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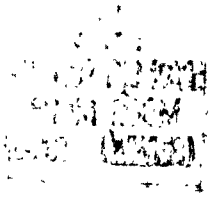

FIFTH COMMITTEE
33rd meeting
held on
Thursday, 10 November 1983
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 33rd MEETING

Chairman: Mr. KUYAMA (Japan)

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

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The meeting was called to order 10.55 a.m.

AGENDA ITEM 118: UNITED NATIONS PENSION SYSTEM: REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (continued) (A/38/9 and Add.1 and Add.1/Corr.1 and Corr.2, A/38/547; A/C.5/38/19)

1. Mr. MARRON (Spain) said that the major item dealt with by the United Nations Joint Staff Pension Board during 1982 had been the actuarial balance of the Fund. Maintenance of an actuarial balance in the assets: liabilities equation was essential to the Fund's health and a guarantee that it could meet its future commitments in strict accordance with current requirements.

2. The Pension Fund as an instrument of social policy for the staff of the United Nations was fully supported by his delegation, which trusted that the Fund would have a sound financial future. It was prudent to have an actuarial valuation every two years, even though the Fund's Regulations required one less frequently, since it ensured that trends were carefully monitored and gave delegations an opportunity to take any corrective measures which might be necessary. All the possible alternatives which emerged from actuarial valuations, including the observations made by the Consulting Actuary, should be reflected in the Board's report to enable delegations to formulate informed opinions.

3. The valuation carried out at the end of 1982 indicated that the Fund's position had improved since the previous valuation. That was partly due to measures adopted as a result of that earlier valuation, which had stressed the need to restore the Fund's financial balance, and to the improvement in the Fund's net worth over the past biennium. The potential imbalance had been partially corrected, by an amount equal to 3.62 per cent of the pension base.

4. Although the outlook was promising, there was room for improvement since much of the deficit had still not been covered, owing in part to the fact that not all the measures proposed by the Board had been adopted. Moreover, any delay in restoring equilibrium to the Fund would tend to cause a greater imbalance. That tendency could lead to a disturbing situation if appropriate action was not taken forthwith.

5. The Board stated, in paragraph 17 of its report, that, prior to 1 January 1983, the contribution rate required, taking account of the rates used in the 6.5/9/6 basis, had been 29.41 per cent of pensionable remuneration, a figure which would have had to be increased by 0.9 per cent to take account of a change in the demographic assumption necessitated by greater longevity. Fortunately, the economy measures introduced following the adoption of General Assembly resolution 37/131 had had a positive effect on the imbalance, which was currently estimated at 4.79 per cent of pensionable remuneration.

6. At the present juncture, other measures were being proposed by the Board, in particular an increase of 3 per cent in the combined rate of contribution, comprising a series of increases of 0.75 per cent each year until 1990, which would result in a total contribution rate of 24 per cent. Spain firmly supported those

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measures, including the modifications proposed by the Advisory Committee, even though they would lead to a considerable increase in the Organization's budget and in staff members' contributions. Nevertheless, such measures would not totally remedy the actuarial imbalance, since there would be a gap of 1.79 per cent between the total contribution rate of 24 per cent which those measures would require and that of 25.79 per cent indicated as necessary in paragraph 17 of the Board's report. There was an additional discrepancy of 0.9 per cent owing to changes in the demographic assumptions. Finally, there could be an additional 5.41 per cent discrepancy if the real rate of return after inflation was 1.5 per cent rather than the 3 per cent assumed. There was thus still a major potential imbalance, which was extremely disquieting.

7. Of the factors which might lead to a future actuarial imbalance, the most important were assumptions concerning interest rates. To assume that the return on the Fund's capital would in future be 50 per cent higher than the inflation rate, as was the case in the 9/6 assumption, and that it could be maintained over a period of years from investments providing sufficient security, which, in the main, offered a fixed return, was, to say the least, optimistic. Reference was made in paragraph 21 of the Board's report to an analysis carried out by the Consulting Actuary, which had shown that the Fund was in a reasonably strong funded position with respect to its liabilities if future increases in pensions were ignored, a circumstance which would clearly not come to pass. In fact, in paragraph 41, the Board noted that the real rate of return over the past 23 years had been only 1.3 per cent a year, and that it was premature and, perhaps, imprudent to assume that the inflation-adjusted total rate of return might be better in the forthcoming decade. The Chairman of the Board had also stated that the discrepancy between the 3 per cent assumption and the 1.3 per cent obtained in practice had made the Board wonder whether it would not be more prudent to formulate less optimistic valuations; however, since recent results had been very positive, the Board had finally decided not to change the bases.

8. Analysis of other factors also indicated signs of weakness in the Fund's financial future. Thus, although the 12-year and 30-year projections appeared satisfactory, more careful analysis revealed that that was not so. From 1995 onwards, even with the extremely optimistic assumption of a real rate of return on investments of 3 per cent, the Fund's rate of growth would begin to slow down, while each year an increasing proportion of the accrued interest would be used to pay benefits. In 30 years' time, benefits would absorb all the contributions and income, at which point the Fund's net worth would begin to decrease.

9. The situation required careful monitoring and measures which would gradually correct the financial imbalance should be adopted.

10. Spain supported measures aimed at increasing resources, including better use of the Fund's equity, increased contributions, reduced administrative and management costs, and the reduction of benefits which appeared disproportionate compared to those available in national civil services.

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11. Specifically, his delegation supported the proposals made by the Committee of Actuaries to gradually increase the total rate of contribution to 24 per cent of pensionable remuneration, to raise the statutory age of separation to an age higher than 60 and to increase the reduction factor for early retirement.

12. Unless the actuarial balance of the Fund was improved, the Fund would ultimately be unable to meet its commitments and the Organization's budget wold suffer accordingly. Consequently, while his delegation did not reject the recommendation of the Advisory Committee (A/38/547, para. 6), it would have preferred acceptance of the schedule of increases recommended by the Board, which represented a more comprehensive approach to the problem and which could have been modified in the light of the 1984 actuarial review. That review should take account of the reservations and comments expressed previously and the various alternatives should be reflected in detail in the Board's report to the Fifth Committee.

13. With regard to the complementary pension scheme proposed by the Director-General of the International Labour Organisation, his delegation agreed with the Board and the Advisory Committee that the integrity and uniformity of the pension system should be preserved, failing which Member States would be faced with higher costs.

14. His delegation supported maintenance of the present ratio of contributions from organizations and employees. With regard to the measures discussed in paragraphs 4 to 7 and 14 to 19 of the addendum to the Board's report (A/38/9/Add.1), his delegation noted that they did not involve any additional costs for the Fund, and therefore had no objection to them.

15. Greater efforts could have been made to reduce administrative expenses, which had increased by 35 per cent over the past two years. The increase of 18 per cent in investment costs, in particular advisory and custodial fees, was rather high; however, since such fees were contractually linked to the market value of the Fund's portfolio his delegation had no objection to them.

16. Finally, his delegation endorsed the remarks made by the Controller on the question of the Fund's investments, the precautions necessary in administering them and the risk implicit in unrealistic expectations.

17. Mr. PIRSON (Belgium) said that pensions should be adequate, but Member States should not have to pay excessive contributions to support a pension system which did not accord with the Noblemaire principle. Under that principle the United Nations should offer pension benefits which, added to other elements of remuneration, offered a package which was comparable to that provided by the best-paid civil service, which was at present the United States federal civil service.

18. General Assembly resolution 33/120 had reaffirmed that no change in the pension adjustment system should entail an increase in the present or future liabilities of Member States. Several warnings had been issued concerning the exaggerated effect on pensionable remuneration of the weighted average of post adjustments. That average automatically increased the gross remuneration on which the contributions of 14 per cent paid by Member States and 7 per cent paid by staff

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members were calculated. It was quite clear that the weighted average of post adjustments bred inflation and resulted in unjustified increases in salaries established in dollars. It should be noted, incidentally, that the post adjustment system currently applied only when the cost of living increased and not when it decreased.

19. Such warnings notwithstanding, the system had been perpetuated and the so-called Washington formula adopted, which had led to major increases in the Fund's actuarial liabilities. The Washington formula ensured that all retirees, wherever they might live, received the minimum inflation-adjusted pension payable to those living in the United States. It also ensured, at the Fund's expense, that retirees received a pension higher than that minimum each time that their pensions were reduced in terms of local currencies, as when, for example, the value of the United States dollar declined. The Washington formula had had a negative effect on the Fund's actuarial balance before the dollar's recovery. It was likely to have a further effect on the Fund's financial situation if, as seemed probable, the dollar weakened in relation to other currencies during 1984. It should be noted that pensions were adjusted for cost-of-living increases every six months.

20. The Board had failed to state, over the past eight years, what changes there had been in the gross pensionable remuneration and pensions of the United Nations system by comparison with the gross pensionable remuneration and pensions of United States federal civil servants. In 1980 a new system had been suggested; it had been stated that the improvements made would have only a minor effect on the Fund's actuarial balance.

21. However, it appeared that the Pension Fund had a large actuarial deficit which was to be reduced through a substantial increase in the contributions paid by organizations. The Board was proposing to gradually increase the contributions paid by organizations from 14 per cent to 16 per cent of gross pensionable remuneration, currently equivalent to 137 per cent of gross salary after application of the weighted average of post adjustments. The actuarial imbalance of the Fund was largely due to the effects of measures proposed by the Board in the past. At the inception of the Fund, it had been agreed that the high rate of 14 per cent would be necessary only to "launch" the Fund while, at that time, payments had been calculated on the basis of net salaries.

22. Over the past 12 years pensionable remuneration had increased threefold on average. For example, an Under-Secretary-General's pensionable remuneration had increased from $43,750 in 1971 to $132,568 in 1983. States' payments to the Fund had increased similarly. Year after year there had been compound growth of more than 10 per cent. Organizations now paid $18,560 a year towards the pension for an Under-Secretary-General.

23. Comparison of the level of pension after 32 years of service at 1 July 1971 with the corresponding figure for 1 July 1983 showed that, in the case of a staff member at the P-1 level, the amount had increased from $6,397 to $19,567, while for an Under-Secretary-General the amount had increased from $22,691 to $74,889. Thus,

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pensions had tripled, the higher categories having benefited more than others - an anomaly by modern social standards; the compound rate of growth was almost 11 per cent. He gave details of figures relating to pensions for the United States federal civil service, based on grades recognized as comparable by ICSC. In effect they were considerably lower; for example, based on 1982 figures, the pension attaching to a D-2 post had been roughly $99,000, whereas that relating to an equivalent post in the United States federal civil service had been $62,876.

24. Whilst most Western States had been taking drastic measures, during recent years, to halt the rise in pensions, the United Nations had been calling on the General Assembly to establish pension rates which were too high when contrasted with the comparator civil service. The disparities were the most noticeable at the level of the higher categories. For many years Belgium, noting the example of many developed countries, had called for moderation at that level. The General Assembly should carefully appraise the application of the Noblemaire principle before adopting any measure which would increase the contributions of Member States. The Fifth Committee should defer until 1984 any decision to increase the pension contribution rate and the Joint Staff Pension Board should be invited to submit fresh proposals aimed at eliminating the Fund's actuarial deficit. The Committee itself could make suggestions if the Board was unable to propose where economies should be realized.

25. The Committee had demonstrated, in the past, its concern for providing all international civil servants with adequate pensions, and the General Assembly had established an Emergency Fund to supplement low pensions. In the interest of the United Nations system and its personnel and of the Organization's credibility, the General Assembly should know all the facts before taking decisions which would commit Members to considerable future expenditure. The Board had put forward few figures in support of its proposals, stating simply that the Organization's share of the increase would be in the order of $8.6 million in 1984 if the Consulting Actuary's figure of $1,730 million for the total annual pensionable remuneration for the 50,966 participants in the Fund was correct. The Belgian delegation had doubts about that figure, however, since it represented an average pensionable remuneration of only $33,922. Nevertheless, assuming that the figure was correct and would increase by 10 per cent per annum, expenses for the first seven years would exceed $200 million and over 10 years would amount to some $424 million.

26. Member States must be given time to reflect on a matter whose financial implications were of such a scale, especially since the details had been submitted only a short time earlier. In any case, no decision should be taken until 1984.

27. Mr. GARRIDO (Philippines) said that his delegation was pleased to note the attention being given by the Committee to the item on pensions. He welcomed the growth of the Fund to $2.7 billion, an increase of $3 million since the previous year; however, the valuation at 31 December 1982 showed an imbalance of 8.41 per cent of pensionable remuneration, which represented an increase of 1.09 per cent since the 1980 valuation. His delegation was satisfied with the assumptions made by the Consulting Actuary to determine the real rate of return on investments; such assumptions had served as a satisfactory basis in the past. His

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delegation noted that, for the purpose of comparison with the previous valuation, account had been taken of the economy measures approved by the General Assembly at its previous session; as a result, the imbalance had been reduced by 3.62 per cent. The Fund would be in a strong position if future pension increases were ignored; but, owing to increased longevity, benefit payments had increased. The Committee of Actuaries had therefore pointed to the need to strengthen the pension scheme's financial basis, and the Board had recommended that the General Assembly should approve an increase in the total contribution rate from 21 to 24 per cent.

28. His delegation supported the Advisory Committee's recommendation that the General Assembly should currently approve only the increase proposed for January 1984 and should review the situation at its fortieth session. It therefore supported the Advisory Committee's modification to section I of the draft resolutuion proposed by the Board. His delegation was concerned, however, that the effect of increased contributions would increase the burden on the member organizations' budgets; the developing countries in particular would be particularly affected, since the current economic crisis was hampering their capacity to obtain foreign exchange. The Fund must operate with more caution, since invoking article 26 of the Fund's Regulations would cause further problems.

29. His delegation noted that ICSC, in its report to the Assembly at the current session, had viewed unfavourably the Board's proposal, made for the purpose of improving the actuarial imbalance, that the mandatory age of separation should be raised to 62 years and that the age of retirement should be maintained at 60 years in the Fund's Regulations. It hoped that the proposal could be looked at again in its long-range context; whilst it agreed that the mandatory age of separation was a matter of personnel policy, the fact that investment returns during the past 23 years had been lower than expected could not be overlooked. His delegation was not in favour of a special index for pensioners, which would further burden Member States or reduce further the retirement benefits granted under the Washington formula.

30. The Board had rightly taken the view that the complementary pension scheme proposed by the International Labour Organisation not only would be inconsistent with the common system of salaries and allowances but would be dicriminatory. It would also entail higher costs. His delegation, therefore, found it unacceptable.

31. His delegation noted that the 1984 administrative expenses for the operation of the Fund were within the 0.14 per cent limit laid down by the Pension Review Group. The Board of Auditors had rightly commented that the Administration should make use of the latest techniques for portfolio analysis, with a view to the most efficient investment management. The Pension Board might also look into the feasibility of having the Fund's accounts audited internally.

32. There were grounds for optimism about the Fund's investment return if the pattern reported in 1983 was maintained. Nevertheless, his delegation agreed with the Secretary-General that the return should not be measured against unrealistic targets. It noted with satisfaction the Secretary-General's efforts to implement General Assembly resolution 36/119 on investment diversification, subject to the

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criteria set forth, and to continue his consultations with African financial institutions with a view to improving the level of investment in Member States. In that context, it endorsed paragraph 17 of document A/C.5/38/19 and looked forward to the Secretary-General's report on the matter at the Assembly's next session.

33. His delegation supported the draft resolution proposed by the Board, as modified by the Advisory Committee.

AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM: REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued) (A/38/30; A/C.5/38/23, A/C.5/38/40)

34. Mr. GURUNLIAN (Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System) said that the Co-ordinating Committee, which represented some 20,000 staff members throughout the world, was grateful for the opportunity to express its views, not only on conditions of service but on matters relating to improved efficiency of the Organization. Its members felt that, because of their perspective, they could make a positive contribution to the formulation of policy recommendations. While recognizing the importance of full participation in ICSC meetings, the Co-ordinating Committee suggested that the consultation process between the ICSC secretariat and the staff representatives should be continuous, thereby enhancing the quality and effectiveness of staff participation and precluding misunderstandings of the kind which often arose between the staff and ICSC.

35. The Co-ordinating Committee was gratified by ICSC's attention to human resources planning, which was a prerequisite for a real system of career development. With regard to recruitment and promotion policies, it considered that the organizations' efficiency would be enhanced if unnecessary bureaucracy could be reduced. For example, the probationary contract should be dispensed with in the case of staff members who had served two or more years consecutively on a fixed-term contract. It was suggested, therefore, that the Fifth Committee should endorse the ICSC recommendation to that effect. Despite the adoption of resolution 37/126, many administrations seemed reluctant to consider for career appointments staff members who had completed five years of continuous service on fixed-term appointments. The representative of France had raised the question of proficiency in a second official language as a promotion requirement. Such proficiency clearly enhanced a staff member's efficiency and should be considered a very positive factor for promotion. The risk was that, whilst proficiency in a second official language as an absolute prerequisite for promotion would increase the level of linguistic proficiency, it might come to take precedence over the most important criterion for promotion: the professional ability to perform at a higher level. It was important that, at all levels of responsibility, the most capable and deserving staff members should be recommended for promotion - the more so since the introduction of classification had led to an unfortunate tendency to grant promotions according to the level of functions performed rather than merit. It would be appropriate for the General Assembly to remind all administrations that merit - which, of course, included proficiency in a second language - was the main criterion for promotion.

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36. The classification system had not brought about the results expected, and staff felt that harmonization of the grading of comparable functions within and between organizations had not been achieved as intended. One reason might be lack of resources, another was the fact that classification was often viewed separately from a serious analysis of the organizations' structure. If organizations were not prepared to allocate resources sufficient for a thorough review, it would be preferable, from the standpoint of staff morale, to have no classification at all. However, it was hoped that the Fifth Committee would seriously consider the need to link classification to career development and provide a degree of flexibility; one step might well be to replace budget allocations of posts on a grade-by-grade level by a single allocation for posts from P-1 to P-4.

37. It had long been the wish of the staff that the artificial divisions between Professional and General Service staff should be removed. It was felt that, although the numerous anomalies could not be removed at once, the time was ripe for a request to ICSC to study the problem in the context of career development for all staff.

38. The Co-ordinating Committee welcomed the proposed adjustments in the education grant, in particular the special provision for disabled children, although it felt that the increased cost would not be excessive if reimbursement rates were set at 100 per cent of the amount, up to $6,000, for that group. The Committee also felt that the level of grants should be revised annually. On health insurance, the Co-ordinating Committee believed that insurance subsidies should be increased for all staff in order to reflect rising medical costs. As a minimum, the Fifth Committee should approve the Secretary-General's proposal in that regard with appropriate retroactivity.

39. In 1982, ICSC had been in favour of an increase in the base salary of Professional staff but the General Assembly had decided to postpone the issue until 1984. The Co-ordinating Committee felt strongly that the problem had become even more acute and should be addressed at the current session of the General Assembly. As long as some Member States, in particular the comparator country, found it appropriate to provide additional compensation to their staff seconded to international organizations, it would be difficult to convince the international civil service that its remuneration was determined in relation to the best-paid national civil service. The General Assembly should address that anomaly and make such supplementary payments as were necessary. To maintain equality of treatment for Professional staff of all nationalities and the complete independence of the Secretariat, immediate action was essential.

40. The Co-ordinating Committee welcomed the attention being given to conditions of service in the field. Almost half of the membership it represented were at non-headquarters duty stations and it was especially interested in seeing that staff members serving in the field were recognized and rewarded for their service to the United Nations. It endorsed the initiatives undertaken by ICSC and by CCAQ to facilitate mobility and enhance the security of field staff. It was important for ICSC to continue to examine the matter so that proper attention could be given

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to improvements in health insurance and medical facilities, special hardship allowances, accelerated home leave and better provision for housing and the education of dependants, especially in the case of certain duty stations where conditions were particularly difficult. The most important question, however, was ensuring the safety and security of United Nations staff members in the field. The increasing number of cases in which the rights and even the lives of United Nations personnel had been jeopardized underlined the importance of reiterating concern for the safety of staff members at every opportunity. The Co-ordinating Committee had a number of points to make regarding the security of field staff. Ad hoc procedures failed to address the problem sufficiently far in advance. In addition, some organizations might not have the resources to devote to planning security measures, while in other cases there might be a duplication of effort. There was thus a need for more experts specialized in security planning who would be able to evaluate the needs of individual duty stations. Lastly, the Co-ordinating Committee urged the Fifth Committee to endorse strong measures to ensure that all Member States respected the work of United Nations officials, including their own nationals.

41. Mr. MAJOLI (Italy) said, in connection with paragraphs 53 and 54 of the Commission's report (A/38/30), that his delegation believed that the language incentive had a moral and political value in facilitating mutual understanding within the Organization. The incentive was also of special importance to those staff members whose mother tongue was not one of the United Nations working languages. They had to make a special effort to learn even one of those languages and if they tried to learn another their effort should be rewarded. His delegation supported the proposal that the language incentive should not be discontinued, and appealed to ICSC instead to refine that incentive in favour of those whose mother tongue was not one of the working languages.

42. Mr. SAGRERA (Spain) praised the work of ICSC as reflected in its ninth report (A/38/30), noting with pleasure that the report was considerably more succinct than in previous years and that, for the first time it contained a chapter and an annex on the implementation and consideration by the organizations of its recommendations and decisions. That would allow the members of the Fifth Committee to see how far the criteria of ICSC were being followed by the individual organizations and by the common system.

43. The fact that the Commission had reached no decision on the basis for the determination and level of remuneration of the Professional and higher categories was not a sign of forgetfulness or indifference but rather that it had based itself on General Assembly resolution 37/126, section II, paragraph 4, in which ICSC was requested to make its recommendations to the General Assembly at its thirty-ninth session.

44. In its statement on ICSC at the previous session, his delegation had echoed the anxiety then expressed by ACABQ about the slow progress in working out a special index for pensioners. It noted that, according to the current report, although the index was not yet ready to be used by the Joint Staff Pension Fund, considerable progress had been made and it felt sure that the new system could be put into effect after 1984.

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(Mr. Sagrera, Spain)

45. The effort made by ICSC through its subsidiary body on post adjustments to ensure that the statistical methods used took into account the spiralling cost of living at various duty stations, particularly in the light of currency fluctuations, deserved special mention. Although the data utilized to calculate the post adjustments came largely from the staff themselves, through the surveys carried out by the Commission secretariat, the results obtained would serve not only to show what the adjustment system consisted of and what its purpose was but also to remove a number of misunderstandings regarding its operation. It was noteworthy in that connection that the innovations introduced in respect of the housing allowance would have no additional financial implications for the common system, and might indeed, as paragraph 45 indicated, actually result in savings.

46. A point on which his delegation could not agree with the report concerned the language incentive. It believed that the staff should be encouraged to study languages other than their mother tongue. It did not feel that language qualifications should be taken into account only at the time of recruitment. Nor could it agree with the view that the incentive had not given practical results and that it was absurd to reward such knowledge when it was in fact of no use in the daily duties of certain specific posts. Those arguments were fallacious and his delegation suspected that they disguised a hope that a particular language would become even more preponderant within the Organization. His delegation accordingly took issue with the statement that the language incentive as applied by the United Nations was an anomaly, was not achieving its objective, and was applied restrictively even within the Organization (A/38/30, para. 53). According to paragraph 54, the Commission had instructed its secretariat to study the possibility of eliminating the language incentive and the feasibility of alternative approaches to the question, such as enhanced training facilities. The Commission had been divided on the issue and had received no special instructions from the General Assembly, which was important since it was the Assembly and not the Commission which had adopted by consensus the current system as defined in resolution 2480 B (XXIII), as the representative of France had rightly pointed out. His delegation considered that it was essential to retain the incentive in order to safeguard a certain linguistic balance, particularly since that did not imply the rejection of measures to improve the existing system. It also believed that in outside recruitment priority should be given to candidates with mastery of two official languages, without prejudice to the principle of equitable geographical distribution.

47. On the other hand, his delegation had no difficulty in endorsing the Commission's recommendations on conditions of service in chapters IV, V and VI. At the same time, it would point out that the cost of the Commission's proposal concerning the education grant came to $1.7 million per year for the common system, that of the alternative cost-sharing formula for health insurance to $2.5 million for the United Nations and the improvements in field service conditions to $350,000 for the common system, which together totalled the considerable sum of $4,550,000.

48. His delegation would await with interest the results of the forthcoming inter-agency symposium of organizations based in Europe and the ICSC's conclusions on human resources planning after examining the results of that symposium and the one already held in New York for General Service and related categories.

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49. His delegation had consistently been in favour of uniformity in such matters as competitive examinations and geographical distribution, together with the recruitment of women, on which much still remained to be done. It was particularly concerned about retirement. After a careful examination of the report, it did not think the solution proposed by the Commission was the right one. Leaving it to the executive heads' discretion to allow certain staff members to continue working after age 60 would open the way for arbitrary action. It would be more appropriate to specify a retirement age and insist that it should be respected. His delegation would be in favour of an upper limit of 62 years. In that connection, his delegation fully endorsed the ICSC's opposition to the complementary pension scheme proposed by the International Labour Organisation as being contrary to the principle of equal pay for work of equal value inherent in the Noblemaire principle (para. 186) and incompatible with the desired uniformity.

50. In general, his delegation would support the recommendations of FICSA, except in respect of section D of document A/C.5/38/23. An interim increase in the remuneration of the Professional staff would inevitably have to be weighed against current financial constraints and it would be better to postpone the matter until after the thirty-seventh session. His delegation regretted the decline in staff morale referred to in paragraph 40 of the document and hoped that the situation would improve, but it could not concur in the somewhat exaggerated conclusion that the proposals in the ICSC report were a paltry package that would scarcely contribute towards enhancing the effectiveness of the organizations.

51. In conclusion, he reiterated his delegation's traditional appeal that timely measures should be taken to reaffirm the principle of the independence of the international civil service. Unfortunately, some Governments continued to interfere in the internal operations of the Organization and cases were still occurring of the arrest, detention, disappearance or death of United Nations officials. Spain, which had on several occasions co-sponsored draft resolutions on the privileges and immunities of international civil servants, urged the Secretariat and Member States to ensure that those unacceptable abuses were ended.

52. Mr. KHALEVINSKY (Union of Soviet Socialist Republics) said that before speaking on the ICSC report, his delegation would like some additional information on paragraph 37. What were the approximate levels of remuneration found in the cities in question, in percentage and monetary terms? Secondly, since the overpayments in question had occurred over a number of years, what were the accumulated financial implications for the United Nations, and why had the overpayments been made?

53. Mr. AKWEI (Chairman, International Civil Service Commission) said that the subordinate body of the Commission considering that matter was still in session. When he had received its written report, he would be happy to provide the information requested.

AGENDA ITEM 112: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued) (A/C.5/38/L.7)

(a) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued) (A/C.5/38/L.7)

(b) FEASIBILITY OF ESTABLISHING A SINGLE ADMINISTRATIVE TRIBUNAL: REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/38/26)

54. The CHAIRMAN said that, following informal consultations, he had prepared a draft resolution, contained in document A/C.5/38/L.7, which was largely procedural in nature. As he heard no objection, he assumed it was the Committee's wish to adopt the draft resolution without a vote.

55. The draft resolution proposed by the Chairman was adopted without a vote.

56. The CHAIRMAN suggested that the Fifth Committee should adopt a decision recommending to the General Assembly that it should take note of the report of the Secretary-General in document A/C.5/38/26.

57. Mr. FERNANDEZ MAROTO (Spain) said that the draft decision should request the Secretary-General to accelerate the necessary consultations.

58. The CHAIRMAN said that as there were no further comments, he would take it that the Committee wished to recommend to the General Assembly that it should take note of the report of the Secretary-General on the feasibility of establishing a single administrative tribunal (A/C.5/38/26) and request the Secretary-General to accelerate the necessary consultations and to report thereon to the General Assembly at its thirty-ninth session.

59. It was so decided.

60. The CHAIRMAN said that the Committee had thus concluded its consideration of agenda item 112. In accordance with the usual practice, the Rapporteur would report thereon directly to the General Assembly.

The meeting rose at 1 p.m.