



SUMMARY RECORD OF THE 32nd MEETING

Chairman: Mr. KOBINA SEKYI (Ghana)

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

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The meeting was called to order at 3 p.m.

AGENDA ITEM 100: PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (continued)

Presentation of the United Nations budget (continued) (A/33/7/Add.8;  
A/C.5/33/10, 11)

1. Mr. OUATTARA (Ivory Coast) said that in resolution 32/211 the General Assembly itself had asked for a study to be made of the advantages and disadvantages of "semi-full budgeting" with a view to keeping the growth of the United Nations budget within reasonable limits. In 1966 the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies had considered means of reducing at an early date the need for supplementary estimates, and it was from that point of view that the Consultative Committee on Administrative Questions had concluded that there was a need for full budgeting, under which all the financial implications of activities covered by the budget, would be taken into account.
2. However, the magnitude of inflation and currency fluctuations had increased the degree of uncertainty inherent in any budgetary forecast. Without intending to go into detail about the advantages and drawbacks of each system, his delegation would point out that full budgeting, unlike semi-full budgeting, gave Member States an over-all picture of the financial effort required of them.
3. Under the existing system of full budgeting the Secretary-General at the end of the biennium requested additional appropriations for the purpose of completing planned programmes, and many Member States used the same practice. Semi-full budgeting did not seem to have any special merits and, in his delegation's view, the most important issue was still strict budgetary control. Moreover, it would not be advisable for the United Nations to abandon a budgeting system that was applied by almost all agencies of the United Nations system at a time when the trend was towards uniform standards and methods. For all those reasons, his delegation associated itself with the conclusions expressed by the Advisory Committee in paragraph 8 of document A/33/7/Add.8.
4. Mr. AKASHI (Japan) said that his delegation was in principle much attracted to semi-full budgeting because it would provide a firmer hedge against either under- or over-budgeting at a time when it was impossible to predict the impact of inflation for two years ahead. Moreover, the adoption of full budgeting had not brought about the intended result of minimizing the need for revised appropriations at the end of a biennium since the General Assembly had in any event to provide supplementary appropriations for the second year of each biennium because of rising prices and salary increases resulting from inflation.
5. His delegation believed, in any event, that the semi-full budgeting model adopted by UNESCO was not the only conceivable one. Moreover, it was not fully convinced by the arguments against semi-full budgeting advanced by the Secretary-General in paragraph 8 of his report (A/C.5/33/10), but for the time being it

accepted the conclusions of the Secretary-General and the Advisory Committee; the Fifth Committee should, however, leave itself the option of reverting to the question.

6. On the matter of allotment control (A/C.5/33/11), the requirement of strict expenditure control had to be balanced against the requirement for flexible adjustments within the limits of the approved appropriations. The Secretary-General's proposal in paragraph 14 (d) of his report raised the problem of how to reconcile budgeting by programme components with career planning and mobility. His delegation accordingly urged the Controller to study existing disparities between Departments of the Secretariat, because smaller departments might well be penalized in comparison with the larger ones as the result of the implementation of such a system.

7. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said that the proposed United Nations programme budget, covering a period of two years, could be drawn up on the basis of the cost and price levels existing at the time of its preparation, but that to do so would prevent account being taken of inflation and the resulting constant increases in prices and salaries. Increases due to inflation therefore had to be taken into consideration, since the budget submission would otherwise not show the real financial requirements of the Organization and the Secretary-General would be compelled either to submit additional requests for appropriations or to cut down programme delivery, which was, of course, unacceptable because it would violate resolutions adopted by the General Assembly. The only remaining course was to quantify the impact of inflation in the forthcoming budgetary period. Full budgeting consisted precisely in making provision for all the financial resources that would be required for the execution of the programme budget for a given biennium with due account taken of inflation. Semi-full budgeting provided only a partial estimate of the resources required and frequently took the form of separating the costing for inflation in respect of the second year of the biennium. In other words, in the case of semi-full budgeting the budget itself would show the effects of inflation for only the first year of the biennium. It was, in fact, very difficult to forecast the level of inflation in the second year of the biennium, even in the United Nations, whose inflation forecasts had been remarkably reliable.

8. The performance report, which would be submitted to the Committee in the near future, demonstrated that even in the case of the current year, the estimated figures produced early the previous year deviated remarkably little from the forecast. The annual performance reports were an excellent means of adjusting the appropriations requested to real needs. The impact of inflation could only be estimated, and such estimates necessarily involved a certain degree of uncertainty. Semi-full budgeting would be an improvement inasmuch as estimates of inflation for the second year would be prepared at the end of the first year of the biennium. However, the method had several drawbacks. First, it would amount to dividing into two parts a budget that was in principle biennial. Moreover, the United Nations budget was a programme budget, and the cost of programmes had to be determined as accurately as possible for both years of the biennium; with semi-full budgeting,

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therefore, the full anticipated cost of a given programme would not be known in advance. In short, the disadvantages of the procedure far outweighed any possible concern about the uncertainty of estimates for inflation for the second year of the biennium.

9. Full budgeting, on the other hand, provided an over-all frame and laid down limits which could not be exceeded by programme managers. With inflation rates running so high, it was conceded that provision would have to be made for additional resources for the second year of the biennium. As matters stood, full budgeting accordingly required no cuts in programmes and its advantage over semi-full budgeting was that it enabled programme managers to know in advance what the over-all resource level for their programmes was.

10. Semi-full budgeting had other drawbacks. First, the General Assembly's freedom of action would be circumscribed because it might find itself compelled to agree to requests for additional appropriations based on indisputable data on inflation. Secondly, the resources required for the second year would have to be calculated on the basis of expenditure in the first year, and it would be difficult to perform that calculation in time for a decision on the resources for the second year to be taken at the proper time. Moreover, the procedure would require the scheme for the payment of contributions to be altered and, finally, there would be adverse consequences on the cash flow, which was so vital for the financial management of the Organization.

11. In short, semi-full budgeting did not seem to offer any outstanding advantages, and that opinion was shared by other organizations of the United Nations system.

12. Finally, it should not be forgotten that currency instability created even greater uncertainty than inflation, with sometimes completely unpredictable fluctuations, and that about 40 per cent of United Nations expenditure was in currencies other than the United States dollar. The only tool for coping with that situation was the performance report, which enabled corrections to be made for inflation and therefore offset all the disadvantages of full budgeting, which therefore seemed to provide a much better system than semi-full budgeting.

13. Mr. GOSS (Australia) said that inflation and currency fluctuation were facts of life and could not be ignored. Unfortunately those phenomena could not be controlled since, contrary to what the representative of Cuba had argued, they were totally unpredictable and had to be dealt with on an ad hoc basis. He did not share the Controller's opinion that automatic provision should be made in the budget for the effects of rising prices and currency fluctuations, because the Secretariat would find it difficult to finance supplementary expenditure by savings. He knew what he was talking about because ministries in his Government were financing salary rises for civil servants that had been decided upon by the Australian Arbitration Court from savings made in other sectors. The United Nations would therefore merely be following the example of many Member States if it considered making no appropriations to cover any costs attributable to inflation and currency fluctuation. He urged that the Committee should continue to consider

(Mr. Goss, Australia)

the question of semi-full budgeting; the method followed by UNESCO was not necessarily the only possible one. In any event there were good prospects that the United States dollar would soon recover, and that would generate surpluses. The Advisory Committee on Administrative and Budgetary Questions should take up the matter.

14. With regard to the report of the Secretary-General on the implementation of the budget (A/C.5/33/11), he was gratified by the reference in paragraph 16 (certification procedures) to the training of certifying officers, because that was an important way of improving budgetary procedures. It was also essential to develop a complete system for the preparation of reports. With regard to allotment control, greater flexibility would lead to greater savings and consequently to limiting increases due to inflation and currency fluctuation.

15. Another element that needed to be improved was the management of United Nations funds. He would refer to that point when the Committee considered management methods.

16. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that full budgeting would be meaningless unless the recommendation made by the Ad Hoc Committee of Experts on the Finances of the United Nations and the Specialized Agencies on the preparation of the budget and monitoring of its implementation was strictly applied. His delegation had advocated full budgeting on the understanding that the Secretary-General would draw up the proposed programme budget in such a way as to obviate the need for subsequent requests for additional appropriations. Otherwise the difference between full and semi-full budgeting would be negligible. The representative of the Secretariat was talking about making modifications to the budget, which was contrary to the principle of full budgeting and therefore unacceptable.

17. All the additional costs resulting from inflation and currency movements should, so far as possible, be financed by the redeployment of funds and savings. He shared the view expressed by the Cuban representative at the 30th meeting that inflation and currency movements were not a matter of chance, but the result of the economic and budgetary policy deliberately enforced by certain capitalist countries. The majority of Member States were not responsible for that policy and therefore should not have to bear the consequences. Since the Advisory Committee intended to reconsider the question of the presentation of the budget once the Secretary-General, after consultations with other agencies, had worked out detailed administrative measures, his delegation reserved the right to revert to the matter when it came before the Fifth Committee.

18. Mr. SADDLER (United States of America) said that the question of the methodology to be followed in preparing the budget was of paramount importance. In the opinion of the Consultative Committee on Administrative Questions (CCAQ), "full budgeting was clearly in the interest of the full implementation of programmes". That was the procedure followed by the United Nations and all the specialized agencies, except for UNESCO, which applied the method of semi-full budgeting".

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(Mr. Saddler, United States)

19. The United States delegation supported the method of semi-full budgeting because it could result in a more soundly constructed budget and compel programme managers to be more alert to effecting economies. It seemed, however, that the controversy over "full budgeting" and "semi-full budgeting" was a game of semantics and that the misunderstandings it created could be cleared up. His delegation believed that in his proposed programme budget, the Secretary-General should only request funds to cover costs which could be foreseen with a reasonable degree of certainty and make no budget estimates on the basis of speculation. Accordingly, budget estimates should be provided for the whole biennium for staff costs, which were known and which represented 77 per cent of the United Nations budget. The budget should be costed at current prices for salaries, with post adjustments and other allowances projected for two years into the future. Similarly, other foreseeable expenses should be costed on the basis of present rates projected for two years and inflation and currency fluctuation estimates should be made only for the first year of the biennium. The budget should also be presented more clearly and concisely.

20. While his delegation was not opposed in principle to considering supplementary budget requests covering inflation and currency fluctuations at the end of the first year of the biennium, it believed that the Secretary-General must exercise firm budgetary discipline by carrying out authorized programmes within the level of the initially approved appropriations. Programme managers should stop lamenting about inadequate resources and show restraint in their demands. The financing of the United Nations budget placed a heavy burden on Member States. Moreover, the world was in the throes of an economic crisis and the reputation of the United Nations was declining - all the more reason for a reappraisal of the consequences of constant budget increases.

21. In preparing the proposed programme budget for 1980-1981, the Secretary-General should consider terminating obsolete and ineffective activities, eliminating non-recurring projects, increasing staff productivity, improving management processes, tightening allotment control, avoiding duplication of effort and providing for a zero net real growth in the budget, with programme growth being covered by the resources released as a result of all those actions.

22. His delegation believed that absolutely no increase in staff was required because ample spare capacity existed within the Secretariat. Better management of existing resources could lead to a significant increase in productivity; consequently, there was no point in increasing the budget for 1980-1981 except to allow for price and wage increases that had occurred over the period 1978-1979 and those that were reasonably certain to occur in 1980. In his report on the question (A/C.5/33/10), the Secretary-General had called for the greatest possible accuracy in estimating the budget, restraint in the utilization of allotted resources and maximum absorption of cost increases within available funds. The General Assembly should endorse that recommendation and the Secretary-General himself should follow it scrupulously.

(Mr. Saddler, United States)

23. The Advisory Committee had concluded that in present circumstances, there was no obvious advantage to be gained by the United Nations in abandoning so-called "full budgeting" in favour of "semi-full budgeting". His delegation hoped that the Advisory Committee would keep its options open on the issue and carefully scrutinize the accuracy of the costing methodology used in the 1980-1981 budget and the soundness of the various assumptions used in preparing future budgets in respect of the forecasts for the second year of the biennium.

24. In connexion with the allotments control procedure, he recalled that the Australian delegation had submitted a proposal calling on the Secretary-General to take steps to improve the system. His own delegation hoped that the Australian representative would revive his proposal because it favoured all measures to improvement allotment control, certification procedures and reporting procedures. However, it could not agree with the Secretary-General that it was impractical for the time being to design a comprehensive accounting system that would reflect costs at the programme element level. It was inconceivable not to be able to identify costs at that level of detail. His delegation also hoped that when the post of Director of the Budget was ultimately filled, the Director would be able to institute improvements designed to modernize budget thinking. While the United States strongly supported an allotment control procedure covering all United Nations expenditure, it believed that more flexibility should be allowed within each programme. Budget estimates should be approved by the General Assembly for each major programme or budget section and transfers between or among programmes should be reviewed by the Advisory Committee and approved in accordance with existing procedures. Transfers within programmes should not retard programme implementation, and programme managers should be held fully accountable for the resources placed at their disposal. The accounting system should also be able accurately to report expenditures in comparison to allotments and allotments should be directly linked to the budget approved by the General Assembly. His delegation would encourage the Secretary-General to proceed rapidly towards implementation of such a system.

25. In paragraph 21 of its report (A/33/7/Add.8), the Advisory Committee stated that it intended to return to the question in the context of the Secretary-General's programme budget proposals for the biennium 1980-1981, once the detailed administrative measures had been worked out. The United States delegation hoped that the Advisory Committee would take into account the comments made by Member States in the Fifth Committee during the discussion on the subject.

AGENDA ITEM 111: REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (A/33/30; A/C.5/33/37)

26. Mr. QUIJANO (Chairman of the International Civil Service Commission), presenting the fourth annual report of the Commission (A/33/30), said that the document summarized the work done by the Commission during the past year, outlined the programme of work for the future and explained the reasons underlying a series of recommendations which were submitted for decision by the General Assembly.

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(Mr. Quijano)

27. It was worth recalling that although the Commission was a subsidiary body of the General Assembly, its functions were aimed essentially at co-ordinating and strengthening the United Nations common system. Consequently, its work was focused on drawing up general principles for application by the United Nations and the 13 other organizations participating in the common system.

28. He would like to mention that in the course of 1978, the International Fund for Agricultural Development (IFAD) had decided to apply the United Nations common system and had adopted the salary scales established by the General Assembly. Although it had not yet formally accepted the Commission's statute, IFAD had recently taken part in a meeting of the Commission and had been in consultation with it on a number of points concerning the conditions of employment of its staff.

29. Three aspects of the Commission's report deserved special attention: the chapter on the effects on the United Nations salary system of currency instability; a series of nine recommendations calling for decisions by the Fifth Committee; and an account of the facts on the basis of which new salary scales could be recommended for General Service staff at the different duty stations.

30. With regard to the effects of the current monetary crisis, the Commission had felt it to be its duty to warn the General Assembly of the serious difficulties and high costs resulting from that situation. Among the aspects of the salary system most affected by currency instability was the post adjustment system (post adjustments or deductions), which had been pulled so far out of line in some duty stations that the post adjustment in some cases represented a larger amount than base salary, which was a serious distortion of the fundamental concept of the system. The fact that the pensionable remuneration of the Professional category was based on the average of salaries at the main duty stations meant that it was constantly increasing in cost and leading to unjustified discrepancies. For example, the pension of some staff members could amount to 65 per cent of their total remuneration, whereas for others, of the same grade and seniority, it corresponded to no more than 45 per cent of what they had been earning while in active service. Pensionable remuneration of General Service staff in some duty stations such as Geneva and Vienna was seriously distorted in relation to the pensionable remuneration of the Professional category, overlapping it to an extent which the Commission had found excessive. There had been an erosion of the value in local currency of pensions in payment in countries whose currency had appreciated in relation to the dollar. Allowances and grants expressed as fixed amounts in dollars, such as the children's allowance and the education grant, had declined in value in some duty stations to some 50 per cent of what it had been when last fixed.

31. Despite those difficulties, it could be said that the post adjustment system had adequately protected the Professional staff against the effects of inflation and currency fluctuations and had stood up reasonably well to the new circumstances.

32. In paragraph 48 of its report, the Commission noted that at 1 July 1978, the pensionable remuneration of the Professional category had had to be increased by

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15 per cent over its 1 January 1977 base because the WAPA index had risen by 16 points. Moreover, after the close of the last session of the Commission, a further movement of the index had been recorded, which would require an additional increase of 10 per cent of pensionable remuneration with effect from 1 January 1979. Those indications showed that the system of automatic adjustments of pensionable remuneration established by the General Assembly in its resolution 1561 (XV) was not working well and was in urgent need of revision and updating.

33. The Administrative Committee on Co-ordination (ACC) had already requested the Commission to "make a comprehensive examination of the appropriate level of pensionable remuneration and the way in which it is to be established". Recognizing the importance of the problem, the Commission had immediately taken up the problem jointly with the United Nations Joint Staff Pension Board. The question affected all the organizations of the common system which participated in the pension system and so a global solution had to be found. The Commission had already taken various concrete measures and the question of pensionable remuneration would be the main item on the agenda of its forthcoming session in February 1979. He expressed the hope that by that time the Commission would have established formal collaboration with the Joint Staff Pension Board so that the two bodies might be able to submit to the General Assembly recommendations which, if they were not joint, would at least coincide.

34. The question was a complicated one, and it would not be easy to find a solution. However, the situation was such as to warrant giving priority to it, because, as matters stood, some staff members were unfairly treated while others benefited indirectly; in some duty stations an unintended distinction was created between the Professional and the General Service categories; and lastly, the operation of the pension scheme involved high costs for Member Governments. Some idea of the magnitude of the problem could be derived from the fact that each point in the WAPA Index represented an increase in the contributions which the organizations made to the Pension Fund of approximately \$800,000 per year, so that the two increases of 15 per cent and 10 per cent to which he had previously referred represented a cost for 1979 of some \$22 million.

35. The first recommendation in the Commission's report concerned the comparison of United Nations salaries with those of the United States civil service and proposed the revision of the grading equivalents currently used in making that comparison. The United Nations salary system was based on the Noblemaire principle, according to which international salaries were determined by comparison with those of the highest-paying national service which otherwise lent itself to comparison. That principle had been confirmed by the General Assembly in resolution 31/141 B of 17 December 1976, by which the Commission had been requested to carry out the comparison at all levels instead of limiting it to the three grades (P-3, P-4 and P-5) which had been used as matching points until then. Chapter IV, section A, of the report gave an account of the method used for the new comparison and indicated that 518 posts in the United Nations and specialized agencies had been analysed in order to identify posts of equivalent functions and responsibilities in the United

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States Civil service. As could be seen from the tables in paragraphs 78-81 of the report, a point-factor system had been used to identify equivalencies between the levels of the United Nations system and grades GS-5 to GS-18 in the United States civil service. On the basis of those equivalencies, the Commission had drawn the conclusions set out in paragraphs 81 and 82, although it had had some doubts about the matching of United Nations grade D-2 with United States grade GS-18 and a preference for matching it with GS-17. As indicated in paragraph 92 of the report, the Commission recommended to the General Assembly that it should accept the grading equivalents for grades P-1 to D-1. However, with respect to the D-2 grade, in the light of the doubts expressed by the experts, the Commission had judged it wiser not to make a formal recommendation for the moment, pending a further study which it intended to make.

36. The study which had been made confirmed that, on the whole, the equivalencies which had been used in comparing United Nations and United States salaries had been realistic. The introduction of the new matching points would result in an increase of less than one point in the margin between the two scales of pay. However, as was stated in paragraph 122 of the report, the staff representatives had found the existing margin too narrow and had called for an increase in base salary of some 10 per cent to re-establish the margin at the level which had, until a few years earlier, been judged to be appropriate.

37. The second recommendation made by the Commission was designed to combat some of the effects of currency instability. The Commission was recommending that the amount of the allowance for a dependent child should not fall below the equivalent in local currency which the dollar amount had produced when the amount of the allowance had last been fixed. The allowance had been raised to \$450 with effect from 1 January 1975, and the Commission considered it to be matter of simple justice that the value of the allowance should remain equal for all staff members.

38. The following four proposals made by the Commission resulted from a general study it had made in accordance with the General Assembly's request to it, in resolution 31/141 B, to re-examine the conditions for the provision of terminal payments and the possible introduction of an end-of-service grant. On the basis of that study, the results of which were summarized in chapter V, section A, of its report, the Commission had found it necessary to propose a correction in order to avoid the possibility that a staff member with a fixed-term appointment and less than six years' service should receive too large an indemnity if his appointment was terminated when it still had more than a year to run to its normal expiration date. The Commission recommended that in such a case the indemnity should be limited to a maximum of three months' salary (para. 164).

39. The second recommendation in chapter V of the report concerned the establishment of an end-of-service grant. In 1971 the Special Committee for the Review of the United Nations Salary System had recommended that an indemnity should be paid

to a staff member whose fixed-term appointment was not renewed after a number of years' service. The measure was of particular significance for some of the specialized agencies which, on the one hand, received directives from their governing bodies to recruit staff increasingly on the basis of fixed-term contracts and, on the other hand, found it necessary from time to time to replace sometimes after 10, 15 or 20 years' service, certain staff, particularly in technical fields where up-to-date knowledge was required. The organizations considered that the introduction of such a grant would assist them in abolishing posts and renewing their staff while at the same time treating justly persons who had been serving them with loyalty and devotion for many years.

40. The Commission had sought to ensure that, after a number of years of service, which it had fixed at nine years, staff with fixed-term appointments and those with permanent appointments should have equal entitlements, on the grounds that there was no practical justification for further differentiation between them in that respect. It had also analysed the comments made on that subject in the Fifth Committee at the thirty-first session and, in the light of those comments, had revised its original proposal so as to place more restrictive conditions on the awarding of the grant. Those conditions were set out in paragraph 173 of the report. The main change was the requirement, for entitlement to the grant, of a minimum of nine years' service instead of six. In addition, provisions had been introduced to exclude staff members who were entitled to retire, who were leaving of their own initiative or who had the right to reinstatement in their previous employment. As was indicated in the addendum to the Commission's report (A/33/30/Add.1), the estimated cost of that measure for all the organizations for 1979 was \$2.1 million, while, in document A/C.5/33/37, the Secretary-General estimated that the cost for the United Nations alone for the same period would be only \$115,000. The figures showed that such a grant would be of very limited application in the United Nations itself but that in the other organizations the number of staff qualifying for the grant would probably be far greater.

41. The following recommendation concerned the repatriation grant, which was payable to staff members whom the organization had an obligation to repatriate to their countries of origin at the end of their service. The Commission's proposal had no financial implications but aimed at preventing an expenditure which it did not consider justified. The Commission had made a careful study of the entitlement and had come to the conclusion that the existing provisions should be maintained in general until it could propose fundamental reforms when it next made an over-all review of the salary system. Nevertheless, it believed that the repatriation grant should not be paid when the staff member, at the end of his service, remained in the place of his last duty station and accordingly did not incur the removal and reinstallation expenses which the grant was intended to meet. Given the difficulties of tracing the movements of former staff members after they had left the organizations, the Commission considered that the most practical solution would be to require, as a condition for payment of the grant, that the staff member should sign a declaration to the effect that he did not intend to continue to reside permanently in the country of his last duty station.

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42. The recommendation concerning the death grant set out in paragraph 194 of the Commission's report was designed to unify the conditions of the payment made to the survivors of a staff member who had died in service. The Commission had earlier reported that there was no uniform practice among the organizations in that respect, different methods being used to calculate the amount to be paid. The General Assembly, in resolution 31/141, had asked the Commission to look into the matter and to propose measures to align the conditions of the death grant with the conditions approved for the termination indemnity.

43. In the study which it had made, the Commission had thought it useful to analyse, as a possible alternative, the system used by the United States civil service, which consisted of compulsory life insurance, with one third of the premium being paid by the employer. The Commission had calculated that should that system be adopted by the organizations applying the common United Nations system, the cost of the operation would be of the order of \$1.4 million a year, while the cost of death grants paid in 1977 by all the organizations had been about \$400,000. Considering that the existing arrangement was working satisfactorily, the Commission had taken the view that there were no grounds for making a change which would be costly and would provide no additional benefit for the staff. It had consequently preferred to recommend the adoption of the formula currently followed by most of the organizations, which could serve as the best basis for unifying the practice of the common system.

44. The final three recommendations of the Commission related to the education grant, which was undoubtedly one of the most important elements in the compensation of international civil servants. In resolution 31/141, the General Assembly had requested the Commission to examine the conditions of the grant, in particular such aspects as an allowance for post-secondary studies and for education in countries other than the staff member's home country. The results of the Commission's study were summarized in paragraphs 212-235 of the report. What the Commission had tried to do was to define better the criteria underlying the different provisions and to make more precise the conditions to be met for the staff member to be entitled to the payment or reimbursement of the expenses of educating his children. The Commission had come to the conclusion that it would be appropriate to remove the exclusion which had been applied, in its opinion without justification, to post-secondary studies in the country of the staff member's duty station. The Commission had been informed that in many cases the decision to send the child to a third country was taken solely in order to gain entitlement to the grant. Nevertheless, the Commission had rejected for the time being the proposals made by the organizations and the staff representatives for raising the age-limit for post-secondary studies to the obtaining of the first degree or four years of studies or up to the age of 25.

45. With respect to the amount of the grant, the table in paragraph 237 of the report showed the losses resulting from the decline of the dollar in various headquarters countries. In a single year the grant had suffered an erosion of 17.6 per cent in Geneva and more than 11 per cent in London and Vienna. The situation had grown even more acute in 1978. To remedy that situation, the Commission was recommending that when a staff member incurred expenses for the education of his children in a currency other than the dollar, the amount

reimbursed should not be less in real value than it would have been on the date when the existing scale of reimbursement came into force - 1 January 1977.

46. The last recommendation in the Commission's report aimed to extend, with certain special conditions, the benefit of the education grant to disabled children of staff members. In many cases a disabled child could not attend an ordinary school, so that the parent was not even entitled to the education grant. Bearing in mind that the General Assembly had proclaimed the year 1979 International Year of the Child and the year 1981 International Year for Disabled Persons, the Commission considered that the time had come to recommend the practical measures set out in paragraph 246 of its report. If the formula proposed was adopted, the grant would be paid on the basis of medical certification, only after other sources of aid had been exhausted, and when the child could not attend a normal educational institution and special teaching or equipment was required to assist him or her in overcoming the disability. The age-limit for receiving the grant would be 25 years and the amount should in no case exceed \$3,000 a year. In other words, it should not represent more than 75 per cent of the education expenses actually incurred by the staff member.

47. He would deal next with the work being done by the Commission, in accordance with the provisions of article 12 of its statute, on determining the basis for the salary scales of General Service staff in the headquarters duty stations. In 1977 the Commission had reported on the survey made in Geneva, which had led it to recommend that the salary scale in force there should be reduced by an average of 17.4 per cent. In 1978, the Commission had carried out a survey to determine the best prevailing conditions in the labour market of Paris, and another survey was under way in London. The Commission was making preparations for a salary survey in New York, which should be completed by August 1979, and planned to carry out a similar survey in Montreal in the first half of 1979. Towards the end of 1979, the Commission would analyse the situation in Rome and would thus complete its first cycle of surveys in headquarters duty stations. Vienna had been left out because IAEA, which had not yet accepted the statute of the Commission, had decided to make its own survey without reference to the Commission. In 1980 the Commission would begin its second cycle of surveys, again beginning with Geneva.

48. The survey carried out in Paris had shown that the salaries being paid to United Nations staff members exceeded the level of the best local salaries. After analysing a number of jobs selected as being representative, the Commission had recommended adjustments at each level. At the G-1 level, it had proposed an increase of 4.4 per cent, at the G-2 and G-3 levels, a reduction of 1.6 per cent, at the G-4 level, a reduction of 6.7 per cent, at the G-5 level, a reduction of 11.2 per cent and at the G-6 level, a reduction of 11.6 per cent.

49. The Director-General of UNESCO had described those reductions as somewhat excessive and had proposed to the General Conference a scale which would be based on the results of the survey and on the proposals of the Commission, but with

(Mr. Quijano)

smaller reductions. Under that scale there would be an increase of 6 per cent at the G-1 level, maintenance of the existing rates at the G-2 and G-3 levels and reductions of 5.2 per cent at the G-4 level, 7.5 per cent at the G-5 level and 8 per cent at the G-6 level. According to UNESCO's calculations, the Commission's recommendation would result in economies of \$1,074,000 in the biennium 1979-1980, while if the Director-General's formula was applied, those economies would be reduced to \$425,000.

50. The Commission believed that its surveys were serving to put some order into the fixing of General Service salaries, which had hitherto been established by different procedures in each of the headquarters cities. The Commission had been applying stricter criteria which were basically the same for all headquarters duty stations and was gradually working towards a methodology which would help to make future surveys even more accurate. The Commission was not unaware of the fact that its recommendations caused understandable friction between the administrations and the staff, but it was the General Assembly which had given the Commission a precise mandate in that area with the aim of finding a way to correct situations which had developed over the years and had resulted in the organizations paying salaries which had been shown in some cases to be higher than those paid by the best-paying local employers.

51. There were some other subjects to which he wished to refer briefly. For example, the Commission was continuing its study of the post adjustment system, travel-related expenses and the cost of living in duty stations throughout the world, covering more than 160 countries and territories. The Commission was also endeavouring to ensure co-ordination among all the organizations of the system with regard to personnel standards and procedures, and that called for continuous persuasive efforts, flexibility in the application of common standards and scrupulous attention to the particular needs of each organization and region. In general, co-ordination was working well and there was an awareness of the obligation of each organization to move towards a common system. It was in that area that there was the most need for support and backing from the Member States, in particular to ensure that the principles laid down by the United Nations General Assembly were subsequently confirmed in the governing bodies of the specialized agencies.

52. The question of personnel had been dealt with fully in the Fifth Committee, and it should be noted that the Commission was working on a number of subjects that had been touched upon during the Committee's debate. It had, for example, made a preliminary analysis of the question of movement of staff from the General Service category to the Professional category and had decided to make a full study in 1980. It also had a specific mandate under article 14 of its statute to study questions relating to recruitment and career development. Paragraphs 315 to 329 of its report provided information about the status of its studies on those subjects, which would be given priority in 1979. The Commission hoped to be able to present to the thirty-fourth session of the General Assembly specific proposals on some aspects of those important questions. Lastly, as indicated in paragraphs 309 to 314 of its report, the Commission had studied the question of classification of posts and occupational groups. That was another question entrusted to the Commission under its statute, and as such it had been given the

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attention it deserved. The basic technical study, which should make it possible to arrive at a workable classification for the system as a whole, was already well advanced. Paragraph 313 of the report outlined the time-table that had been set so that the Commission would be able to approve the classification of occupational groups in 1979 and to prepare job classification standards for all categories of staff in 1980, as provided in article 13 of its statute.

53. Turning to the question of the financial implications described in document A/C.5/33/37, in which it was estimated that the implementation of some of the Commission's recommendations and decisions would entail expenditure of \$905,000 for the United Nations alone, he recalled that the Commission had kept very much in mind the spirit of austerity which guided the General Assembly and had endeavoured to make recommendations which it considered necessary for sound personnel administration within the limits of the budget. The Commission was, however, convinced that adequate remuneration was indispensable to the recruitment of staff combining the qualities of efficiency, competence and integrity. In that connexion, it should be stated that, despite the many criticisms which had been voiced of late, the conditions of service offered by the United Nations were not excessive. The United Nations could not be an exception to the general trend to provide workers not only with an adequate salary but also with a range of social benefits.

54. There was ample scope for the control of expenditure called for by Member States in the utilization of staff. International organizations had, in general, more staff than they needed. Nevertheless, some organizations continued to create new posts for programmes which could be carried out by making more rational use of existing human resources.

55. In keeping with its mandate, the Commission adopted a general standpoint, the United Nations being only one of the organizations in the common system whose interests and needs the Commission had to take into account. Some of the Commission's recommendations, therefore, had more importance in Geneva than in New York, or had a greater effect on staff in the field than on staff at headquarters' duty stations. But if the aim was to develop a unified international civil service, it was incumbent on the General Assembly to take the requisite decisions, having regard to the important factor of universality.

56. The CHAIRMAN said that the secretariat of the International Civil Service Commission had made arrangements to provide interested delegations with the full text of the ICSC Chairman's statement.

57. After considering the report in document A/33/30, the Advisory Committee had indicated that it had no specific comments to make.

58. Mr. PIRSON (Belgium) sought information regarding the implementation of General Assembly resolution 32/200 concerning the salaries of staff in the General Service category at Geneva. The Commission touched briefly on that question in paragraphs 17 to 25 of its report (A/33/30), but since it was providing merely a progress report, it had not covered all the Geneva-based specialized agencies.



(Mr. Pirson, Belgium)

59. The Chairman of ICSC had stated that the calculation of pensionable remuneration should be reviewed as a matter of priority. At the same time, however, the Commission proposed increases in certain allowances and even the establishment of new allowances, the amounts of which were to be calculated precisely on the basis of pensionable remuneration. Pensionable remuneration had been increased by 18 per cent on 1 July 1978 and would be raised again by 25 per cent on 1 January 1979. Under the existing system, pensionable remuneration increased with movements in the Weighted Average of Post Adjustments (WAPA). He wondered whether it was wise to base the calculation of allowances on a gross figure that was pegged to variables that were constantly rising. It would be interesting to know how the existing allowances had been calculated initially and what the amount of those allowances had been 5 and 10 years earlier.

60. MR. PALAMARCHUK (Union of Soviet Socialist Republics) asked whether the Commission had been informed of the financial implications of its proposals, when it had decided on its recommendations concerning the various allowances, or whether it had received the relevant information only after taking its decisions. For example, had the Commission been aware of the calculations submitted by the Secretary-General in document A/C.5/33/37?

61. Mr. QUIJANO (Chairman of the International Civil Service Commission) said that he would submit a detailed report on the implementation of General Assembly resolution 32/200 at a later stage and would also provide information on how pensionable remuneration had been computed.

62. Replying to the question asked by the Soviet representative, he stated that in the vast majority of cases, ICSC had had information on the implications of the proposals it might make. The information it had received, however, was, sometimes incomplete since it was necessary to envisage the consequences for 14 agencies, not all of which had provided information that was equally useful. In every case, nevertheless, the Commission had been aware of the range of possible financial implications and had taken into account the costs which would have to be met.

63. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), replying to the question put by Mr. GARRIDO (Philippines), said that the amount \$905,000 indicated in document A/C.5/33/37 was simply an order of magnitude as stated in paragraph 6. The Advisory Committee had noted that if the Secretary-General was unable to absorb that amount from within the approved appropriations he would take the matter up in connexion with the final performance report for the biennium 1978-1979. It was to be hoped that the Secretary-General would not seek any supplementary appropriations at that time.

AGENDA ITEM 106: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT  
(continued)

Evaluation in the United Nations system (continued) (A/33/38, A/33/225 and Add.1)

Programming and evaluation in the United Nations (continued)

United Nations public administration and finance programme, 1972-1976 (continued)  
(A/33/38, A/33/227 and Add.1)

64. Mr. KUYAMA (Japan) said that the JIU reports on evaluation in the United Nations system (A/33/225) and on programming and evaluation in the United Nations (A/33/226) helped to clarify the history and current status of evaluation activities and contained a number of useful recommendations for making evaluation more systematic. As JIU had pointed out, no significant progress had been made towards that goal, and the time had come to give more serious attention to the question of evaluation in the light of General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations, which, in its annex, dealt with the matter in detail. His delegation fully supported the provisions of that resolution, especially paragraph 42 of the annex, which referred to the assistance of the Joint Inspection Unit in external evaluation.

65. Mr. Bertrand had stated in the Committee for Programme and Co-ordination that he had purposely put forward strict proposals in order to counteract the prevailing extreme flexibility. Many of those proposals had already received favourable responses from a number of agencies, as could be seen from the comments of the Administrative Committee on Co-ordination (A/33/225/Add.1) and from the remarks made by the Assistant Secretary-General in CPC in September of the current year. In the opinion of the Assistant Secretary-General, the differences of opinion were due to technical reasons rather than to differences of principle. It was encouraging to note that ACC regarded the JIU report as an excellent starting point for the determined, coherent efforts that must be made to progress towards systematic evaluation.

66. His delegation shared the view of JIU on most of the points under consideration. In particular, it felt that evaluation should provide information on the impact of the activities of the United Nations system on the problems to be solved, and that evaluation should be an integral part of the decision-making or management process of the United Nations system, including its governing bodies. It therefore endorsed most of the directions indicated by CPC, which listed the various objectives towards which efforts should be directed in order to improve evaluation (para. 9, A/33/38).

67. With regard to the relationship between programming and evaluation, his delegation endorsed CPC's conclusion that any planning, programming and budgeting system was doomed to failure without effective evaluation. At the same time, the success of such a system depended largely on judicious planning and programming. In that connexion certain practical difficulties could be anticipated from CPC's

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(Mr. Kuyama, Japan)

responsibility for interpreting General Assembly resolutions and giving the Secretariat guidance with regard to programming, a role that the Economic and Social Council had assigned to it in its resolution 2008 (XL) of 14 May 1976.

68. With regard to evaluation of technical co-operation activities, his delegation did not share the views of JIU, which stated in paragraph 6 of its conclusions and recommendations (A/33/225) that those activities were easier to evaluate than others. However it was true, as JIU stated in the same paragraph, that no organization had yet applied evaluation techniques to management and administrative activities. That was necessarily a matter of concern for his delegation, particularly from the point of view of optimal use of resources. For example, in one of its decisions at its twenty-fourth session, the Governing Council of UNDP had stated that the Administrator of UNDP should, in full co-operation with the participating and executing agencies, further develop existing functions of planning, appraisal and evaluation of technical co-operation activities carried out under UNDP programmes in order to consolidate them into a comprehensive system of analysis and feedback.

69. In order to implement JIU's recommendations concerning evaluation activities, it was necessary to adopt a gradual approach, beginning with selected programmes, perhaps on an experimental basis, and in so doing, to comply with the provisions of paragraph 39 of the annex to General Assembly resolution 32/197, which mentioned United Nations activities having system-wide implications.

70. Mr. STUART (United Kingdom), reserving the right to return to the question when the medium-term plan and the CPC report were considered, stated that it was impossible to comment on the report before the Committee without first giving a brief definition of what the medium-term plan should be: in his delegation's view, the plan was a tool of management. Its preparation should therefore be based on a rigorous programme analysis to determine, subprogramme by subprogramme, the most effective means of attaining the established objectives within the limits of available resources.

71. It was therefore clear that programming and evaluation were integral components of the planning process. The JIU report on programming and evaluation (A/33/226) implied that the main purpose of the plan should be to examine the range of options at the subprogramme level from the point of view of their relative effectiveness, in order to decide which should be retained and which should be discontinued. That meant that subprogrammes required a precise definition and a time-limitation. He noted with satisfaction that the Secretariat was going to reformulate its programmes in that light, on an experimental basis, and that CPC and the Advisory Committee were both in favour of that difficult experiment.

72. His delegation agreed with the Joint Inspection Unit that evaluation was as important as a programming tool as the medium-term plan. Judgements on the value of results achieved were the surest way of determining the activities which should be retained or increased and those that should be decreased or discontinued.

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(Mr. Stuart, United Kingdom)

Inspector Bertrand's report on the programme on public administration and finance (A/33/227) was evidence of that truth. As the CPC report (A/33/38) made clear, the JIU report on that subject had prompted the Secretariat to propose a number of improvements in the medium-term plan at the programme level.

73. The JIU report before the Committee thus constituted not only a contribution to the theory of planning but also showed how individual programmes could be improved. The preparation of cost-effective programme budgets would consequently be enormously simplified.

74. Tribute should be paid to the United States delegation, which had campaigned indefatigably over the past few years for the adoption by the United Nations of evaluation as an integral component of planning and programming activities.

The meeting rose at 6 p.m.