



SUMMARY RECORD OF THE 16th MEETING

Chairman: Mr. MAYCOCK (Barbados)

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

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The meeting was called to order at 11 a.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Statute of the International Research and Training Institute for the Advancement of Women (A/39/511 and 568)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that, in its decision 1984/124 of 24 May 1984, the Economic and Social Council had approved the statute of the International Research and Training Institute for the Advancement of Women and that it had transmitted the statute to the General Assembly for endorsement. The Advisory Committee had concentrated on the administrative and financial aspects of the statute. In that connection, ACABQ noted that the Institute's activities would be financed from extrabudgetary resources. Furthermore, in accordance with article VII of the statute, the Secretary-General would provide the Institute with appropriate administrative and other support, on the understanding - and the Advisory Committee wished to stress that point - that the Institute would reimburse the United Nations for the identifiable expenses incurred in providing it with such support.

2. In addition, the Advisory Committee had found that there were a number of instances in which the drafting of the statute could lead to misinterpretation, even though for the most part the text reproduced the wording used for the statutes of similar organs, especially the United Nations Institute for Training and Research. However, in view of the clarifications which were provided in its report and which seemed sufficient to dispel the ambiguities, the Advisory Committee did not see any need to amend the text of the statute. It hoped, however, that in the future its comments would be borne in mind when similar statutes were being drafted. The Advisory Committee therefore recommended that the General Assembly should endorse the statute of the Institute.

3. Mr. MURRAY (United Kingdom) said that, in his view, the provisions of article IV, paragraph 4, of the Institute's statute did not contravene the principles relating to staff recruitment laid down in Article 101, paragraph 3, of the United Nations Charter.

4. The CHAIRMAN suggested that the Fifth Committee should recommend to the General Assembly that, having considered the statute of the International Research and Training Institute for the Advancement of Women (A/39/511), which had been approved by the Economic and Social Council (decision 1984/124), and the report of the Advisory Committee (A/39/568), it should concur in the observations of the Advisory Committee and endorse the statute of the Institute.

5. It was so decided.

AGENDA ITEM 110: PROGRAMME PLANNING

(a) REPORT OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION (A/39/38)

6. Mr. MONTHE (Chairman of the Committee for Programme and Co-ordination), introducing the report of CPC on the work of its twenty-fourth session (A/39/38), said that, in accordance with General Assembly resolution 34/224, CPC had considered the proposed revisions to the medium-term plan for the period 1984-1989. In addition to the 15 major programmes to which the Secretary-General had proposed revisions, CPC had decided that two other major programmes should be amended, because of the implications of new mandates approved by legislative organs. Accordingly, a total of 17 of the 25 major programmes in the medium-term plan were to be revised. It should be noted that no consensus had been reached on the revisions proposed to chapter 23 (Transnational corporations).

7. CPC shared the view of the Secretary-General that it was too early to draw any clear conclusions concerning the operation of the new system of priority-setting. It thus requested the Secretariat to redouble its efforts to ensure a more systematic implementation of the system.

8. With respect to decentralization, CPC felt that the report of the Secretary-General on the further implementation of resolution 37/214 presented a number of shortcomings, and it had called for a new study leading to specific proposals on the various activities whose decentralization should be considered. CPC would reconsider the question in the light of those proposals at its twenty-fifth session. It trusted that the Secretariat would take all the necessary steps to ensure that the decentralization was carried out in accordance with the guidelines in the annex to General Assembly resolution 32/197.

9. After a thorough consideration of UNIDO's work programme, CPC had recommended that a more comprehensive report, covering the various questions raised by Economic and Social Council resolution 1983/49, should be submitted to it. In addition, CPC stressed the urgent need to implement General Assembly resolution 38/150, relating to the Transport and Communications Decade in Africa, and section II of resolution 38/192, relating to the Industrial Development Decade for Africa.

10. During the year CPC had considered the programme analysis of the activities of the United Nations system in human settlements. It recommended that the intergovernmental organs concerned, in particular the Commission on Human Settlements, should take appropriate follow-up measures to implement the conclusions and recommendations contained in the study. In addition, CPC had formulated, in paragraph 369 of its report, specific recommendations concerning the definition of human settlements, programme priorities, co-ordination and the optimum use of resources.

11. In paragraph 342 of its report, CPC recommended a number of steps to improve further the methodology of the programme performance report. It had also formulated a number of proposals concerning programme analysis methodology in the field of economic and technical co-operation among developing countries.

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12. The evaluation of UNDP-financed technical co-operation activities of UNIDO in the field of manufactures had been the subject of detailed debate over the past two years. He drew attention to the numerous recommendations on the question appearing in paragraphs 344 to 355 of the CPC report, and said that they merited careful consideration by the various organs to which they were addressed. CPC itself would take up the question again at its twenty-fifth session. For the time being it had recommended that other types of evaluation should be considered so that all programmes in the medium-term plan would be reviewed within the six-year period.

13. With regard to the integration of planning and budgeting functions in the Secretariat, CPC had taken note of the statement by the Under-Secretary-General for Administration and Management that the Secretary-General proposed to hold broader consultations on the matter. CPC had recommended that the widest possible number of States should participate in the consultations, and that due importance should be attached to of General Assembly resolutions 38/227 and 32/197. The Secretary-General had recently stated before the Fifth Committee that he did not at present envisage a fundamental restructuring of the Secretariat, and that there would simply be some changes made in evaluation, while Secretariat services for CPC would be strengthened. CPC should be consulted at the appropriate time.

14. In carrying out its co-ordination functions, CPC had considered the annual overview report of ACC and the report on progress achieved by the ACC Task Force on Rural Development. The recommendations contained in paragraphs 381 to 386 of the CPC report were designed to improve co-ordination through the more effective use of the various instruments available. CPC recommended, in particular, that the United Nations Secretariat should publish, on the occasion of the fortieth anniversary of the Organization, an overview of the objectives and plans of the organizations of the United Nations system in 1985, accompanied by a brief introduction indicating the strengths and weaknesses of the system as a whole.

15. The nineteenth series of Joint Meetings of CPC and ACC had been held at Geneva in July 1984 and had enabled the two bodies to exchange views on the implementation of the International Development Strategy for the Third United Nations Development Decade, with special emphasis on Africa, and to consider the implementation of the recommendations which had emerged from the 1983 Joint Meeting on economic and technical co-operation among developing countries. The Meeting's conclusions and recommendations appeared in document E/1984/119.

16. It had been recognized at the meeting that the results obtained in implementing the third Strategy had been limited, indeed negligible, owing to the serious crisis sapping the world economy and the spirit of multilateral co-operation. The participants had stressed the critical situation facing the African continent and renewed their appeal for short-, medium- and long-term assistance to the countries of the region. There was a particular need to increase the support extended by the United Nations system to the implementation of the Lagos Plan of Action. More generally, ACC should carry out an overall review of United Nations programmes for Africa. The second subject taken up at the Meeting had been economic and technical co-operation among developing countries. Emphasis

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had been placed on the need for the various executive heads to clearly identify relevant activities in their draft budgets for 1986-1987. There had been a proposal to include the item in the agenda of the 1985 Joint Meeting.

17. Measures to improve proceedings at the Meetings had been suggested: for example, a more pragmatic exchange of views, leading to specific proposals, in order to end the monologues which currently seemed to predominate. There had been a very heavy agenda at the twenty-fourth session of CPC and the nineteenth series of Joint Meetings of CPC and ACC. The Economic and Social Council had therefore decided to extend the next session of CPC by one week. There was cause for satisfaction at the high quality of the debate and the competence of all who had taken part in the Meetings, as evidenced by the fact that the Economic and Social Council had, in resolution 1984/61, endorsed all the CPC recommendations by consensus. That clearly demonstrated the harmony of views prevailing among CPC members, their sense of pragmatism and their willingness to reach an understanding on the most difficult subjects.

AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM:

(a) REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (A/39/30 and Corr.1)

18. Mr. AKWEI (Chairman of the International Civil Service Commission), introducing the Commission's report (A/39/30), said that the organizations of the common system participated fully in the Commission's work, in accordance with its statute, and that ICSC took its decisions and formulated its recommendations after considering the views of the executive heads and the staff representatives. The Commission's annual report was submitted not only to the General Assembly but also to the governing bodies of the other organizations through their respective executive heads.

19. The Commission's report began with two summaries: the first provided an overview of the recommendations calling for decisions by the United Nations General Assembly and the legislative organs of the other participating organizations; and the second recapitulated the financial implications of the Commission's recommendations and decisions. The financial implications indicated that the cost of the recommendations and decisions would be offset by savings realized over the next few years if all the Commission's recommendations, including those on pensionable remuneration, were approved and implemented. The recommendations on pensionable remuneration would be considered when the report of the United Nations Joint Staff Pension Board was taken up, rather than being dealt with immediately.

20. In the past, the margin between the remuneration of the United States federal civil service and that of the United Nations system had been calculated on the basis of net remuneration. Over the last few years, however, the Commission had developed a methodology for comparing total compensation based on non-expatriate benefits. In resolution 38/232 the General Assembly had taken note of that progress and had requested the Commission to inform it annually of the margin calculated on that total compensation basis. In its report, the Commission provided two sets of margin calculations for purposes of comparison: one based on

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net remuneration and the other based on total compensation. It was for the General Assembly to indicate whether it wished the Commission to continue to provide two margin calculations or whether one, based on the comparison of total compensation, would suffice.

21. As the report indicated, the margin for the period 1 October 1983 to 30 September 1984 was 117.0 on the basis of net remuneration and 110.6 on the basis of total compensation (expatriate benefits not included). In previous years the Commission had reported to the General Assembly that such a comparison should be based on all elements of compensation, including expatriate benefits, both for the United States federal civil service and the international civil service. The Commission was still awaiting clear guidance from the General Assembly in that regard.

22. In accordance with General Assembly resolution 37/126, the Commission had undertaken a comprehensive review of the basis for determining the remuneration of the Professional and higher categories. Its conclusions were to be found in paragraphs 95 to 119 of the report. First, the basis of comparison with the comparator should be the actual remuneration levels of the comparator's civil service and not the applicable national levels. Some members of the Commission had maintained that, in view of Article 101, paragraph 3, of the Charter, the use of national salary levels was the only logical basis of comparison. Second, the Commission had decided by a majority that the level of the margin must continue to be determined in a pragmatic manner, due account being taken of all relevant factors. Third, with regard to the rationale for the determination of salaries of staff in grades Assistant Secretary-General and Under-Secretary-General, the Commission had decided by a majority that, inasmuch as it was impossible to establish grade equivalencies between those United Nations jobs and equivalent jobs in the United States federal civil service, salaries for those levels should be determined by extrapolation of salaries at grades P-1 to D-2. Fourth, in determining whether for purposes of comparison, it was necessary to take into account basic salaries alone or all elements of remuneration, the Commission had decided that the results of all margin calculations would in future be reported to the General Assembly on the basis of total comparisons of non-expatriate benefits.

23. With regard to the level of remuneration of Professional and higher categories, the Commission had been informed by its secretariat that in addition to the General Schedule salary scale of the United States federal civil service, which thus far had served as the basis of comparison, there was a "Special rate program", under which higher pay rates were accorded to civil service staff in certain positions. Furthermore, it appeared that more than 150 pay systems, other than the General Schedule, were used by the comparator. Accordingly the Commission had asked its secretariat to obtain more detailed information on such pay systems in order to determine their comparability.

24. In view of the lack of definitive information and the fact that the application of the new post adjustment classification to the base city would increase the existing margin between the remuneration of United Nations staff in the Professional and higher categories in New York and that of United States civil

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service employees, the Commission had decided by a majority that there was no justification for any increase in the levels of the remuneration of the Professional and higher categories for the time being.

25. The United Nations Secretariat, foreseeing a shortfall in the Tax Equalization Fund, had requested the Commission to consider the consolidation of a part of post adjustment into net base salary, which would thus be subject to staff assessment, thereby increasing staff assessment income. That income would then be sufficient to finance the tax reimbursement programme. The Commission had decided to recommend to the General Assembly the consolidation of 20 points of post adjustment into base salaries with effect from 1 January 1985. The new salary scales for the Professional and higher categories and the schedules of post adjustments were shown in the corrected versions of annexes III and IV, in document A/39/30/Corr.1.

26. The Commission had also made some minor changes in the rates of staff assessment for those without primary dependants, without which some staff members would experience losses in take-home pay as a result of the consolidation. It had also recognized the need for progressivity in the rates of staff assessment beyond income levels of \$US 90,000. The proposed scale of staff assessment was contained in annex V to the report. The consolidation which should not lead to any loss or gain, would nevertheless result in a one-time cost of approximately \$US 250,000 owing to the systematic rounding of the post adjustment indices after consolidation. Furthermore, since a number of duty stations would go from positive to negative post adjustment classifications as a result of the consolidation, additional costs amounting to some \$US 240,000 per year would be incurred, which would be eliminated only after a period of from two to three years.

27. The Commission once again brought to the attention of the General Assembly the problems relating to the periodic consolidation of post adjustment points. It had reiterated its earlier view that ways of dealing with the problem of reimbursing taxes for United Nations officials subject to national taxation other than by the use of staff assessment and the Tax Equalization Fund should be found. It recommended that the General Assembly should renew its request to Member States which did not do so to exempt their nationals from income taxation, which would make it possible to abolish the Tax Equalization Fund.

28. Post adjustment was probably the most difficult subject which the Commission had had to consider during the past year. In the latter part of 1982 and the early part of 1983, the Commission secretariat had conducted place-to-place surveys at some of the major duty stations. A first reading of the data collected for those surveys had suggested that the existing post adjustment classification at some of those duty stations might be too high. The Advisory Committee on Post Adjustment Questions (ACPAQ) had considered the results of those surveys at its eighth and resumed eighth sessions in May and October 1983. In view of the anomalies which the Committee had found, the Commission had held in November 1983 the first special session since its establishment in order to consider the findings of ACPAQ. The Commission had concluded that it was too early to take any decision concerning post adjustment classification at various duty stations.

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29. At its ninth session ACPAQ had again considered the question from the beginning, reviewing all the events affecting the post adjustment index at the base of the system (New York) which had taken place over a period of more than 25 years. The study had shown that the post adjustment system had been distorted from the beginning by decisions taken before the establishment of the Commission and that serious distortions in the New York post adjustment index had been introduced. The distortions had been further aggravated by the different price collection methods, which had had the effect of minimizing the cost-of-living index for New York. The Committee had therefore recommended that the Commission should increase the New York post adjustment index by 9.6 per cent. The technical aspects of that readjustment measure were explained in the Commission's report.

30. By approving the recommendations of ACPAQ under article 11 (c) of its statute, the Commission was endeavouring to correct the anomalies at the base of the system and establish uniform price collection methods. It was hoped that that explanation would dispel any doubts with regard to the Commission's decisions, which were in accordance with its statute and the Noblemaire principle.

31. The Commission had also decided that adjustments to the post adjustment classifications of Geneva and Vienna to account for currency fluctuations should cease to be made with effect from 1 August 1984. Thus, for the first time since the establishment of the Organization, United Nations staff members had experienced a salary reduction.

32. He was pleased to report that the Commission had managed to develop a general methodology for surveys of best prevailing conditions of service at non-headquarters duty stations. That methodology would be used with effect from 1 January 1985. The Commission had also conducted a survey of the best prevailing conditions of employment in New York for staff in the General Service, Trades and Crafts and Security Service categories and for Public Information Assistants and Tour Co-ordinators. The recommendations made on the basis of that survey had been submitted to the Secretary-General and the executive heads of the other New-York based organizations. The survey had been carried out on the basis of the new seven-grade structure for the General Service category approved by the Commission using job classification standards promulgated in 1982. The recommended salary scales were reproduced in annex VIII to the Commission's report. The financial implications of the salary and post classification survey for all categories of staff of the United Nations, UNDP and UNICEF were estimated at \$7.5 million for 1984 and \$10.1 million for 1985.

33. Pursuant to General Assembly resolutions 38/232 and 38/235, the Commission had considered a number of questions relating to health insurance. Its findings were given in paragraph 187 of its report.

34. The Commission had decided, under article 10 (b) of its statute, to recommend to the General Assembly that an additional long-service step should be introduced into the salary scales at the levels P-1 to P-5 and, under article 12.1 of its statute, to recommend to executive heads at those duty stations where the salary scales of General Service and other locally-recruited categories did not already

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contain longevity steps to introduce such a step. The conditions under which those steps could be granted were specified in the Commission's report.

35. With regard to the problems encountered by some organizations in recruiting and retaining staff serving away from Headquarters, after hearing the Administrator of UNDP and considering a report by the tripartite Working Group on field questions, the Commission had made recommendations to the organizations and decided to authorize its Chairman to reclassify temporarily duty stations where there were very hazardous conditions. Those recommendations were summarized in paragraphs 199-203 of the report. A study of the Field Service category was also under way.

36. In developing the master standard for classifying Professional posts, the Commission had moved on to develop standards for Professional positions in technical co-operation projects. It had also continued work on the development of classification standards for General Service posts at Vienna and Addis Ababa and other regional offices.

37. With regard to recruitment, the Commission had noted that communication skills, empathy towards other cultures and an institution-building orientation were qualities that could contribute measurably to the success of international civil servants, and that the use of interviews was an effective means of establishing the presence of such qualities in candidates for employment. It had therefore formulated guidelines for the organizations on the theoretical and practical approach to the interviewing process, and recommendations on the use of testing for recruitment purposes.

38. With regard to promotion policy, the Commission had made very specific recommendations regarding promotion criteria, particularly personal promotion. With regard to promotion from the General Service to the Professional categories, particularly by means of competitive examinations, unfortunately the Commission had not obtained the information it required from the organizations. The document provided by the United Nations Secretariat had also been incomplete. The Commission had therefore requested an evaluation of the competitive examination and further information on the subject. The Fifth Committee should refrain from taking any decisions on that subject until the Commission had been able to implement section V of General Assembly resolution 37/126, which requested all bodies making proposals for action on personnel matters to co-ordinate those proposals closely with the International Civil Service Commission.

39. The Commission had reaffirmed that staff training was an important part of human resources planning and had reviewed a proposed methodology for the assessment of training needs, emphasizing the need to demonstrate the cost-effectiveness of proposed training activities.

40. Finally, chapter IX of the Commission's report described the implementation by organizations of ICSC recommendations and decisions.

41. The Fifth Committee had before it a report of the Joint Inspection Unit entitled "Staff costs and some aspects of utilization of human and financial

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resources in the United Nations Secretariat" (A/39/522). He was surprised that the report in question had been submitted under, inter alia, agenda item 117 on the United Nations common system, when it was dealt with the cost-effectiveness of the United Nations Secretariat. Furthermore, as he had just recalled, section V of General Assembly resolution 37/126 provided that all bodies making proposals for action on personnel matters should co-ordinate those proposals with ICSC, which then gave its recommendations thereon to the General Assembly and other legislative organs in the common system. That procedure had not been followed, although it was aimed precisely at ensuring that studies did not duplicate one another and that conflicting conclusions were not reached. Moreover, it was his understanding that the original title of the report ("Cost and efficiency of staff ...") had been changed, but not its content: when its authors had been told that they were in fact dealing only with pay issues, they had adopted the far more restrictive wording in "... some aspects of utilization of human and financial resources ...".

42. For all of the above reasons, ICSC had suggested to the Joint Inspection Unit that it should wait to submit the report in question to the fortieth session of the General Assembly, in other words, once the Commission had had a chance to analyse it. JIU had not responded to that suggestion and had decided to transmit its study directly to the General Assembly, bypassing the normal procedure for the presentation of reports. That was why the Fifth Committee had before it a document which was premature and inaccurate and distorted some of the points discussed by technical organs or on which the General Assembly itself had already taken a decision.

43. The CHAIRMAN announced that Mr. McClurg, President of the Federation of International Civil Servants' Associations (FISCA), wished to introduce document A/C.5/39/18 to the Committee. Similarly Mr. Gurunlian wished to present to the Committee the views of the Co-ordinating Committee of Independent Staff Unions and Associations of the United Nations System. It should be recalled that, following the evolution of the staff association situation since the adoption of General Assembly resolution 35/213, the Administrative Committee on Co-ordination and ICSC had accorded the two associations the same rights of representation.

44. If he heard no objections, he would take it that the Committee wished to invite the representative of FISCA to make an oral presentation to introduce document A/C.5/39/18.

45. It was so decided.

46. The CHAIRMAN said that, if he heard no objections, he would take it that the Committee wished to invite the Co-ordinating Committee to submit a written document to it, as provided for in paragraph 2 of General Assembly resolution 35/213, and to make an oral presentation to introduce that document.

47. It was so decided.

48. Mr. EL-SAFTY (Egypt) expressed the hope that criteria governing representation would be established soon so that the Committee would not be inundated with documents putting forward the viewpoint of United Nations staff.

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AGENDA ITEM 113: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT
(A/39/522)

AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM (continued) (A/39/522)

Report of the Joint Inspection Unit on staff costs and some aspects of utilization
of human and financial resources in the United Nations Secretariat

49. Mr. EFIMOV (Joint Inspection Unit) introduced the report prepared by JIU in pursuance of article 5 of its statute. Noting the substantial share of the United Nations budget which staff costs represented as could be seen from the figures given in paragraphs 11 and 12 of the report, and the very rapid growth of such costs over the preceding decade owing, obviously, to inflation but above all to the increase in the number of staff (20.4 per cent) and their remuneration, the Inspectors had decided to look into the matter of the remuneration of staff members and the utilization of human and financial resources in the Secretariat. Their report was based entirely on official documents, statistics and other data issued by the United Nations Secretariat the secretariat of ICSC, ACC, staff bodies and other sources.

50. Taking care not to encroach upon the mandate of ICSC, the Inspectors had refrained from dealing with the question of remuneration until the latter had completed its work and presented the results to the General Assembly. As could be seen from the report of JIU, the Inspectors disagreed with ICSC on several points. In general, they did not agree with the methodology applied by the ICSC secretariat, which was, in their view, not fully consonant with the Noblemaire principle. The ICSC secretariat currently excluded from its calculations the additional 10 days of annual leave granted to all United Nations staff, on the pretext that those days represented an expatriate benefit, it did not correctly adjust the sick leave entitlement, and it took into account in its calculations the so-called "career difference" factor. As a result, it arrived at a ratio of 116.1:100 between net United Nations remuneration and the net remuneration for the United States civil service, and 109.6:100 for total remuneration. The Inspectors, for their part, believed that it would be proper to include in any comparison the two factors to which he had referred, which together represented a difference of 10.3 per cent in hours worked, and to exclude from any comparison the "career difference" factor.

51. Drawing attention to paragraph 40 of the JIU report, he pointed out that, in practice, the margin was considerably higher than the 115:100 ratio in favour of United Nations staff recommended in 1972 by the Special Committee. Following the recent increase in post adjustment (9.6 per cent), the ratio between the total compensation of the two civil services stood at 133:100. Contrary to the recommendation made in 1972 to keep post adjustment within 25 per cent of total remuneration, post adjustment now amounted to 43 per cent of total remuneration and 50 per cent of base salary. The Inspectors had therefore concluded that United Nations staff members in the Professional category and above were overpaid in comparison with their United States counterparts by 18 per cent, if the principle of a 15 per cent margin was adopted, and by 33 per cent if the Noblemaire principle was strictly applied. System-wide, that amounted to \$167 million in additional costs each year on the basis of the former assumption, and \$290 million on the

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basis of the latter. The Inspectors had therefore made a number of recommendations, particularly recommendation 1 contained in paragraph 93 of their report.

52. The second problem dealt with by the Inspectors was the utilization of human and financial resources. Failure to take vigorous measures to reduce the number of programmes and subprogrammes had resulted in the "fragmentation" of resources. However, JIU believed that the Secretariat had adequate human and financial resources at its disposal, even taking into account the new tasks assigned to it by the legislative bodies of the Organization. It was possible to enhance the efficiency of the Secretariat and at the same time to reduce costs, if there was a more realistic level of staff remuneration, a more accurate determination of staff requirements, the critical analysis of programmes from the standpoint of their relevance, and the redeployment of resources released by the termination of obsolete activities. The report contained several recommendations towards that end.

AGENDA ITEM 108: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued)

AGENDA ITEM 109: PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (continued)

Draft resolution A/C.5/39/L.6

53. Mr. MICHALSKI (United States of America) said that, following consultations, his delegation wished to revise the draft resolution it had submitted on the catering operation so as to facilitate its adoption by consensus. In the second line of the sole preambular paragraph, the word "substantial" should be deleted. At the end of paragraph 1, the phrase "to the extent possible" should be added. Paragraph 2 should be replaced by a new text to read as follows: "2. Requests the Secretary-General to take steps to rectify the situation causing the deficit in the catering operation". Lastly, paragraph 3 should be revised to read: "3. Requests the Secretary-General to report to the General Assembly at its fortieth session on the situation".

54. Mr. GARRIDO (Philippines) asked to what texts the word "confirms" in paragraph 1 was intended to refer.

55. Mr. MICHALSKI (United States of America) said that the intention was to reaffirm the validity of a principle which had been established more than 30 years earlier and respected until the end of the 1970s.

56. Mr. DE CLERCK (Belgium), also referring to paragraph 1, said that if he would prefer the word "autosuffisants" to the word "viables" in the French text.

57. Mr. YONIS (Iraq) said that he would like to know the amount and the cause of the deficits, especially since the prices charged by the catering operation were not particularly attractive compared with those charged by outside concerns and the Organization bore the cost of a number of services, for example, electricity. It would be best for the Committee to await explanations from the Secretary-General before taking a decision.

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58. Mr. FORAN (Controller) said that he did not have exact figures at hand, but he could inform the Committee that for all the operations in question (which included some profitable operations such as the newspaper stand and the bar), the deficit had been approximately \$800,000 in the biennium 1980-1981 and \$1,150,000 in the biennium 1982-1983. The bulk of the deficit was attributable to the catering operation (cafeteria and Delegates Dining Room).

59. The CHAIRMAN said that the drafting change suggested by the representative of Belgium would be made in the French text of the draft resolution. If there was no objection, he would take it that the Committee wished to adopt draft resolution A/C.5/39/L.6, as orally revised, without a vote.

60. It was so decided.

61. Mr. YONIS (Iraq), explaining his position, said that it would be unacceptable to his delegation if the draft resolution resulted in price increases without the causes of the deficit being dealt with previously in a detailed report, accompanied by the Advisory Committee's opinion.

Draft decision A/C.5/39/L.7/Rev.1

62. The CHAIRMAN, referring to draft decision A/C.5/39/L.7/Rev.1 concerning the Internal Audit Division, informed members that the sponsor of the draft resolution, Canada, wished to replace the words "submit a report" by "report". In addition, in the last line, "programme budget" should appear instead of "budget". If there was no objection, he would take it that the Committee wished to adopt draft decision A/C.5/39/L.7/Rev.7, as orally revised.

63. It was so decided.

64. The CHAIRMAN announced that the Committee had thus completed its consideration of agenda item 108.

The meeting rose at 1 p.m.