United Nations
GENERAL ASSEMBLY
THIRTY-SEVENTH SESSION
Official Records *

FIFTH COMMITTEE
51st meeting
held on
Wednesday, 1 December 1982
at 6.30 p.m.
New York

SUMMARY RECORD OF THE 51st MEETING

Chairman: Mr. ABRASZEWSKI (Poland)

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

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Distr. GENERAL
A/C.5/37/SR.51
8 November 1982

ORIGINAL: ENGLISH

The meeting was called to order at 6.50 p.m.

AGENDA ITEM 113: UNITED NATIONS PENSION SYSTEM (continued) (A/37/9, A/37/674; A/C.5/37/16)

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

(b) REPORTS OF THE SECRETARY-GENERAL

1. Mr. GARRIDO (Philippines) said that the United Nations Joint Staff Pension Board should not consider any improvements in benefits until the Fund's actuarial balance had been restored. His delegation supported the package of measures to improve the balance recommended by the Board and believed that article 27 of the Regulations should not be invoked until all measures to remedy the situation had been exhausted. The question was whether article 27 was self-executing or needed to be invoked by an organ of the Fund. Every possible effort should be made to bring about a gradual reduction in the actuarial imbalance. The package of measures should be adopted in its entirety because all the proposed measures were interlinked.

2. His delegation had no objection, in connection with the need to reduce the actuarial imbalance, to extending the age of mandatory separation from service beyond 60 years in the United Nations system without reducing the entitlements linked to age as currently established under the Regulations of the Fund. With regard to the Board's recommendation that the rate of accumulation of benefits for new participants should be reduced, such a measure would have a greater impact if the future contributory service of existing participants were taken into account. Moreover, the Board might wish to continue to keep under review the question of the interest rate to be used in calculating lump-sum commutations, as previously recommended by ACABQ.

3. Since the two-track system of pension adjustments and the Washington modification thereof seemed to be working well, there should be no move at the current stage to abolish that system. The correction referred to in paragraph 37 of the Board's report (A/37/9) was justified. The Board should continue to study the procedures for verifying a pensioner's place of residence and prorating payments for pensioners who spent a significant part of their time away from their stipulated country of residence.

4. The proposed measure regarding the frequency of adjustments in relation to the movement of the Consumer Price Index was necessary in order to achieve a balanced package of measures. There was also a good case for changing the conditions governing the rehiring of pensioners, but, for cost reasons, the restriction provisions should be limited to those participants who at the time of separation had less than five years of contributory service. He also pointed out that the elimination of article 26 of the Regulations would result in a decrease of 0.52 percentage points in the contribution requirement.

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(Mr. Garrido, Philippines)

5. The recruitment of staff members at an early age would have a beneficial effect on the Fund's actuarial position, although finding qualified young candidates presented difficulties in certain fields and age-discrimination practices must be avoided. While the "open group" concept brought additional participants into the Fund and increased revenues, in the absence of statistics on the number and characteristics of staff members excluded or prevented from participating, great care must be taken to avoid abuses. Moreover, consideration should be given to extending pension coverage to officials other than staff members, such as the Chairman of the Advisory Committee. His delegation supported the proposed text of supplementary article B in annex XII of the Board's report regarding participation of officials who were not staff members. It also endorsed the Board's view that it would be premature to consider an increase in contributions from participants and member organizations under article 25 of the Regulations and would like to have further comparisons made with Member States' national civil service retirement systems before any change was made in the current situation.

6. His delegation hoped that the Fund's investments would continue to grow and was glad to note that the diversification of the investment portfolio by geography and by currency reflected the wishes of the Board and the General Assembly. The Secretary-General should continue to reinvest funds held in transnational corporations in developing countries to the greatest extent practicable, subject to the requirements of safety, profitability, liquidity and convertibility, and to pursue his efforts to locate investments in Africa at safe and profitable terms.

7. He paid a tribute to Mr. Arthur Liveran for his 20 years of dedicated service as Secretary of the Board, and to extend a warm welcome to Mr. Anthony Mango, the incoming Secretary.

8. Mr. KRISTIANSEN (Denmark), speaking on behalf of the 10 States members of the European Economic Community, endorsed the conclusion reached by the Board in paragraph 48 of its report (A/37/9). General Assembly resolutions 3526 (XXX), 31/196, 33/120 and 35/215, which specified, *inter alia*, that no change in the pension adjustment system should entail an increase in the present or future financial liabilities of Member States, must be respected.

9. One of the measures proposed by the Board with a view to improving the actuarial balance of the Fund, namely, the raising of the age of mandatory separation from service to 62 years, had significant personnel implications and should therefore be studied further by the International Civil Service Commission. The second operative paragraph of the draft resolution proposed by the Board for adoption by the General Assembly (A/37/9, annex XI) should be regarded as a recommendation, and not a decision, that must be considered by the legislative bodies of the member organizations and by the General Assembly at its following session.

10. The 10 States members of the Community were aware of the arguments in favour of raising the retirement age referred to in paragraph 18 of the Board's report and also had in mind the recommendations on flexible retirement made by the World Assembly on Aging.

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(Mr. Kristiansen, Denmark)

11. At its following session, the Board might also wish to consider the decision reached on another measure, namely, the raising of the interest rate used in the commutation of periodic benefits from 4 per cent to 4.5 per cent. An increase to 5 per cent would seem fully justified and would present additional advantages from the point of view of the actuarial balance.

12. The Board should reach an early conclusion regarding the justification for the continued existence of the two-track system of pension adjustments and should consider, as an exceptional measure, an extra actuarial valuation of the Fund as from 31 December 1983, so that future action could be based on up-to-date figures.

13. Since the proposed package of measures only constituted a first step towards restoring the actuarial balance of the Fund, it was to be hoped that, at its following session, the Board would be able to propose further steps to restore the balance completely.

14. The 10 States members of the Community wished to express their appreciation for the work performed by Mr. Liveran as Secretary of the Board in his 20 years of service.

15. Mr. OREBI (Food and Agriculture Organization) said that in 1967 the governing bodies of FAO had decided to extend the mandatory age of separation under the staff rules to 62 years. FAO was tangible proof of the success of that policy. Neither of the issues which had caused so much controversy in the Committee had become a problem as a result of that decision.

16. With regard to career development in FAO, those who deserved to be promoted received due recognition for the ability and the potential for greater responsibility that they had demonstrated. The principle of equitable geographic distribution had not been affected adversely by extending the mandatory age of separation. Eventually all unrepresented and under-represented countries would achieve at least the midpoint of their desirable ranges. Senior positions would increasingly be filled by a wide range of the most diverse nationalities. The extension of the mandatory age of separation by two years was no obstacle in that regard. Many staff members were retiring from FAO at age 55. After devoting a lifetime to the organization, they preferred to take early retirement either to enjoy a well-earned rest or to embark on a second career. The years of service accumulated before retirement were more important than the age to which staff members could remain in service. The earlier they joined the sooner they would leave. That fundamental aspect of personnel policy had been recognized in General Assembly resolution 35/210, according to which the provision of General Assembly resolutions dealing with mandatory retirement at the age of 60 should not be rigorously applied to locally recruited General Service staff who had already been employed by the Organization prior to December 1978 and would have less than 20 years' contributory service in the United Nations Joint Staff Pension Fund at the age of 60. That decision should be extended to include all staff in order to ensure equality of treatment. Furthermore, such a step would guarantee the success of the package of proposals submitted by the Committee to the Board.

(Mr. Orebi)

17. Lastly, he expressed the hope that the proposals in the report of the Board would be supported by the Committee.

AGENDA ITEM 104: PROGRAMME PLANNING (continued) [A/37/3 (Part II), chap. VI, sect. C, future A/37/6, A/37/7, A/37/38, A/37/154 and Corr.1 and 2, A/37/206 and Add.1 and Add.1/Corr.1, A/37/207, 460 and 650; A/C.5/37/25 and 53; E/1982/INF/12 (decision 1982/173)]

(a) REPORT OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION

(b) MEDIUM-TERM PLAN FOR THE PERIOD 1984-1989

(c) REPORTS OF THE SECRETARY-GENERAL

18. Mr. KEMAL (Pakistan) said that the report of the Joint Inspection Unit on the elaboration of regulations for the planning, programming and evaluation cycle of the United Nations, reproduced in document A/37/460, highlighted a number of weaknesses and problems which should be given serious consideration. According to the report, the overall methodology for the planning, programming and evaluation cycle was neither properly understood nor properly applied and paragraph 23 cited three reasons for that situation. The eight recommendations in chapter IV should be given thorough consideration. In view of the problems with the medium-term plan, it was regrettable that the Secretariat had been unable to respond to those recommendations.

19. The report described the medium-term plan as characterized by verbalism and confusion and the Introduction to the Medium-term Plan as a purely descriptive document that looked to the past. The note by the Chairman of the Fifth Committee on the medium-term plan for the period 1984-1989 (A/C.5/37/53) clearly demonstrated how little attention the Main Committees of the General Assembly gave to the plan. It was possible that the plan was simply not relevant to their work. That was a cause for serious concern. In those circumstances the Secretariat should study the JIU report and submit its views on the eight recommendations on the proposed draft rules and regulations. The Committee for Programme and Co-ordination (CPC) should consider the problems referred to in the report at its next session. On the basis of CPC's recommendations the Advisory Committee should submit its views on the administrative and budgetary aspects of the JIU recommendations. The Office of Legal Affairs should also submit its views on that matter, at least to CPC.

20. His delegation expressed satisfaction at the excellent work carried out by CPC with regard to the draft rules governing programme planning, the programme aspects of the Budget, the monitoring of implementation and methods of evaluation in document A/37/206/Add.1. Great care should be exercised in formulating the draft rules because they would regulate planning and programming for a long time to come. The report of ACABQ on the draft regulations and rules (A/37/650) contained useful comments, particularly in paragraphs 7 and 8. His delegation proposed that the phrase "and its assessment of related resource proposals" in paragraph 8 should be deleted because CPC should be given that responsibility. He agreed with the view expressed in paragraph 9 that the requirements of proposed rule 104.9, if carried out, would result in much additional work and in delays in both the

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(Mr. Kemal, Pakistan)

Secretariat and intergovernmental bodies, especially the General Assembly. He supported the objectives of draft regulation 4.9. Consideration should be given to genuine programme budget implications instead of to administrative and financial implications. However, the way in which that would be implemented under proposed rule 104.9 might give rise to certain anomolies. The head of department concerned would have to prepare reports on programme implications in consultation with the Programme Planning and Co-ordination Office (PPCO) in the economic and social sectors, and with the Office of Financial Services in other sectors. The words "in consultation with" might be misinterpreted. It was unclear whether that meant that PPCO would play the role of arbitrator for all offices in the economic and social sectors or whether it would offer technical assistance to those offices in preparing their reports to be submitted to the General Assembly.

21. His delegation also had reservations about the dichotomy between the responsibilities of the PPCO, which was to be consulted by the departments in the economic and social sectors and those of the Office of Financial Services, which would be consulted by the other departments.

22. The next problem was whether or not it would be possible to implement the proposed rule. In view of the accumulation of documents containing programme-budget implications, the complicated procedure set forth in proposed rule 104.9, and the detailed, controversial information required under its second paragraph, it seemed extremely unlikely that the Committee could process the requests before the end of the session, especially if disagreement between any of the parties concerned called for complicated negotiations, sometimes with bodies in other countries. Member States would also have differing expectations with regard to that rule according to whether or not they supported a zero growth budget.

23. With regard to the monitoring of programme implementation (A/37/206/Add.1, art. V) several delegations had expressed support for a strong central monitoring unit. His delegation, on the other hand, agreed that there was a need for the monitoring of output in a general sense, but did not consider it necessary to establish a large new unit to do so. It would be preferable to use existing bodies to monitor programme implementation, with intergovernmental bodies playing a major role. The work could be started on an experimental basis.

24. In conclusion, his delegation pledged to co-operate with other delegations in trying to reach consensus on the whole complex item on programme planning.

AGENDA ITEM 114: FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES IN THE MIDDLE EAST (continued)

(b) UNITED NATIONS INTERIM FORCE IN LEBANON: REPORT OF THE SECRETARY-GENERAL (A/37/535 and A/37/649)

25. Mr. MSELLE (Chairman, Advisory Committee on Administrative and Budgetary Questions) said that the report of the Advisory Committee on the United Nations Iterim Force in Lebanon (UNIFIL) (A/37/649) covered commitments for the period from

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(Mr. Mselle)

19 December 1981 to 18 December 1982, provided information on expenditure and revised apportionments for periods from 19 December 1980 to 18 December 1982 and cost estimates for periods beyond that latter date. The Advisory Committee had endorsed the substantive request of the Secretary-General, on the understanding that, after the General Assembly had taken action on the commitments for the period from 19 December 1981 to 18 December 1982 and had approved the necessary credits for UNIFIL's current mandate which expired on 18 January 1983, the Secretary-General should be given authority to commit the necessary funds for further periods, provided that prior concurrence of the Advisory Committee was obtained for the actual level of commitment. That concurrence would be based on detailed justifications of the work programme for the relevant mandate of the Force. As stated in paragraph 13 of the Advisory Committee's report (A/37/649), the maximum commitments to be entered into should not exceed $15,229,666 gross or $15,087,833 net per month.

The meeting rose at 8.25 p.m.