



FIFTH COMMITTEE
27th meeting
held on
Wednesday, 14 November 1984
at 10.30 a.m.
New York

DEC 5 1984

SUMMARY RECORD OF THE 27th MEETING

Chairman: Mr. MAYCOCK (Barbados)

later: Mr. BUSHEV (Bulgaria)

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

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First-class travel

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

AGENDA ITEM 118: UNITED NATIONS PENSION SYSTEM: REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (continued) (A/39/9 and Corr.1, A/39/608; A/C.5/39/15 and Corr.1, A/C.5/39/29)

1. Mr. MURRAY (Trinidad and Tobago) said that his delegation viewed with concern the actuarial imbalance of UNJSPF and saw its elimination as a matter of great importance. The Pension Board had recommended a package of seven measures to achieve that end. However, he wondered whether the Fifth Committee could not be provided with a choice of feasible alternatives and whether the proposed package primarily addressed the current imbalance or represented a formula for long-term stability in the actuarial position of the Fund.
2. While seeking to improve the actuarial balance, his delegation could not accept measures that might adversely affect other aspects of personnel policy. Raising the statutory age of separation to 62 would obviously have an impact on recruitment and career development trends, and any decision on that matter must be taken in the wider context of personnel policy. Moreover, introducing certain measures prospectively meant creating different classes of staff performing the same or similar functions, yet the primary focus should be on bringing staff of the common system together in a co-operative effort and providing equal opportunities and compensation. In that regard, his delegation was disappointed that, in paragraph 10 of its report (A/39/608), ACABQ merely conceded that there might be "certain personnel management considerations".
3. Regarding the recommendation on increased contributions, he expressed concern about any greater pressure on his country's own limited resources. His delegation was generally pleased with the diversification of investments in the Fund. The 13.01 per cent rate of return for the year ended 31 March 1984 was acceptable, and his delegation did not totally share the view that such a rate could not be maintained. A target return of 13 to 15 per cent per annum on the portfolio of some \$3.6 billion was not an unreasonable expectation, and would certainly enhance the Fund's actuarial balance and reduce the need for increased contributions.
4. Since an actuarial valuation was due at the end of the current year, he questioned the need to adopt measures based on the 1982 actuarial valuation at the current session. His delegation would prefer to wait until the next personnel year, and suggested that the intervening two years should be devoted to a co-ordinated exercise in which reports on personnel policy and those of ICSC and UNJSPB could be consolidated and submitted to the Fifth Committee so that it could consider a comprehensive personnel programme incorporating recruitment policy, career development and conditions of service. A joint session of the bodies concerned with personnel policy, working conditions and the pension system could perform that exercise. Such an approach would be far more worthwhile than the adoption of a few ad hoc measures designed to camouflage basic defects in a system which had long outgrown the original design.
5. Mr. SOKOLOVSKY (Byelorussian Soviet Socialist Republic) said that the liberalization of the United Nations pension system over several decades and the

(Mr. Sokolovsky, Byelorussian SSR)

introduction of various adjustment mechanisms, including the so-called "Washington formula", had resulted in unjustifiably high pension entitlements. Benefits for United Nations staff were now between 40 and 70 per cent higher than those paid by the United States federal civil service. That situation was unjustified from the viewpoint of the Noblemaire principle.

6. At previous sessions, his delegation had repeatedly advocated amounts of pensionable remuneration consistent with the actual capacity of the Pension Fund. Moreover, in its resolution 38/233, the General Assembly had called for measures to improve the actuarial balance of the Fund, indicating that "changes in the pension adjustment system should not lead to increases in the liabilities of Member States". He therefore supported the proposal contained in paragraph 46 of the UNJSPB report to reduce the periodicity of adjustment to once a year but suggested that, because of the low rate of inflation, the "trigger point" should not be lowered to 3 per cent. As to the recommendation in paragraph 47 of the Board's report, he felt that it would be advisable to reduce the "trigger point" by 50 per cent in the interests of fairness with respect to all duty stations. The Pension Board had said that the imposition of a ceiling on the highest levels of pensions was arbitrary and undesirable. However, the ICSC recommendation on that matter, to which the Board had referred, was to freeze rather than reduce pensionable remuneration for P-5 posts and above. His delegation again objected to the Board's recommendation to increase the statutory age of separation to 62, since that would have adverse effects on equitable geographical representation.

7. With regard to the recommendation for an increase in Member States' contributions, he recalled that at its previous session the General Assembly had requested the Pension Board to take measures to reduce or eliminate the actuarial imbalance of the Fund but had not envisaged any further increase in Member States' contributions. His delegation could not agree with the Board's approach to the actuarial deficit, and considered that any measures proposed with a view to balancing the Fund would be effective only if they took due account of the reasons for the deficit. An analysis of the current situation showed that the payment of unjustifiably high pensions for many years had had a negative impact on the Fund.

8. ICSC and UNJSPB had proposed the introduction of new scales of pensionable remuneration for the Professional and higher categories. He believed that the methodology of calculation used by ICSC was inconsistent both with General Assembly resolution 38/233 and with the Noblemaire principle, and did not remedy the problem of excessively high United Nations pensions. His delegation could not agree with such an approach and objected to the proposed new scales.

9. The granting of increased pension entitlements over many years could be explained by the composition of UNJSPB, two thirds of whose members were staff representatives who were naturally interested in higher pensions. The time had come for positive action to improve the pension system and, primarily, to make representation on the Board proportional to the respective contributions of States and participants to the Fund. Finally, his delegation supported the idea, advanced at the previous session, of setting up a special intergovernmental committee for a comprehensive review of all aspects of the United Nations pension system.

10. Mr. Bushev (Bulgaria) took the Chair.

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AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM (continued) (A/39/522 and Corr.1 and Add.1)

(a) REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued) (A/39/30 and Corr.1; A/C.5/39/18, A/C.5/39/26, A/C.5/39/27; A/C.5/39/L.8)

11. MR. KASTOFT (Denmark), speaking on behalf of the five Nordic countries, reiterated those countries' commitment to the principles laid down in Article 101, paragraph 3, of the Charter and their continued support of the Noblemaire principle. They fully agreed with the definition of that principle contained in the first annual report of ICSC and with the Commission's view that the margin between the levels of United Nations remuneration and that of the comparator country must continue to be determined in a pragmatic manner. With regard to the proposals made by ACC and staff representatives to increase salaries, the Nordic countries agreed with ICSC that there was no justification for any across-the-board increase in remuneration for the Professional and higher categories at the present stage.

12. The ICSC recommendation that 20 points of post adjustment should be consolidated into net base salary could be supported on the basis of the "no loss-no gain" formula. The General Assembly should renew its request to Member States which had not yet done so to exempt from income tax their nationals who were United Nations staff members, thus making redundant the practice of tax equalization.

13. With regard to the recommendation for a single long-service step for staff in P-1 to P-5 posts, the first reaction of the Nordic countries was negative, the more so since ICSC had stated in its report that there was no apparent justification to grant such steps under normal circumstances. However, given the strict criteria proposed and the relatively modest financial implications, the Nordic delegations would keep an open mind.

14. Concerning the increase of the New York post adjustment by 9.6 per cent, he said that the method used for measuring the cost of living in New York was in accordance with General Assembly resolution 38/232, which had requested the application of a revised methodology, and the Nordic countries welcomed the fact that uniform practices would be applied to all headquarters duty stations, ensuring maximum comparability of data. The speed of the decision and the implication that the new index for New York would be used for the determination of post adjustment classifications for all duty stations nevertheless created a feeling of uneasiness not fully mitigated by the fact that the New York post adjustment, in the view of ICSC, could be said to have reached its "correct level".

15. Questions had been raised with regard to the high level of remuneration as well as to the Commission's findings that post adjustment classifications for the major duty stations were higher than could be justified by new cost-of-living survey. The Nordic delegations would welcome an improvement and also a simplification of the ways in which the common system functioned, and at the same time were anxious that a solution should be found at the present session to preserve the authority of ICSC as an indispensable expert body on matters of remunerations.

16. Mr. EL-SAFETY (Egypt) observed that, after apparently concluding in earlier paragraphs that the pensionable remuneration of staff in the Professional and higher categories should be reduced, in paragraph 46 of its report ICSC seemed to be suggesting that, before any reduction was made, pensionable remuneration should first be increased and, in paragraph 47, that staff receiving promotions or step increases after 1 January 1985 should benefit from the earlier scale if it was higher. The reason for the apparent contradiction was given in paragraph 56, namely that some organizations of the common system were bound, by virtue of their staff regulations, to apply the 5.4 per cent increase due on 1 October 1984 and failure by the United Nations to apply the same increase would "be most damaging to the unity of the common system".

17. Having defended the common system and its staff wherever possible and having been a prime mover of the resolutions designed to increase the education grant and the Organization's share of health insurance payments and to introduce the rental subsidy, his delegation believed that statements of the kind made in paragraph 56 were most damaging to the common system. What course was left open to Member States when the staff regulations of some organizations prevented those organizations from freezing the level of pensionable remuneration, and when the argument of acquired rights would no doubt be invoked against the freeze by other organizations as soon as the United States Consumer Price Index increased by a further 5 per cent? The common system had been built to serve States, not to prevent action by them, and decisions on pensionable remuneration were the prerogative of the Members of the United Nations and the members of the organizations of the common system.

18. His delegation believed therefore that the levels of pensionable remuneration suggested by ICSC should be applied forthwith; that the present scale as of 30 September 1984 should be frozen until it was overtaken by the new scale; that ICSC should study a new and simplified system for determining pensionable remuneration, perhaps taking the P-4 grade as its starting point and increasing it by 10 per cent for each higher grade and decreasing it by 10 per cent for each lower grade; and that the General Assembly should call on the organizations of the common system to apply the same scale at the same time and to amend their staff regulations accordingly.

19. With regard to conditions of service, his delegation did not question the legality of the recent ICSC decision to increase the post adjustment for New York. Moreover, it believed that the Secretary-General had had no choice but to implement the decision, since he would otherwise have violated General Assembly resolutions and the statute of the Commission. Whether the ICSC decision had been technically justifiable was another matter, however. It was his experience that statistics could be used to prove pretty well anything and one could just as easily argue that the decision had been technically justifiable as that it had not. The attempt to establish a link between the post adjustment in New York and the four European duty stations tended to cast doubts on such justification but, when all was said and done, he believed that the Commission must be given the benefit of the doubt and its decision accepted, because it was better to lose money than to be unjust. In that regard, the implication in paragraph 160 of the ICSC report that housing tended to be cheaper in New York than in Geneva was totally unjustified; the fact

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(Mr. El-Safty, Egypt)

was that housing in Geneva was on average cheaper than in New York, and by more than 2.5 per cent. As to whether the Commission's decision on the post adjustment had been politically prudent, he believed that the answer to that question must be an unequivocal "no".

20. In the light of the above, his delegation suggested that the General Assembly should: accept, albeit reluctantly, the ICSC decision with regard to both instalments of the post adjustment for New York; adjust all other duty stations accordingly, with effect from the date of the adjustment in New York; instruct ICSC to apply the Noblemaire principle very strictly and to establish a margin of between 110 and 120 between the international civil service and the comparator civil service; refer to the Commission the JIU report in document A/39/522 and the related comments of the Secretary-General and Member States and request the Commission to report back to the Assembly thereon at its fortieth session. Furthermore, in future, it would be advisable for the Commission to consult the governing bodies of the common system before deciding to apply a new methodology for determining remuneration.

21. Turning to the penultimate sentence of paragraph 72 of the Commission's report, he asked how the "average of all the SES salaries paid to the total relevant SES population" had been weighted and by whom.

22. His delegation believed that, in determining remuneration levels and the margin between the United States federal civil service and the international civil service, a comparison should be made between the corresponding working hours. In order to take account of the expatriot element, such comparison should be made with the United States diplomatic service in duty stations outside the United States. Paragraph 105 indicated that the Commission had decided that the level of the margin between the international civil service and the comparator should continue to be determined "in a pragmatic manner". He wondered what that implied and looked forward to learning the Commission's reaction to his delegation's suggestion for determining the margin.

23. Paragraphs 110 to 119 seemed to be preparing the way for some sort of increase in remuneration, or the introduction of a system similar to the so-called "special rate program" of the United States federal civil service. The United States programme was, however, designed to attract certain categories of doctors and engineers to that country's civil service. Since the United Nations had no difficulty in recruiting high-calibre candidates for any post that it advertised and even had to turn down applicants because they were overqualified, he questioned the necessity for such a system which would, moreover, do considerable damage by dividing the staff into two classes.

24. In conclusion, his delegation endorsed fully the request addressed to all Member States to exempt their nationals from income tax, thereby permitting the abolition of the staff assessment system and the Tax Equalization Fund.

25. Mr. Maycock (Barbados) resumed the Chair.

AGENDA ITEM 116: PERSONNEL QUESTIONS (continued) (A/C.5/39/23)

- (a) COMPOSITION OF THE SECRETARIAT: REPORT OF THE SECRETARY-GENERAL (continued) (A/39/453)
- (b) RESPECT FOR THE PRIVILEGES AND IMMUNITIES OF OFFICIALS OF THE UNITED NATIONS AND THE SPECIALIZED AGENCIES AND RELATED ORGANIZATIONS: REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/39/17)
- (c) OTHER PERSONNEL QUESTIONS: REPORTS OF THE SECRETARY-GENERAL (continued) (A/39/483 and Add.1; A/C.5/39/2, 4 and Corr.1 and Add.1, 6 and Corr.1, 9 and 11)

26. Mr. KAMALUDDIN (Afghanistan) said that the efficiency and productivity of the Organization, which depended on the dedication, competence and integrity of its staff, would be enhanced once the social, economic, political and cultural diversity of the world was fully reflected in the Secretariat.

27. Permanent contracts were an impediment to the recruitment of highly qualified Professional staff. Recruitment from underrepresented countries should continue to be a major priority, although there had been a measurable improvement in geographical distribution. There should be a ban on the recruitment of candidates from over represented countries to geographical posts until all countries had reached the mid-points of their desirable ranges. Increasing the number of countries, particularly developing countries, represented at the senior and policy-formulating level and reducing the number of permanent appointments would help to achieve balanced geographical distribution.

28. Women were still discriminated against in terms of appointment and promotion. If progress continued at the present rate, it would be many years before the target of 25 per cent was reached. The Organization should adopt an effective recruitment programme and job classification strategy based on linked grades, expanded training facilities, more flexible study-leave entitlements, an updated performance evaluation system and action to redress discrimination suffered by women.

29. With respect to the privileges and immunities of United Nations officials, an international convention on diplomatic intercourse, privileges and immunities would contribute to the development of friendly relations among nations. It was regrettable that reference had been made in document A/C.5/39/23 to the arrest of Afghans employed by United Nations organs in Kabul. The person executed had been martyred by the previous, oppressive régime. Information on the case had been submitted by his Government to the United Nations immediately following the revolution. The other cases listed concerned people arrested on charges of engaging in anti-State activities and collaborating with the enemies of the revolution. The United Nations had been given details.

30. Afghanistan fully respected the relevant international instruments concerning privileges and immunities. United Nations representatives had been allowed to visit the detainees, and had found the conduct of the legal process satisfactory.

(Mr. Kamaluddin, Afghanistan)

It was obvious that a locally recruited staff member was first of all a national of his country, and that State jurisdiction over its nationals could not be questioned. Although consideration of the item had led to greater understanding by Member States of their rights and responsibilities, measures should be adopted to ensure that staff members did not abuse their position by engaging in political activities against the Governments they served.

AGENDA ITEM 114: PATTERN OF CONFERENCES: REPORT OF THE COMMITTEE ON CONFERENCES
(continued) (A/39/32; A/C.5/39/L.9; A/C.5/39/CRP.1)

31. Mr. BUSHEV (Byelorussian Soviet Socialist Republic) recalled that a working group had been set up under his chairmanship to consider the draft resolutions proposed in the report of the Committee on Conferences (A/39/32). After a broad exchange of views, the working group had reached a consensus on the amendments contained in document A/C.5/39/L.9. The text of the draft resolutions as modified by those amendments was reproduced in document A/C.5/39/CRP.1. Since the preparation of the two documents, further discussion has led to agreement to delete proposed additional draft resolution E. Furthermore, several delegations had proposed that, in paragraph 3 (b) of draft resolution D, the words "all United Nations organs, including the General Assembly, its Main Committees and its subsidiary organs" should be replaced by "each United Nations organ, including the Main Committees of the General Assembly", to bring the wording into line with paragraph 4 of the same draft resolution and with earlier General Assembly resolutions. He hoped that the proposed written and oral amendments would be adopted by consensus.

32. Ms. SHEAROUSE (United States of America) said that her delegation has decided to withdraw its proposal for an additional draft resolution E on the understanding that similar wording would be included in the draft resolution under item 113.

33. Mr. GARRIDO (Philippines) requested the Secretariat to issue a revised version of document A/C.5/39/CRP.1.

34. Mr. PANESSO SERNA (Colombia) said that the principle reaffirmed in draft resolution A, paragraph 4, should be regarded as a guideline, not an ironclad rule.

35. Mr. FONTAINE ORTIZ (Cuba) said that his delegation was satisfied with the explanations provided by the Chairman of the Committee on Conferences and the Under-Secretary-General for Conference Services and Special Assignments concerning responsibility for servicing meetings. The practice followed in that regard increased efficiency and led to savings; yet, there was no need to make it a principle of the General Assembly, since it would then become mandatory and might prove counter-productive in some circumstances.

36. Mr. ORTEGA (Mexico) said that paragraph 4 of draft resolution A would transform a flexible practice into a mandatory rule and should therefore be deleted.

37. Mr. ROY (India), Mr. PIÑEIRO ARAMABURU (Argentina) and Mrs. de RODRIGUEZ (Venezuela) agreed with the Mexican representative that paragraph 4 should be deleted.

38. The CHAIRMAN said that further informal consultations would be held on the draft resolutions under agenda item 114.

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

First class travel (A/C.5/39/16)

39. Mr. MURRAY (United Kingdom) said that the number of cases of first-class travel was still significant. The nine persons referred to in paragraph 2 (a) of document A/C.5/39/16 had, in fact, made a total of 24 journeys. It should have been made clear that those individuals had blanket clearance. With regard to ex post facto approval, his delegation wished to know in how many cases such approval had been withheld, who had paid the difference in travel costs, and how many exceptions allowing business class had been made, and under what circumstances. He also wished to know whether the Secretariat had considered the replacement of first class by business class in the case of those currently entitled to first-class travel.

40. Ms. SHEAROUSE (United States of America) said that her delegation would like the exceptions referred to in paragraphs 2 (e) and (g) to be explained and to receive details of the amounts spent on first-class travel.

41. Mr. TAKASU (Japan) said that his delegation was concerned about increased travel by United Nations staff and believed that ex post facto approval of first-class travel should be limited. Since the establishment of United Nations guidelines on travel, business class had become common and could be used for some of the first-class travel approved by the Organization. Indeed, in the view of his delegation, first-class travel should be authorized only on medical grounds.

42. Mr. GARRIDO (Philippines) said that his delegation welcomed the savings which had accrued through the implementation of General Assembly resolution 32/198. Nevertheless, fewer exceptions should be made. He wished to know whether the exception referred to in paragraph 2 (j) represented a general practice.

The meeting rose at 1 p.m.