional procedures to protect the interests of existing staff. The United Nations had opted to pay "personal transitional allowances", amounting to the differences between the old and new salary rates, which would be phased out as net salaries payable under the new scale increased with inflation. ILO had preferred to retain the old scale for all serving staff, using the new scale only for staff members hired after it had come into effect. Now, however, ILO had decided to grant an increase of 3 per cent on the old salary scale; and the executive heads of the other Geneva-based agencies, faced with a dilemma, had decided to recommend a general increase, effective as of 1 March 1981, of 3 per cent in salaries for General Service staff in Geneva. The cost of the increase to the United Nations under the regular budget would be \$754,800 for the current year, which might be met without additional appropriations owing to the current strength of the dollar vis-à-vis the Swiss franc; the same guarantee could not be given, however, for the \$905,800 that would be required in the forthcoming biennium.
2. The Secretary-General's proposal was presented as a means of preserving the common system and the principle of equitable treatment of staff. As stated in paragraph 14 of its report, the Advisory Committee did not believe that the Fifth Committee should be presented with such a proposal on account of a decision by one organization in the system, and felt that the best way to discourage such unilateral action was by refusing to be bound by it. It should be remembered, however, that under the Staff Regulations the Secretary-General had the authority to determine salary scales for the General Service and related categories of staff. When, moreover, the original ICSC recommendation for a new salary scale was discussed at the thirty-second session, the Fifth Committee had not questioned the authority vested in the Secretary-General under the Staff Regulations.
3. Mr. DEBATTI (Under-Secretary-General for Administration, Finance and Management) said that the question of the proposed increase had to be viewed in the perspective of long-term developments in Geneva, beginning with the salary dispute and work stoppage in 1976, which had caused a serious breakdown in staff management/relations. After extensive consultations with the executive heads of the Geneva-based organizations, the Secretary-General had decided to implement the recommendation of ICSC and to introduce a new General Service salary scale which was on average 17 per cent lower than the one then in effect. That decision had been taken despite strong representations by the staff, who felt that the

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ICSC report was seriously incomplete and statistically defective. Transitional arrangements had been made, so as to introduce the new scale in an orderly, fair and equitable manner; and despite differences of approach, the underlying concept accepted by all the organizations concerned had been to maintain the existing staff's net remuneration at its current level until it was overtaken by salaries on the new scale as a result of subsequent adjustments.

4. Now, the Governing Body of ILO had decided to increase by 3 per cent the net remuneration of all the General Service staff who had been with the organization at the time of the introduction of the new scale, thereby distorting the objective of the agreed, equitable transitional arrangements for all General Service staff in Geneva to the advantage of the ILO staff. There was thus no avoiding the legitimate question of why such a beneficial measure should be denied to the staff of other organizations who were in a similar position. The transitional arrangements had been agreed to by the executive heads of all the Geneva-based organizations. It would be a matter of extreme concern if staff in organizations other than ILO were accorded less favourable remuneration for reasons beyond their control and against which they had no recourse. Sound and enlightened management required equitable treatment for all staff, and equal pay for equal work.

5. Certainly, the intention had been to reduce and eventually phase out the transitional arrangements as the new salary scale was adjusted. That would have been done but for the fact that one organization had unexpectedly taken unilateral action.

6. He whole-heartedly agreed with the Advisory Committee that salary increases should be awarded on the merits of the case and not because of unilateral action by one organization. However, faced with the ILO fait accompli, and given the importance of ensuring equitable treatment for all staff at the same location in the interests of the common system, the Secretary-General and the executive heads of the other organizations concerned had no alternative but to grant a comparable increase to their own General Service staff in Geneva. The Advisory Committee suggested that the best way to discourage unilateral action by any organization was to refuse to be bound by it. He, however, felt that every effort must be made to avoid such divisiveness, which would have a serious impact upon the staff, undermining their confidence in commitments by the executive heads and in the cohesiveness of the common system. The organizations and their administrations could not be indifferent to staff grievances, especially when those grievances were justified.

7. The staff's request for equal treatment could not be disregarded on the ground that the discrimination would last for a relatively short time: the time remaining until the expiry of the transitional arrangements had been the same for ILO staff, yet that had not prevented the ILO Governing Body from granting them a salary increase. The ILO staff and the staff of the other organizations lived in the same city and were subject to the same economic conditions. Nor should the unfortunate existence of other discrepancies in the common system induce the United Nations to create yet another difference.

(Mr. Debatin)

8. The Secretary-General and the executive heads of the Geneva-based organizations were aware of the exceptional nature of the decision they had taken, but were convinced that they had acted in the best interests of the organizations, individually and collectively. They hoped that their respective legislative bodies would show understanding of the unusual circumstances that had prompted such action. With the co-operation of ICSC and Member States, they would make every effort to avoid any recurrence of such a problem.

9. Mr. PAPPENDORP (United States of America) said that there was a clear difference of approach between the Chairman of the Advisory Committee and the Under-Secretary-General. It would be wrong, in application of the principle of equal pay for equal work, to follow the example set by ILO. There was, moreover, some doubt as to whether ILO had acted properly, and its decision might well be questioned. Any decision by the Secretary-General adopted on grounds of convenience rather than principle would be regrettable.

10. His delegation wished to propose that the Fifth Committee adopt the following decision:

"The General Assembly

"Decides that the proposal to grant a 3-per-cent increase in salaries, with effect from 1 March 1981, to those General Service staff in Geneva to whom the pre-1978 scale once applied should not be implemented."

11. Mr. BUNC (Yugoslavia) said that the salaries of the General Service staff in Geneva were already too high. His delegation wished to know how the increase in remuneration already received by the staff would be paid for.

12. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation was astounded that ILO, after accepting ICSC's authority with regard to conditions of service for the staff of all the specialized agencies, had refused to abide by that authority. What was equally astounding was that reference had been made to the possibility that other organizations might follow in the footsteps of ILO, when in fact that agency deserved condemnation and should be made to realize that its unilateral action was misguided.

13. The Advisory Committee had stated, in paragraph 16 of its report (A/36/7/Add.8), that the cost of increasing the personal transitional allowances could be met from savings attributable to the strength of the United States dollar in relation to the Swiss franc during most of 1981. Yet it was obvious that additional expenditure would be incurred and that any savings arising from the dollar's strength could be used elsewhere. It was a pity that ACABQ had not been more forceful and that it had refrained from censuring the decision taken by ILO and urging that the salary scale of the ILO General Service staff should be brought into line with the salary scales of the other specialized agencies. It was the duty of the Fifth Committee not to increase the salaries of General Service staff in Geneva, since they were already too high.

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14. Mr. STUART (United Kingdom of Great Britain and Northern Ireland), speaking on behalf of the States members of the European Economic Community, said that the ten countries concerned supported the proposal made by the United States. The points made by ACABQ in paragraphs 11 to 14 of its report were clear and cogent.
15. Mr. PEDERSEN (Canada) said that ACABQ had taken the view that the preservation of the common system and the principle of equitable treatment of staff did not mean that organizations should be bound by the unilateral action of one specialized agency. His delegation fully agreed, and supported the United States proposal.
16. Mr. ZINIEL (Ghana) said that ILO should be urged to align its position with that of the other organizations. The points raised in paragraphs 10, 11, 13 and 14 of the Advisory Committee's report were of particular interest. His delegation wished to know when the new salary scales for General Service staff in Geneva would catch up with the pre-1978 scale.
17. Mr. KUYUMA (Japan) said that his delegation supported the principle of equitable treatment of staff. Nevertheless, ILO's decision threatened the preservation of the common system, and his delegation thus supported the United States proposal.
18. Mr. GODFREY (New Zealand) said that his delegation had procedural difficulties with the question before the Committee. Such matters were within the competence of the Secretary-General, in whom New Zealand had confidence. Although delegations had the right to express reservations, his delegation doubted whether it was fitting for the Fifth Committee to adopt the decision proposed by the representative of the United States. That view was implicit in the report of ACABQ, which stated that it trusted that the Secretary-General, when reaching a final decision on the matter, would bear in mind the considerations it had raised.
19. Mr. DITZ (Austria) said that the point raised by the representative of Yugoslavia was pertinent. Moreover, should the United States proposal be adopted, he wondered whether the salaries of General Service staff members in Geneva would be decreased, to compensate for the amounts they had already received.
20. Mr. PAPENDORP (United States of America) said that ICSC was responsible for making recommendations on salary scales, and the matter could best be dealt with by its Chairman. His delegation took note of the remarks made by the representative of New Zealand, in view of which it would amend its proposal to read: "Decides that the Secretary-General's intention to grant a 3-per-cent increase ...". Since the Secretary-General's intention should be considered by the General Assembly, which was the governing body of the United Nations, it was indeed appropriate for the Committee to decide on the matter.
21. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that, under the Staff Regulations, authority for establishing the salary of the General Service staff was vested in the Secretary-General. The question before the Committee was not that of establishing a new salary scale, but that of adjustments to transitional measures, and as such fell exclusively within the competence of the Secretary-General.

(Mr. Debatin)

22. The Secretary-General had apprised the Fifth Committee of his intention, and the intentions of the executive heads of the Geneva-based organizations, since the matter was of importance to staff in Geneva and to staff/management relations. He had taken a similar step in 1977, when in resolution 32/200 the General Assembly had noted with appreciation his statement on the basic agreement reached by him and the executive heads of the Geneva-based agencies. The Fifth Committee could not legally take a decision on the matter, since that would impinge on the authority of the Secretary-General, although the Committee was responsible for approving the funds needed for the transitional measures. The implications for staff/management relations should not be underestimated: the staff might well interpret a refusal to grant the increase as a denial of equal treatment.

23. With regard to the question raised by the representative of Yugoslavia, he said that no one had yet been paid the proposed 3-per-cent increase. Transitional measures would be needed until January 1983, whether or not the 3-per-cent increase was awarded.

24. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that, while it was undeniable that matters relating to salaries and personnel administration fell within the purview of the Secretary-General, the Secretary-General's authority derived from the General Assembly and the General Assembly alone was entitled to take a final decision regarding salary scales for all categories of staff. If the Fifth Committee allowed itself to be guided by the remarks of the representative of New Zealand, it would end up giving the Secretary-General carte blanche to take such decisions. The Fifth Committee was entirely within its rights to discuss the matter, especially in view of the clear-cut financial implications. It should be borne in mind that the matter had arisen in the first place because of the unilateral action of the secretariat of ILO. The General Assembly should condemn that action. The Secretary-General should, for his part, show understanding towards the positions of Member States and in future refrain from taking improper action on the basis of the bad example of others.

25. Mr. BUNC (Yugoslavia) said he would appreciate an answer to his question on the financing of the transitional payments.

26. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that a clear distinction should be made between the transitional payments approved at the thirty-second session and the totally separate issue of the 3-per-cent increase in the transitional allowances. The former were to be paid until the new salary scale recommended by ICSC caught up with the pre-1978 scale, and the General Assembly had specified that, for the biennium 1978-1979, the cost of the allowances should be absorbed to the extent possible. For subsequent biennia they had been included in the budget estimates. As to the 3-per-cent increase, no payments had been made as yet. The executive heads of the Geneva-based organizations had simply indicated their intention to grant such an increase, having regard to the seriousness of the situation. Fully recognizing the importance of the matter, the Secretary-General had brought the matter to the attention of the Fifth Committee in order to seek guidance. The Advisory Committee

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had stated its opinion that the cost of the increase could be met from savings realized as a result of the greater strength of the United States dollar. Assuming that the General Assembly approved the increase, the Secretary-General would report on the financing of the payments in the performance report, and, should an additional appropriation be required, Member States would, of course, have to bear the burden.

27. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the question before the General Assembly was whether a 3-per-cent increase should be granted in the transitional allowances it had previously approved. To be procedurally correct, the United States proposal should have the General Assembly request the Secretary-General to review his intention to grant the 3-per-cent increase in the light of the views expressed by Member States. The General Assembly would at the same time have to decide not to approve the related expenditure for 1981 and 1982.

28. Mrs. de HEDERVARY (Belgium) observed that no substantive arguments had been advanced in support of the Secretary-General's proposal to grant the 3-per-cent increase. Reference had been made to difficult circumstances in Geneva. Either the staff were entitled to an increase on the merits of the case - in which case the Administration should have taken appropriate action - or they were not entitled to an increase, in which case the threat of a strike should not alter matters. Since so often in the past the failures of the Administration had created difficulties for staff and Member States alike, the representatives of the Secretary-General should not now lecture the General Assembly on sound and enlightened management.

29. Mr. ZINIEL (Ghana) said that he was still not clear as to when the new salary scale recommended by ICSC would take effect, and he requested more specific information on the matter.

30. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) said that the central point to be borne in mind was that the secretariat of ILO, despite the recommendations of ICSC and the decisions of the General Assembly, had obtained from its Governing Body approval of an illegal increase in General Service salaries. The Fifth Committee was now being asked to provide guidance to the Secretary-General which would in effect endorse the illegal action taken by ILO. His delegation was firmly opposed to such an approach and would not support any decision that would vitiate the recommendations of ICSC and earlier decisions of the General Assembly on the matter.

31. References had been made to past events in Geneva and to the need to avoid a recurrence of such events. His delegation took the view that the events in question had nothing to do with the alleged inadequacy of General Service salaries there.

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32. The CHAIRMAN suggested that members should consult informally on the revised United States proposal and take a decision at a subsequent meeting.

33. It was so decided.

Report of the Committee of Governmental Experts to Evaluate the Present Structure of the Secretariat in the Administrative, Finance and Personnel Areas (A/36/44 and Corr.1)

34. Mr. THOMAS (Chairman of the Committee of Governmental Experts to Evaluate the Present Structure of the Secretariat in the Administrative, Finance and Personnel Areas), introducing the report of the Committee of Governmental Experts (A/36/44 and Corr.1), said that members would recall the circumstances which had given rise to the establishment of the Committee of Governmental Experts and to the definition of its mandate. Those circumstances included: first, the uncertain delineation of the jurisdictional competence of the Office of Personnel Services and the over-all Department of Administration, Finance and Management in relation to personnel policies; second, the conflicting positions expressed in the Fifth Committee regarding the structure of the Department of Administration, Finance and Management; and, third, a letter dated 8 November 1980 from the Secretary-General to the Chairman of the Fifth Committee (see A/C.5/35/48) indicating the former's preparedness to establish an independent committee of experts "to evaluate the present administrative structure of the Secretariat". After much deliberation at its thirty-fifth session, the Fifth Committee had decided to establish a Committee of Governmental Experts for that purpose.

35. The mandate of the Committee of Governmental Experts, as laid down by the Assembly, was pitched somewhat beyond the single issue of whether the Office of Personnel Services should function within the Department of Administration, Finance and Management, and at the same time stopped short of the much wider question raised by the Secretary-General in his letter of 8 November 1980. As members were aware, examples abounded in the United Nations of equivocal definitions when agreements simply had to be reached although no real agreement existed. The mandate of the Committee of Governmental Experts could therefore be interpreted by each as he perceived it. Notwithstanding that dilemma and the fact that it had been unable to meet before the start of the Assembly's thirty-sixth session, the Committee of Governmental Experts had been able to establish a programme of work and reach agreement by consensus on the identification of the areas in administration, finance and personnel which could be the foci of detailed evaluation.

36. The Committee's work programme appeared as annex II to its report. It would be noticed that the work programme provided inter alia for hearings of Secretariat officials and others. A list of the persons who had appeared before the Committee was recorded in annex III to the report. Annex I listed the documentation with which the Committee had been provided.

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37. The areas which the Committee agreed by consensus could be the foci of the evaluation in a detailed organizational manner were outlined in paragraphs 18 to 33 of its report. The first two areas related to the specific question with which the Fifth Committee had been initially seized at the preceding session, while the others had been identified during the Committee's deliberations. The last area related more to operations than to structure. The questions that arose in connexion with those areas were listed in paragraph 18 of the Committee's report.

38. The report of the Committee further revealed that although programme budgeting had been practised since 1974, the various concepts on which it was based, particularly in relation to the programming and budgeting functions, had not yet been translated into institutional terms within the Secretariat. There was no single focal point in the Secretariat for programme planning. The Department of Administration, Finance and Management did some planning and all budget preparation; the Office for Programme Planning and Co-ordination did some programme planning; and the Office of the Director-General for Development and International Economic Co-operation, was involved in the policy aspects of the preparation of the medium-term plan but had no corresponding authority for the policy aspects of programme budget preparation, notwithstanding resolutions of the General Assembly concerning the over-all responsibility of that Office for ensuring the coherence, co-ordination and efficiency of all activities in the economic and social field. Although some of those issues had been raised in various reports of the Secretary-General on the restructuring of the economic and social sectors of the United Nations system, the adjustments so far had been of a piecemeal character and had not yet dealt with the fundamental aspects of the situation from a structural or organizational point of view. Such administrative questions had been referred to during the Fifth Committee's consideration of the programme budget and the question of programme planning, and members might wish to pursue them further in connexion with the report of the Committee of Governmental Experts. The Committee of Governmental Experts had therefore dealt in its report, first, with the specific question whether the current structure of the Department of Administration, Finance and Management was adequate or whether the personnel functions should be administered separately, and, second, with the administration function itself, seeking to highlight the areas which might be streamlined so as to bring about a balanced structural and organic relationship between functions and their requirements. Further detailed consideration of such questions could conceivably help to identify structural or organizational options.

39. Speaking in a personal capacity, he observed that several exercises were under way which related in one way or another to the structure and organization of the Secretariat. If care was not taken, duplication of effort might result. The parameters defined in the report of the Committee of Governmental Experts could provide a framework for the Fifth Committee's deliberations on what action needed to be taken now in the best interests of the Organization.

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AGENDA ITEM 107: PERSONNEL QUESTIONS (continued) (A/C.5/36/31; A/C.5/36/L.16, L.18-20, L.23)

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

Respect for the privileges and immunities of officials of the United Nations and the specialized agencies (continued)

40. Mr. STUART (United Kingdom of Great Britain and Northern Ireland), speaking on behalf of the ten States members of the European Economic Community, said that, in the interests of expediting the Committee's work, the ten delegations had decided to withdraw their proposal that the report by the Director-General of UNESCO on respect for the privileges and immunities of officials of the United Nations and the specialized agencies should be circulated as an official document.

ORGANIZATION OF WORK

41. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) observed that the end of the session was rapidly approaching and that the Committee had completed its consideration of only two agenda items. He therefore requested the Secretariat to prepare a document setting out the items which were outstanding and a tentative schedule for dealing with them, together with an indication of the time to be allocated to each. On the basis of that information, the Committee would be able to take decisions on how best to organize its work during the remainder of the session. In any event, he feared that the Committee would be forced to defer consideration of many items owing to a lack of time.

42. The CHAIRMAN assured the representative of the Soviet Union that the Secretariat would be able to comply with his request.

The meeting rose at 1.10 p.m.