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SUMMARY RECORD OF THE 28th 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 3.35 p.m.

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

1. <u>Mr. EL-SAFTY</u> (Egypt) said that great care was needed in dealing with matters related to pensions, since any decision taken would affect the lives of people who, in the majority of cases, did not have the means to defend their rights. For that reason, his delegation, which had been trying for some time to defend what it considered to be just and fair, had voted two years earlier against what it believed to be an injustice and a gross discrimination against people who would be employed in the future by organizations which were members of the Joint Staff Pension Fund. To apply different rates of accumulation of pension rights would be to ask new staff to bear the cost of wrong decisions taken, for the most part, by former or serving staff.

2. Reference had been made to "acquired rights", but for every right there was a corresponding obligation: in the case in question the right to receive a pension and the obligation to pay for it. The level of the pension must be based on the contributions paid. If the two elements were out of balance, the Pension Fund would go bankrupt. In the case of the Pension Fund, decisions were taken by the Pension Board, one third of whose members represented the staff, one third the member organizations - also staff - and one third Member States. That meant that old participants had considerable responsibility for decisions that had led to the actuarial imbalance, and they could not ask new participants to pay the consequences. Justice must prevail and burdens be shared equally between old and new participants in the Fund.

3. His delegation was ready to discuss the issues involved with any interested party and was open to every proposal, including changes in the regulations and voluntary acceptance by the staff of some provisions that they might not like.

AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM (continued) (A/39/30 and Corr.1, A/39/522 and Corr.1 and Add.1; A/C.5/39/13, 18, 26 and 27; A/C.5/39/L.8)

(a) REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued)

4. <u>Mr. MONIRUZZAMAN</u> (Bangladesh) said that when it had established the International Civil Service Commission (ICSC) the General Assembly had expected the Commission to play a crucial role. In accordance with article 1 of its statute, ICSC was entrusted with the functions of regulating and co-ordinating the conditions of service of the United Nations common system. It had been intended that ICSC should help to develop an international civil service made up of individuals possessing the character and the competence to handle a wide variety of international situations. That goal could be achieved only if ICSC was allowed sufficient discretion and autonomy in its deliberations, without intervention from extraneous elements.

(Mr. Moniruzzaman, Bangladesh)

5. His delegation noted with concern a tendency in some quarters to question the competence of ICSC with regard to its decision on post adjustment, if not to undermine its work altogether. Many statistics had been put forward, some of them rather dubious, and it should be pointed out that most of the technical questions that had been raised in the Fifth Committee could have been dealt with in ICSC itself. Since the decisions and recommendations of ICSC were the result of deliberations at the expert level, his delegation was inclined to accept most of its findings and to concentrate only on the policy implications arising out of the ICSC decision.

6. The ICSC decision to increase the New York post adjustment index by 9.6 per cent had given rise to disagreement between those who were concerned about the additional financial burden that the increase entailed and those who were anxious to defend the constitutional propriety of that decision. While it could be judged, by interpreting article 11 (c) strictly, that ICSC had acted within its mandate, it could also be argued that its decision could widen the margin between the level of remuneration at the United Nations and that of the comparator civil service to an extent that might not be justifiable.

7. while it shared the concern over the additional financial burden, his delegation considered that it was even more necessary to guard against any course of action that would call into question the competence and, by implication, the integrity of ICSC. The Fifth Committee should therefore strive to find a middle ground, giving priority to the latter aspect and taking into account the following considerations. Firstly, as a matter of principle, the competence of ICSC with regard to its decision on post adjustment should not be questioned. That decision, which could also be justified from the standpoint of expediency, affected not only the United Nations but also the specialized agencies, and it had already been partly implemented since August. As a direct consequence, some duty stations were affected by a freeze and some even by a reduction in take-home pay. In such circumstances, any move to revoke or rescind the decision was likely to be challenged on legal grounds, which could expose the common system to a situation of uncertainty. Secondly, in the absence of an agreed desirable or appropriate range for the margin between United Nations remuneration and that paid in the comparator civil service, it was not possible to judge whether the increase in the margin from 17 per cent to 24 per cent caused by the 9.6 per cent increase in the post adjustment was consonant with the Noblemaire principle. Therefore, any position which the Fifth Committee might take on the ICSC decision should be preceded by agreement on the appropriate range for that margin. In that respect, the proposal put forward by the delegation of India suggesting that ICSC should study the matter was worthy of consideration. The Fifth Committee would also have to determine which of the two methods for comparing United Nations remuneration with that of the comparator civil service should be adopted.

8. Finally, the report of the Joint Inspection Unit (A/39/522) gave a different point of view on the question, and ICSC should be given an opportunity to respond adequately to the questions raised in that report and by a number of delegations during the debate. His delegation was, however, of the opinion that the manner in

(Mr. Moniruzzaman, Bangladesh)

which the report had been brought before the Fifth Committee was highly irregular and was not in keeping with the letter and spirit of article 11, paragraph 4, of the JIU statute, as had been rightly pointed out by the Chairman of ICSC. In that connection, it should be recalled that in his statement to the Fifth Committee the Secretary-General had said that any doubts or differences should be solved by using the existing institutional machinery, starting with a dialogue between the Fifth Committee and the International Civil Service Commission.

9. <u>Mr. KEYES</u> (United States of America) said that unless it had the support and commitment of each of the Governments and peoples it represented, the United Nations would be only a pale reflection of the ideal the international community had sought to create in 1945. Contrary to what was supposed, the commitment of the United States to the goals and ideals of the United Nations had in no way diminished, and it was precisely the depth of its commitment to the ideals of multilateral co-operation which was largely responsible for the current wave of criticism directed at faults which reduced the effectiveness of the Organization.

10. As an institution, the United Nations consisted primarily of people. It was to be hoped that their primary personal goals would be those of the institution, namely "to maintain international peace", "to develop friendly relations among nations", "to achieve international co-operation in solving international problems of an economic, social, cultural or humanitarian character" and "to be a centre for harmonizing the actions of nations". Over the years, the system had been characterized by the idealism of staff members and their commitment to service, which they regarded more as a calling than a job.

11. The international civil servant should belong to an élite group, élite in its dedication and its performance. However, in recent years a different concept had been observed in the Secretariat, namely the concept of an élite group in terms of its standard of living and its social class. If the Secretariat shifted more of its attention to the maintenance of prerogatives and benefits, the system's output, in other words, its delivery of services for peace and development, would inevitably suffer. To foster an image of the international civil servant as an individual concerned primarily with special perquisites and material comforts would also tarnish the image of the many men and women whose hard work and individual excellence sustained the daily efforts of the Organization.

12. The United States did not expect United Nations staff members to make great personal sacrifices to serve in the Organization, and had always supported the Noblemaire principle which embodied the concept of premium compensation with respect to the best-paid national civil service so as to ensure that the United Nations could attract the best qualified candidates. It had never been the intention that financial reward should be the main attraction of employment in the United Nations. The system did not need, nor should it seek to attract, persons interested primarily in making money, in the prerogatives of office, in physical comfort or in an easy retirement at an early age.

(Mr. Keyes, United States)

13. Although there was no exact definition of how much the Noblemaire premium should be, historically its value had hovered around 15 per cent. However, the difference in net remuneration was currently almost 40 per cent. If the second half of the 9.6 per cent post adjustment increase were to be applied in December, the difference would be even higher. The reasons why the margin had expanded so rapidly and so far did not lie in the increase in the cost of living in the United States, where inflation was low, in technical errors in past methodology for computing allowances or in the reduced ability of the United Nations to attract highly qualified new candidates or retain existing staff. The real reason lay in what appeared to be the increasing emphasis within the Secretariat on salaries and benefits, with the result that an ever-increasing amount of the Organization's budget resources was going to meet staff costs. As a result, the basic motivation of the people who made up the United Nations was being called in question, as was the ability and willingness of the United Nations system to focus its energies on solving serious international problems.

14. The United States and the Soviet Union had taken an initiative which would constitute a modest first step towards solving that problem. Thus, draft resolution A/C.5/39/L.8 would revoke the ICSC decision to increase by 9.6 per cent the post adjustment for New York and, by extension, for all other duty stations. The United States had not sponsored the draft resolution out of a desire to save money. Congress had already decided that the United States would not pay any part of the costs of the post adjustment increase. That step had not been taken lightly, and the United States recognized both the importance of the United Nations to the United States and <u>vice versa</u>. However, the United States considered that the current compensation system was out of control and that the only way to ensure that the Organization would survive and prosper was to take firm steps now to correct the situation.

AGENDA ITEM 116: PERSONNEL QUESTIONS (<u>continued</u>) (A/39/453, A/39/483 and Add.1 and Add.1/Corr.1; A/C.5/39/2, A/C.5/39/4 and Corr.1 and Add.1, A/C.5/39/6 and Corr.1, A/C.5/39/9, 11, 17 and 23.

15. Mr. RYDZKOWSKI (Poland) said that there were good reasons why at the current session as at previous sessions, the Fifth Committee should pay great attention to personnel policy and practices. The efficient functioning of the United Nations Secretariat depended essentially on the competence, dedication and integrity of the staff. Moreover, salaries and other staff costs constituted approximately 80 per cent of the Organization's total expenses. Thus, decisions on personnel matters had far-reaching implications for the Organization's budget.

16. His delegation shared the view of the Assistant Secretary-General for Personnel Services that the Office of Personnel Services should have the necessary means and authority to implement personnel policy fully; it valued the frankness with which the Assistant Secretary-General had recognized that the results of that policy had been rather disappointing in terms of the geographical and sex distribution of the Secretariat staff.

(Mr. Rydzkowski, Poland)

17. Arguments advanced in the past to the effect that it was difficult to reconcile equitable geographical distribution with the highest standards of efficiency, competence and integrity were no longer valid. It was therefore necessary to improve geographic distribution decisively, to eliminate non-representation and underrepresentation and to fulfil the medium-term recruitment plan. It was to be hoped that in 1985, which marked the fortieth anniversary of the founding of the United Nations, the Organization would achieve a more proper and just geographical distribution of posts among Member States.

18. One of the main obstacles to a meaningful improvement in the geographical composition of Professional staff was the high ratio of staff members serving on permanent contracts. Service on fixed-term contracts was no longer the exclusive practice of one group of States but had become an accepted principle in recruiting nationals from all regional groups. According to the figures given in table 10 of document A/39/453, the proportion of fixed-term contracts, which had been 40.6 per cent in 1983, had decreased to 40 per cent in 1984. The Office of Personnel Services should adopt measures to change substantially the ratio between fixed-term and permanent contracts with a view to reversing the current proportions in the near future. The practice of offering fixed-term appointments at the grades of Under-Secretary-General and Assistant Secretary-General should also be extended to include the D-2 level.

19. According to table 12 of document A/39/453, there were 27 Polish nationals working in the Secretariat. However, as four of them had left the Organization since June 1984 and two more would be doing so before the end of the year, the number of Polish nationals in the Secretariat would fall below the midpoint of its desirable range. Moreover, the sudden improvement in his country's representation had been a temporary phenomenon caused by the decrease in its assessment rather than by any accelerated recruitment of Polish nationals.

20. With regard to total compensation, an increase in the post adjustment would only widen the margin between the salaries of United Nations staff and those of United States civil servants, whereas steps should instead be taken to narrow the differences.

21. As to the proposal regarding career development, which had been formulated in very vague terms, his delegation doubted whether it would help to improve the geographical distribution of staff. In the absence of a more coherent plan, there was no justification for devoting sizeable resources to career development.

22. His delegation would like to be informed of the results of the temporary suspension of recruitment which had been announced. In particular, it was concerned about the implications of the suspension for fixed-term contracts and hoped that it would not adversely affect candidates from countries advocating such contracts.

23. It was doubtful that the extension of competitive examinations to the P-3 level would help to achieve the goals of the recruitment plan and improve the geographical distribution of posts.

(Mr. Rydzkowski, Poland)

24. No progress had been made with regard to increasing the proportion of women employed by the United Nations. Member States should therefore present more highly qualified women candidates, particularly for the specialized and technical branches of the Organization, thus making it possible to remedy the most serious cases, for example, the regional commissions where the proportion of women was below 10 per cent.

25. <u>Mr. EL-SAFTY</u> (Egypt) said that the moratorium on staff recruitment was a decision with very adverse effects for the United Nations. In his statement before the Committee, the Assistant Secretary-General for Personnel Services had said that that moratorium would not affect the recruitment of nationals from unrepresented and underrepresented countries. However, such a practice violated the spirit and the letter of Article 101, paragraph 3, of the United Nations Charter and constituted discrimination against the nationals of other Member States, who could not be recruited. A similar case of discrimination had been imminent a few months earlier when some vacancy announcements had stipulated that the posts were earmarked for nationals of a specific group of countries. The protests of various delegations, including his own, had brought that practice to a halt. His delegation also called for an end to the decision providing for exceptions to the moratorium in the case of some countries. Furthermore, it called on the Secretary-General to review the matter and lift the moratorium on recruitment.

26. Unlike the procedure followed on previous occasions for equally important questions, the Secretary-General had decided to declare the moratorium without consulting the General Assembly. It was to be hoped that such a situation would not occur again. At the thirty-eighth session, the majority of Member States had adopted the programme budget for the biennium 1984-1985 on the understanding that, as indicated by the most senior Secretariat officials, the estimates, including those for staffing, represented the bare minimum and reflected a policy of maximum financial restraint. However, a six-month moratorium led to the loss of about 3 per cent of United Nations staff by attrition, if 17 years was taken to be the average length of service. The question arose as to how such a reduction in staff could be reconciled with previous assertions to the effect that the approved staffing level represented the bare minimum.

27. With respect to geographical distribution, he said that Article 101, paragraph 3, of the Charter of the United Nations clearly defined the Organization's policy, which should be strictly adhered to. Discrimination against any country was unacceptable. Four years had passed since the last study on posts subject to geographical distribution, and over that period several hundred new posts had been established. Yet the desirable ranges of most countries had not changed, and neither had population reserves. The Secretary-General should explain how policy on population reserves was applied. Furthermore, the number of geographical posts should be updated and a report on the subject should be submitted to the General Assembly.

28. His delegation could accept that competitive examinations should be used in many cases to appoint staff at the P-1 and P-2 levels of the Professional category

(Mr. El-Safty, Egypt)

and even in a few cases at the P-3 and higher levels. Perhaps 10 per cent of the P-3 posts could be set aside for recruitment by means of competitive examination. The Secretary-General should study the proposal and report back to the General Assembly, if possible in 1986.

29. The Secretary-General could not be held responsible for the scant success of the policy of increasing the proportion of women in the Secretariat. Member States should submit more suitable candidates for Secretariat posts. The Secretary-General should give preference to women candidates, all other things being equal.

30. Every conceivable effort should be made to strengthen the role of the Office of Personnel Services in all aspects of personnel policy, including recruitment, promotion and career development.

31. His delegation had always supported the just claims of the staff, and had never hesitated to request measures to assist the staff when appropriate, but neither would it shrink from pointing out shortcomings and calling for corrective action. For example, on the two occasions on which the Secretary-General had addressed the Committee at the current session, 88 and 64 staff members, respectively, had been present in the gallery of the conference room without due cause. Action should be taken to prevent a repetition of the incidents.

32. There had been talk of creating a post of ombudsman to arbitrate in cases of conflict between staff members and the Administration. Staff claims against the Administration had mushroomed to unbelievable proportions, to the extent that they were hampering the administrative process. Simple decisions, such as the transfer of a staff member, were challenged on many grounds, notably discrimination. Yet consideration of the merits of cases revealed that there was little justification for them. Such disputes should be curtailed. If the ombudsman could hand down final rulings, the post should be created; if not, it would not serve any useful purpose.

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

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

33. Mr. RUEDAS (Under Secretary-General for Administration and Management), replying to questions posed at an earlier meeting by the representative of the United Kingdom in connection with the report of the Secretary-General on first-class travel (A/C.5/39/16), said, concerning paragraph 2 (g), that three staff members had been denied approval for first-class travel. In each case, the excess cost had been met by the person concerned and there had been no expenditure by the Organization. Referring to paragraph 2 (h) and specifically to the three staff members whose first-class travel had been approved <u>ex post facto</u>, he explained that if they had waited for economy seats on later flights considerably greater expenditure would have been incurred, since an additional amount of subsistence allowance would have been due. As to the number of cases in which

(Mr. Ruedas)

staff members had travelled in business class instead of economy class and the circumstances justifying such exceptions, he said that there had been 12 instances 11 of which had been due to the length of the flight (over nine hours) and the twelfth to the status of the person concerned, who had not been a staff member of the United Nations.

34. With respect to the concern expressed by the United States delegation concerning paragraph 2 (e), he said that all expenses relating to the awarding of the Sasakawa Prize, including the travel expenses of the Chairman and four members of the Selection Committee, had been met from interest on the capital donated by the Japanese Foundation concerned, without there having been any disbursement by the Organization. Concerning the exception referred to in paragraph 2 (g), subsequent approval had been given once it had been determined that the presence of the two Ministers and the person of ambassadorial rank was essential to the holding of meetings.

35. The United States delegation had also inquired as to the total amount spent on first-class travel over the previous year. Owing to the short time available, it had not been possible to calculate the amount for the United Nations as a whole. But, to provide some idea of the amounts involved, the expenditure on individual cases of travel originating in New York in the first half of 1983 had been added together. During that period, approximately \$750,000 had been disbursed for first-class travel; that amount covered all travel, by Secretariat staff and others, and all sources of financing, both budgetary and extrabudgetary. As an indication, it should be noted that, in general, travel financed from extrabudgetary funds represented one third of total travel costs. By assuming that similar expenditure had been incurred during the second half of 1983, one arrived at an estimate of total expenditure on first-class travel of some \$1.5 million for the year.

36. With regard to the question of the representative of the Philippines concerning the category of staff to which the exception referred to in paragraph 2 (j) applied, no established practice existed in the matter; the case was a unique one involving the travel of the surviving spouse of a deceased official to repatriate his ashes. It had occurred under very special and unusual circumstances; if the same circumstances arose in another case, the same procedure would be followed, regardless of the category of the staff member concerned.

37. With regard to the question of the representative of the United Kingdom concerning the exact number of cases of first-class travel on the recommendation of the Medical Service, the total number of journeys was actually 24; however, 17 of those journeys had been made by two persons. It should be pointed out that in neither of those cases did the staff member have blanket clearance to travel first class, since all staff members were required to undergo periodic medical examinations.

38. The representatives of the United Kingdom and Japan had referred to standards of accommodation and the frequency of journeys; the representative of Japan had asked whether the Secretary-General was considering the adoption of measures to

(Mr. Ruedas)

reduce travel expenses. The fact that the Secretary-General had announced his decision to reduce those expenses clearly demonstrated his concern in that regard. However, it should be made clear that the determining factor was the need to make the journey in question. Once it had been definitely established that a journey was absolutely necessary, the appropriate standard of accommodation had to be provided. The relevant standards in force were those set forth in the Secretary-General's report to the Fifth Committee in 1983 on the organization and methods for official travel (A/C.5/38/22), of which the General Assembly had taken note in section IV of resolution 38/234.

Travel of United Nations officials to attend sessions of the General Assembly

39. <u>Mr. RUEDAS</u> (Under-Secretary-General for Administration and Management) said that in section XVI of its resolution 38/234, the General Assembly had requested the Secretary-General to ensure that maximum restraint was exercised concerning the travel of officials to attend sessions of the General Assembly, and to inform the General Assembly at its thirty-ninth session on action taken in that regard. On 5 April 1984, he had written, on behalf of the Secretary-General, to all heads of departments and offices outside Headquarters calling to their attention the provisions of that resolution and requesting information regarding the specific measures which they planned to take in order to limit the travel of staff to attend sessions of the General Assembly, starting with the thirty-ninth session. In addition, heads of departments and offices had been urged to make every effort to rationalize and restrict such travel to the greatest extent possible.

40. The replies received had been positive and constructive. The heads of departments and offices had reviewed their own travel plans and those of their staff to ensure that only those staff members whose presence was absolutely necessary to service the Main Committees or discharge the Secretariat's obligation to present and co-ordinate reports during the sessions would be authorized to travel.

41. On 3 August 1984, he had addressed a further communication on the subject to heads of departments and offices, both at locations overseas and at Headquarters. That communication had expressed the Secretary-General's great concern at the frequency of staff travel and had conveyed his directive concerning the need to take all necessary measures to limit such travel to the absolute minimum required to ensure essential substantive and operational servicing. For all other servicing, travel to attend meetings should be strictly limited to those officials who were required to introduce reports or address meetings.

42. On 12 September 1984, an administrative instruction (ST/AI/319) had been issued on the control of travel on official business, which had announced the introduction of new procedures by which the prior approval of the Office of the Secretary-General would be required for all travel of staff to attend meetings and conferences, whether financed from the regular budget or extrabudgetary funds.

(Mr. Ruedas)

43. It was expected that those initiatives would result in a significant reduction in staff travel, not only with respect to sessions of the General Assembly and meetings and conferences but also with respect to all official travel of staff.

44. <u>Mr. RYDZKOWSKI</u> (Poland) said that in 1983, his delegation had requested the preparation of a conference room paper describing the situation and trends with regard to the travel of staff to attend sessions of the General Assembly. That document had given rise to section XVI of General Assembly resolution 38/234. The information which the Under-Secretary-General for Administration and Management had just provided fulfilled the requirement of that resolution, but, in the absence of a written document, his delegation had difficulty in assessing the situation and comparing the current situation with that of previous years. For that reason, he requested that, in the future, such information should be provided in writing, in a form to be determined by the Fifth Committee, preferably within the reports on the programme budget.

45. <u>Ms. SHEAROUSE</u> (United States of America) requested that the Secretary-General should provide written information about the staff members attending the thirty-ninth session of the General Assembly before the Fifth Committee concluded its consideration of that agenda item. If the General Assembly thought it necessary, the submission by the Secretary-General of an annual report on that subject might become a standard procedure.

46. <u>Mr. ROY</u> (India) requested that, when the Secretary-General submitted his report on staff members travelling to New York for sessions of the General Assembly, he should indicate the exact reasons for their attendance.

The meeting rose at 5.20 p.m.