

UNITED NATIONS

General Assembly
FORTY-FOURTH SESSION
Official Records

FIFTH COMMITTEE
28th meeting
held on
Friday, 3 November 1989
at 10 a.m.
New York

SUMMARY RECORD OF THE 28th MEETING

Chairman: Mr. AL-MASRI (Syrian Arab Republic)

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

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Distr. GENERAL
A/C.5/44/SR.28
18 November 1989
ENGLISH
ORIGINAL: FRENCH

The meeting was called to order at 10.20 a.m.

AGENDA ITEM 131: UNITED NATIONS COMMON SYSTEM (A/44/30; A/C.5/44/14, A/C.5/44/16 and A/C.5/44/18)

1. Mr. AKWEI (Chairman, International Civil Service Commission) said that in view of the scope of the comprehensive review of conditions of service of the Professional and higher categories of staff requested by the General Assembly, the International Civil Service Commission (ICSC) had held a special session in 1989 in addition to its two regular sessions. That was also why the Commission's report (A/44/30) had appeared, as an exception, in two volumes, one of which dealt exhaustively and exclusively with the comprehensive review. At its special session, ICSC had taken a number of decisions to improve the process of consultation with the staff. In particular, it had established a tripartite working group on the comprehensive review. Although the Federation of International Civil Servants' Associations (FICSA) had participated only in the comprehensive review and that only after the 1989 March session, the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) had participated at all stages in the work on the review and on other aspects. That was an encouraging development and augured well for the future of relations between ICSC and the staff representatives.

2. Recalling the request in General Assembly resolution 41/208, part I, paragraph 5, he said that in order to reduce the gap between the common system and the comparator service, which had risen from 19.7 per cent in April 1987 to 30.1 per cent in May 1989, ICSC recommended a revised interim adjustment procedure for all pensionable remuneration. The measures proposed would produce a one-time saving of \$5 million and further savings of some \$1.7 million on the occasion of each future increase in pensionable remuneration (A/44/30, vol. I, paras. 29-43). The Commission had taken into account the views of the United Nations Joint Staff Pension Board and had co-operated fully with it, as it would during the comprehensive review of methods of calculating pensionable remuneration to be carried out in accordance with the modalities jointly agreed on by the two bodies. Like the Pension Board, ICSC recommended that the mandatory age of separation for new staff members should be increased to age 62 (ibid., paras. 54-58).

3. With respect to the remuneration margin, ICSC had taken into account resolution 43/226 whereby the General Assembly had decided that the average of successive margins should be maintained at the desirable net point of 115 over a period of time, and that the application of the guidelines should not result in the granting of successive classes of post adjustment in New York at less than four-month intervals. Post adjustment class 9 had been granted in New York effective 1 January 1989 and post adjustment class 10 as of 1 May 1989. Taking into account also the changes in the comparator service, the margin for the latest margin period had been 111.0 and the average margin for the periods considered 115.2. ICSC's recommendation on the methodology for calculating the margin formed part of its comprehensive review. In its report it gave the results of the current total compensation comparison, calculated on the basis of the existing methodology, and recommended that the methodology should be developed further when the comprehensive review was completed (ibid., paras. 71 and 72).

(Mr. Akwei)

4. The Commission reiterated an earlier recommendation on the question of supplementary payments and deductions by certain Member States and noted that, despite repeated requests, for information on that issue, 64 Member States (including four permanent members of the Security Council) had still not responded. The Commission considered such payments and deductions a clear contravention of the Charter and would report on the matter at the forty-fifth session (ibid., paras. 86-90).

5. Volume II dealt with the comprehensive review of conditions of service of the Professional and higher categories of staff requested by the General Assembly in resolution 42/221. ICSC had encountered two important problems, namely, lack of time and resources and lack of precision in the General Assembly's stipulations regarding the financial implications of any change in the remuneration system. At the same time, several executive heads had reminded the Commission that it should base its recommendations solely on technical considerations. The Commission considered that the new system it was recommending was both technically justifiable and financially reasonable. Its decisions and recommendations had been adopted in the presence of all the interested parties and generally on the basis of consensus.

6. A number of alternatives had been examined in respect of remuneration structures (chap. V), including some based on the possible exclusion of the housing component from post adjustment. The Commission had concluded, however, that it was impossible to recommend a change in structure without first resolving a number of pending questions (relationship between the remuneration of the United Nations system and that of the comparator civil service, impact of the change on actual remuneration levels at various duty stations and on levels of pensionable remuneration, relationship between the housing component and margin comparison). He hoped that the Commission would be able to make final recommendations on the matter in 1990.

7. The executive heads had stressed on various occasions the difficulties they faced in recruiting staff due to the lack of competitiveness in the common system (chap. III). After examining the issue, ICSC had concluded that difficulties were in fact encountered in recruiting staff of the calibre demanded by the Charter in order to carry out the programmes mandated by the various legislative bodies. It was largely for that reason that the Commission was recommending an across-the-board salary increase of 5 per cent.

8. In respect of the comparator civil service and the margin (chap. IV), ICSC had based itself on the General Assembly's guidelines concerning the Noblemaire principle and the comparator. It recommended, among other things, that the current range of 110-120 should continue to apply and that various measures should be taken to improve the manner in which the net remuneration margin was calculated, including measures already recommended in 1986. It recommended using a 12-month average of the New York-Washington cost-of-living differential rather than the spot measurement, keeping the calendar year as the margin reference period and using average salaries at each grade on both sides of the comparison. It drew attention to the problems that the comparator civil service itself was currently confronting

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(Mr. Akwei)

because of its uncompetitive remuneration: remuneration was as much as 28.6 per cent below market levels and the Federal Administration had been obliged to expand the special rates schemes. Regarding the margin proper, the Commission suggested that rather than being maintained around the midpoint of 115 each year it should be allowed to fluctuate freely within the range and that the cumulative margin procedure approved in 1988 and the four-month waiting period between the granting of successive classes of post adjustment in New York should be discontinued.

9. With the help of the Advisory Committee on Administrative and Budgetary Questions, ICSC had arrived at a number of decisions which would render the post adjustment system simpler and more equitable to all staff irrespective of duty station. The survey process had been simplified and the need to carry out cost-of-living surveys involving participation by staff would be to a large extent eliminated. The Commission also proposed a solution for the problem of shortfalls in the take-home pay of staff due to currency fluctuations. The changes envisaged would also make it possible to eliminate the special measures that had had to be introduced to correct the structural weaknesses in the post adjustment system.

10. One of the most important parts of the Commission's report was chapter VII (Mobility and hardship). The proposed package, consisting of a hardship/mobility allowance, a restructured assignment grant, new criteria for home leave and additional reimbursement of education-related boarding costs, would be easier to understand, simpler to administer and more comparable with the entitlements offered by the comparator service. Above all, it should encourage staff members to accept assignments away from Headquarters.

11. With a view to enhancing staff motivation and productivity (chap. VIII), the Commission recommended making a number of structural improvements to the salary scale and introducing cash and non-monetary awards and environmental motivators. In the final chapter of volume II, which dealt with allowances, the Commission indicated that because of the limited time-frame it had chosen to give priority in its review to the education grant and dependency allowances.

12. The financial implications of the Commission's recommendations were estimated at \$90 million system-wide, of which \$42 million covered extrabudgetary expenditures. Of the \$48 million for the organizations' regular budgets, \$36 million represented the cost of a 5 per cent salary increase for the whole common system. He hoped that the Fifth Committee would consider the Commission's recommendations on their technical merits and establish a system of remuneration that would be fair to the staff and helpful to the executive heads in effectively discharging their responsibilities.

13. The CHAIRMAN said that, in accordance with General Assembly resolution 35/213, the Federation of International Civil Servants' Associations (FICSA) had requested that its representative should be allowed to present document A/C.5/44/16. Referring to the practice of recent years, the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) had

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(The Chairman)

made a similar request. If he heard no objection, he would invite the representatives of those two bodies to address the Committee at a later meeting.

14. It was so decided.

AGENDA ITEM 132: UNITED NATIONS PENSION SYSTEM (A/44/9 and A/44/682; A/C.5/44/6 and A/C.5/44/18)

15. Mr. ZADOR (Chairman of the United Nations Joint Staff Pension Board), introducing the report of the Pension Board (A/44/9), said that the Board's membership had increased from 21 to 33 members and it was the practice for its recommendations to be adopted by consensus. Reviewing the evolution of the Pension Fund's operations over the past 20 years, he said that the assets of the Fund had increased from \$468 million in 1969 to over \$8 billion in 1989. The number of active participants had risen from some 30,200 to more than 54,000, two thirds of whom were staff in the General Service and other locally recruited categories. The number of periodic benefits had increased substantially, from around 3,900 to more than 29,000. Annual payments had risen from a total of \$12.5 million in 1969 to approximately \$450 million and were currently remitted, in various currencies, in 140 countries. There were 9,528 retired participants in receipt of benefits and the average annual retirement benefit amounted to \$17,561, the average annual benefit for surviving spouses being \$9,241.

16. Regarding the actuarial valuation of the Fund as at 31 December 1988, the actuarial imbalance had decreased to 3.71 per cent of pensionable remuneration as at 31 December 1988, although that reduction had been smaller than expected. The combined impact of the increase in the contribution rate to 22.5 per cent of pensionable remuneration, the favourable investment performance and the net effect of actual economic and demographic experience on actuarial assumptions had helped to reduce the imbalance. However, the positive effects of those developments had been significantly offset by the accumulated interest on the continuing imbalance. Annex IV of the report showed the evolution of the actuarial imbalance since 1980.

17. The Board believed that further measures had to be taken immediately to restore the actuarial balance of the Fund. It should be noted, however, that there was a narrow range of options available to meet the increasing costs of the system - which were determined not only by the amounts of the benefits provided but also by the length of the period over which they must be paid. The measures examined by the Board and the potential actuarial savings therefrom were described in paragraphs 46 to 60 of the report. He wished to draw the Committee's attention to the substantial financial implications for the Pension Fund that would result from continuation of the current policy of requiring separation from service at age 60, notwithstanding the significant increases in life expectancy. It was important to note that, on average, the Fund paid to participants in the Professional and higher categories a pension for three to four years more than the number of years during which it had received their contributions.

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(Mr. Zador)

18. After extensive negotiations, the Board had decided by consensus to recommend, for adoption by the General Assembly, the following package of measures:

(a) increasing the normal retirement age from age 60 to 62 for new participants; (b) eliminating cost-of-living adjustments for future deferred retirement benefits until the separated participant reached age 55 instead of age 50; (c) in cases of early retirement, increasing the reduction factor to 6 per cent per year at ages 55 and 56 for new participants while retaining age 55 as the early retirement age; and (d) increasing the rate of contribution from 22.5 per cent to 23.7 per cent of pensionable remuneration. Those measures would provide actuarial savings equivalent to 3.54 per cent of pensionable remuneration, bringing the imbalance within an acceptable range of between 0.1 and 0.2 per cent.

19. He wished to point out that the proposal to raise the normal retirement age from 60 to 62 concerned new participants only, thus protecting acquired rights and avoiding any impact on the Organization's current staffing objectives. It was to be noted that, in its report, the International Civil Service Commission (ICSC) had likewise recommended increasing the mandatory age of separation from age 60 to 62 for new staff members only.

20. Lastly, the Pension Board urged the Assembly to consider the recommendations as a package, consisting of four measures, and to adopt it as a whole. There would not have been a consensus in the Board in favour of any one measure without the inclusion of the others in the package.

21. The Board had also considered pensionable remuneration and consequent pensions both of staff in the Professional and higher categories and of staff in the General Service and other locally recruited categories. A review of those two matters was to be undertaken by ICSC in co-operation with the Pension Board. As its session had preceded that of ICSC, the Board had initiated the examination of the two matters and had considered the modalities and timetable for technical analysis and dialogue with the Commission. The Board was pleased to note that ICSC had designated three of its members to participate in the preparatory working group and had invited a delegation designated by the Board to attend the ICSC session in July 1990. Such co-operation between ICSC and the Board would help to avoid the type of situation which had arisen in 1986, when the two bodies had presented differing recommendations to the Assembly.

22. Pursuant to General Assembly resolution 41/208 the Board had thus examined the evolution of the pensionable remuneration for staff in the Professional and higher categories. It was the view of the Board that the most important criterion was that of establishing United Nations pensionable remuneration at levels which would yield pensions whose proportional relationship to net remuneration in New York would be comparable to the corresponding income replacement ratios of pensions to net remuneration in the comparator service. As explained in paragraphs 88 to 91 of the report, the increase in the United Nations income replacement ratio was attributable to the application of a 1.22 factor to derive the percentage increase in pensionable remuneration from each net remuneration increase in New York. There had been little support in the Board for the suspension of the adjustment

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(Mr. Zador)

procedure, since such action would run counter to the income replacement principle. After extensive discussion, a consensus had emerged in the Board that the 1.22 factor was no longer justified. However, views differed as to when and to what extent changes should be made in the adjustment procedure.

23. With regard to the pensionable remuneration and consequent pensions of staff in the General Service and other locally recruited categories, he said that ICSC had been unable to begin an examination of that issue because of the priority given to the comprehensive review of the conditions of service of staff in the Professional and higher categories. As indicated in paragraph 105, the Board had agreed that before pursuing the methodological issues involved in the determination of pensionable remuneration for such staff, the plans of ICSC concerning the undertaking of a comprehensive study should be ascertained, considering that the primary responsibility for determining pensionable remuneration rested with the Commission. The Commission had subsequently decided to place the subject on its 1990 work programme.

24. The Board had considered the proposal made by the International Telecommunication Union (ITU) to establish a Pension Purchasing Power Protection Fund for its staff members in the Professional and higher categories. The Board had reconfirmed its long-standing position that if the pensions payable by the Fund were believed to be inadequate, remedies should be sought in the context of the Joint Staff Pension system so as to benefit the staff of all organizations and to avoid jeopardizing the efforts to improve the actuarial situation of the Fund by making conflicting claims on the resources of Member States. The Board had therefore agreed to examine the ITU proposal, as one possible long-term approach, which might replace the current interim measure which instituted a pension "floor", and requested ITU not to implement its proposal unilaterally so that the United Nations common system would not be weakened.

25. With regard to its study of pension schemes in a number of national civil services and in other international organizations, the Board had decided that the study should be taken into account in the comprehensive review of pensionable remuneration and consequent pensions to be carried out in 1990.

26. Concerning the administrative expenses of the Fund, the Board had debated at length the recommendations of the comprehensive study of the administrative and operational capacities of the Fund's secretariat carried out by outside consultants. The increases proposed in the administrative expenses for the biennium 1990-1991 should cover the costs of implementing the consultants' recommendations, as well as the costs of the advisory and custodial services engaged by the Fund in respect of the investment of its assets.

27. In conclusion, he was pleased that the Advisory Committee on Administrative and Budgetary Questions had recommended approval of the package of measures proposed to restore the actuarial balance of the Fund over the long term and had supported the budgetary proposals and the other recommendations of the Board.

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28. Mr. FORAN (Assistant Secretary-General, Representative of the Secretary-General for the investments of the United Nations Joint Staff Pension Fund), presenting the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/44/6), said that most markets had increased significantly after having declined sharply in the aftermath of the events of October 1987. Equity markets had performed better than other securities during the year under review, but most bond markets had declined, with the higher yielding markets producing reasonable returns, while returns from others had been relatively disappointing.

29. The investment return of the Fund for the year ended 31 March 1989 had been 5.9 per cent, which, after inflation adjustment, represented a "real" rate of return of 0.9 per cent. At the request of the Pension Board, the Fund currently measured the investment return in terms of European currency units (ECU) as well as dollars: using ECU, the total "real" rate of return was 14.6 per cent. Given the volatility of the financial markets and the rise in value of the United States dollar, the return achieved by the Fund could be considered satisfactory and it compared favourably with that of other pension funds. He drew the Committee's attention to table 1 (para. 8), which showed that the real, or inflation-adjusted, rate of return for the 29 years up to 1989 was 3.15 per cent.

30. With regard to investment diversification, the chart following paragraph 11 showed the changes which had taken place in the composition of the Fund's portfolio and showed a slight reduction in the proportion of equities and a slight increase in that of real-estate-related investment. The Fund had continued to increase investments in developing countries. The book value of development-related investments had increased by 11.3 per cent (see table 2). Finally, the tables contained in the annex of the report were particularly useful.

31. In conclusion, he felt that in view of the extreme instability of the major financial markets and monetary fluctuations, it was wise to follow the advice of the Investments Committee and the Fund's institutional advisers and to continue a defensive rather than an aggressive strategy, in other words to limit exposure to equities, while building up the fixed-income side of the portfolio. That was the best way of achieving the objective of the Fund, which was to protect its principal and to increase long-term rates of return.

32. Mr. VILLADSEN (Denmark), speaking on behalf of the five Nordic countries, congratulated the Board on the way in which it had carried out its tasks. On the basis of the thorough study carried out by the Standing Committee, the Board had been able to define the nature and causes of the actuarial imbalance and consider possible measures to remedy the situation. After negotiations in which all the parties concerned had displayed a highly conciliatory spirit, the Board had agreed to recommend four measures which, if implemented as a package, would leave the actuarial imbalance well within an acceptable range. The Nordic countries accepted all of the recommendations, particularly since the proposal to raise the retirement age applied only to new participants. They concurred with ACABQ that the measures should be put into effect from 1 January 1990.

(Mr. Villadsen, Denmark)

33. The Board's report explained that the mandatory age of retirement was established by each member organization under its own staff regulations while the normal retirement age was established by the regulations of the Fund. The Fund had recommended that the normal retirement age should be increased from 60 to 62 years for new participants and the ICSC had done the same for the mandatory retirement age. If both recommendations were implemented it would seem that the distinction between the mandatory retirement age and the normal retirement age would vanish for new participants and that over time the normal retirement age would have less and less impact on the actuarial balance of the Fund. The Nordic countries would like to have more information on that subject.

34. The Nordic countries considered the Fund's investment return satisfactory and welcomed the increase in investments in the developing countries and in development-related investments.

35. They shared the views expressed by ACABQ regarding the administrative expenses chargeable to the Fund and supported the recommendations made in paragraph 33 of the Advisory Committee's report (A/44/682). They also agreed with the proposal to increase the Emergency Fund and had no objections to any of the other proposals contained in the draft resolution appearing in annex XIII of the Joint Staff Pension Board's report.

36. Mr. GARRIDO (Philippines) asked whether it would not be advantageous to the Fund to invite the members of the Area Staff Provident Fund of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) to join the Fund's participants.

AGENDA ITEM 130: PERSONNEL QUESTIONS (A/44/604; A/C.5/44/2, A/C.5/44/9 and A/C.5/44/17)

37. Mr. ANNAN (Under-Secretary-General for Human Resources Management) paid a tribute to the devotion of the staff, which had gone through some difficult years, and noted that his feelings were widely shared by Governments. The political rebirth of the United Nations had enabled staff to regain confidence and renew their resolve but for the Organization to be able to carry out its increasingly ambitious programmes and reach the goal set by the General Assembly, that is, a strengthened and more effective, although reduced Secretariat, the serious administrative and financial problems of the United Nations would have to be solved and the legitimate needs and aspirations of its staff satisfied.

38. The International Civil Service Commission had prepared a report containing the results of the work it had devoted to a thorough study of the conditions of service, a question to which the Secretary-General and his ACC colleagues attached great importance. The recommendations made by the ICSC taken together would help, without, in his opinion, going far enough, to make the conditions of service at the United Nations more competitive. The recommendation that salaries should be increased by 5 per cent was essential and urgent. Just as important was the recommendation that conditions of service in the field should be improved. It was

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(Mr. Annan)

imperative that the General Assembly should approve the whole of those measures, the cost of which was estimated at \$16.5 million annually, or less than 1.7 per cent of total budgetary expenditures. It was also imperative for the ICSC to finish its study of the overall salary structure in 1990 and make special provision for the housing element of that structure. ICSC's report did not deal with the remuneration of high officials of the Secretariat which, as was well known, was not competitive - a fact which could not but lead increasingly to the payment of salary subsidies by Governments wishing their nationals to occupy such posts. He deeply deplored those unhealthy and embarrassing practices, which undermined the Organization's credibility. The Secretary-General intended to submit to the Assembly at the current session proposals on certain aspects of the problem and expected the ICSC to submit its conclusions on the question as a whole early in 1990.

39. The other very important aspect of conditions of service was that of pensions. The Joint Staff Pension Board had submitted a package of measures intended practically to eliminate the Fund's actuarial imbalance by raising the normal age of retirement from 60 to 62 years for newly recruited staff and the assessment rate from 22.5 to 23.7 per cent. Those measures, which he fully approved and which the ACABQ had recommended should be applied from 1 January 1990, would not affect the recruitment plans of the Secretariat and would not apply to officials now serving. In addition, in order to attract the most outstanding graduates of the best universities, an effort would have to be made to correct the serious imbalance in the age pyramid of Secretariat staff in order to promote recruitment in the 20 to 30-year-old age group, which would, of course, require the assistance of Governments.

40. Returning to some of the reforms carried out in the Secretariat, in particular the staff reduction plan, he stressed the extent and seriousness of the work accomplished, which had made it possible to approach the 15 per cent reduction requested by the General Assembly, even though a good many staff members had had to be assigned to peace-keeping operations. That reduction of staff amounted to 10.6 per cent for administrative and higher-level posts and 12.8 per cent in the case of General Service posts, or an average reduction of 12 per cent. The Office of Human Resources Management had made every effort to reassign staff whose posts had been eliminated, while maintaining the highest standards of competence and ensuring a proper correlation between the aptitudes of the individuals concerned and the requirements of the vacant posts. The Office had also sought to honour the undertaking assumed by the Secretary-General and approved by the General Assembly that, so far as possible, the reductions should be made by attrition. The Secretary-General would keep the Assembly informed of the current status of the question. In his opinion, which was also that of the Secretary-General, the time had come to declare a moratorium on new reform measures in order to enable the Secretariat, which badly needed it, to consolidate the gains made and to concentrate on the enormous tasks ahead. The time had come for stabilization and for qualitative rather than quantitative improvements.

41. Some progress had been achieved with regard to the representation of women in the Secretariat, since despite an overall 12 per cent reduction in the number of

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(Mr. Annan)

posts, the percentage of women in Professional posts had increased from 26.3 per cent to 27.12 per cent; however, much more needed to be done in order to reach the goal of 30 per cent by the end of 1990. It was incumbent upon Governments to help the Secretariat in that regard by putting forward qualified women candidates. For its part, the Secretariat had introduced a number of innovations and exceptions, including the recruitment without examinations of 15 qualified women at the P-2 level from unrepresented and under-represented countries, campaigns and presentations to professional women's groups, extending the contracts of women beyond the age of 60, increasing the number of junior Professional officers, and converting short-term to long-term appointments. Nevertheless, several regions - the Middle East, Africa and Eastern Europe - continued to lag behind in that area.

42. Improving the capacity of the Organization and its staff was directly related to staff training. The Office for Human Resources Management currently sought to focus its efforts on management, supervision and office automation as well as intensive training for staff assigned to peace-keeping missions, yet the percentage of resources allocated for the vital field of training and retraining - 0.46 per cent of the total budget - was unacceptably low by any standards. The Organization must integrate an effective training component into a human resources management plan that was truly responsive to programmatic goals and took the issues of staff development and morale into account.

43. Referring to his function as United Nations Security Co-ordinator, he said that the organizations of the United Nations system and their staff members were not normally specific targets for hostile acts; however, given the nature of their activities, staff members were sometimes caught in the cross-fire of regional or local conflicts. In such situations, it was incumbent upon him to order, on behalf of the Secretary-General, precautionary measures to reduce avoidable risks. In doing so, he was always mindful of the effects such measures could have on the programmes of agencies as well as their political impact on the one hand and of his responsibility to ensure that staff safety and security was not jeopardized on the other. He had long been an advocate of transparency, and his Office did its utmost to keep the Governments of the countries concerned fully informed of its plans when contemplating measures that could have major political or other, equally important implications, such as the partial or total evacuation of staff. In most cases, the host Governments had fully understood the Secretariat's need to take precautionary measures.

44. On the subject of respect for the privileges and immunities of the international civil service, to which the Secretary-General attached great importance, he said that staff members must enjoy not only the protection they needed but also the treatment to which they were entitled as international civil servants. The Secretary-General had recently urged Member States to honour their obligations in that regard. He (Mr. Annan) considered it his duty to express profound concern and distress at the continued detention, without proper judicial process, of United Nations staff members. He also wished to join the Secretary-General in expressing sorrow and outrage at the apparent killing of

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(Mr. Annan)

Colonel Higgins while he was in the service of the United Nations. He also wished to pay a tribute to all other staff members and military personnel who had given their lives for the Organization.

45. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), presenting the Advisory Committee's observations on the administration of justice in the Secretariat, said that the Secretary-General's report on the subject (A/C.5/44/9) had been drawn up in pursuance of resolution 43/224 B, by which the Assembly had requested the Secretary-General to establish by the end of 1989 a fully revised internal justice system, to finish putting in place improved disciplinary rules and procedures at the earliest stage, as well as revised appellate procedures, and to report thereon to the Assembly at its forty-fourth session. In part I of the report, which dealt with improvements in the area of appeals, it was stated that the appellate machinery and procedures had been streamlined in 1988: a redistribution of responsibilities between the offices responsible for conducting the administrative reviews of staff appeals and providing secretarial services to the Joint Appeals Board (JAB) had been carried out, while the presentation of responses to statements of appeal and the consideration of new appeals had become more timely. The Advisory Committee noted that the revised procedures had been codified and adopted in 1989 by the Headquarters JAB, as its rules of procedure. According to the Secretary-General, the procedural improvements had been in part responsible for the reduction in the size and age of the JAB case-load. The Advisory Committee further noted from paragraph 6 of the report that the number of pending appeals and the backlog of cases pending for more than one year had been virtually eliminated. It was stated in paragraph 9 that the Secretary-General's policy of accepting unanimous JAB reports, except where a major question of law or principle was involved, continued to be applied. The Advisory Committee believed that that policy, for its part, had helped to improve the system.

46. The revised procedures adopted at Headquarters had subsequently been transmitted to the joint appeals boards at other duty stations for their consideration and possible use. The Advisory Committee also noted that by September 1989 the numbers of cases pending before the Geneva JAB had been reduced to 30 and that there were only two cases pending before the Vienna and Nairobi JABs respectively. The Advisory Committee welcomed the progress which had been reported by the Secretary-General in the area of appeals and hoped that efforts would continue to be made to ensure the smooth operation of the system and the optimum use of resources. In that connection, the Advisory Committee hoped that, in the context of the programme budget proposals for 1992-1993, it would be provided with figures for the resources allocated for the administration of justice.

47. Part II of the report dealt with the disciplinary process and the current state of the reform process. It was pointed out that the reform process had begun in 1987 and had culminated in the drafting of a completely revised series of disciplinary rules which the Secretary-General intended to promulgate, effective 1 January 1990, to replace Chapter X of the Staff Rules. The revised provisions were set out in the annex to document A/C.5/44/9. The Advisory Committee noted the statement in paragraph 20 of the report that the promulgation of the revised rules

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(Mr. Mselle)

and procedures in a specific area of the administration of justice did not mark the end of the process in that area and that it was necessary closely to monitor their implementation in order to assess their effectiveness in the light of practical experience.

48. As explained in part III of the report, the Panel of Counsel had continued to assist staff members in preparing their statements of appeal and to provide appropriate counselling, thus obviating the need for formal appeals. The Advisory Committee noted that the amicable settlement of grievances had also been achieved through the intervention of grievance panels at both Headquarters and other duty stations. The Committee also noted that that procedure was designed to supplement, rather than replace, the formal procedures of the JAB, the Administrative Tribunal and specialized appeals bodies. The Secretary-General indicated in that connection that the next phase would focus on the improvement of informal procedures for the amicable resolution of staff grievances.

49. Mr. LADJOUZI (Algeria) said that the representatives of the Secretary-General should assist the Committee in dealing with personnel questions in all their aspects. He welcomed the resurgence to which the Under-Secretary-General for Human Resources Management had referred and said that it ought to be accompanied by equality and justice for the staff. The reports of the Joint Staff Pension Fund and ICSC contained a number of measures which his delegation viewed in a positive light. Nevertheless, he hoped that the issues of promotion, transparency in staff management, the functions of bodies dealing with personnel questions, coherence of the Staff Regulations, and recourse procedures could be taken up under that agenda item.

50. The CHAIRMAN informed the Committee that, in the context of the item under consideration, he had received a communication from the President of the Staff Union at Headquarters, Mr. Lowell Flanders, in which Mr. Flanders had requested that a designated representative of the Union should be invited to present a document which was to be submitted to the General Assembly in accordance with its resolution 35/213. If he heard no objection, he would take it that the Committee agreed to that request.

51. It was so decided.

AGENDA ITEMS 123 AND 124: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 AND PROGRAMME PLANNING (continued) (A/44/3, A/44/6/Rev.1, A/44/7 and A/44/16 and Add.1; A/44/206 and Corr.1 and Add.1)

First reading (continued)

Section 13. Economic Commission for Africa

52. Mr. BAUDOT (Director, Programme Planning and Budget Division) answered questions from delegations concerning section 13; the questions fell into three categories.

(Mr. Baudot)

53. The first concerned posts. The vacancy rate in ECA was among the highest in the Secretariat, and the Secretary-General was continuing his efforts to correct the situation. He was proposing 588 posts for 1990-1991, i.e. a reduction of 6.7 per cent in relation to the 630 posts proposed in the regular budget for 1988-1989. The current vacancy rate was 14.8 per cent, i.e. 70 to 75 posts, including 44 posts in the Professional category and above (about 21 per cent) and a 10 to 11 per cent vacancy rate in the General Service category.

54. With regard to the Secretary-General's proposal not to renew the post for an evaluation officer, he had made similar proposals for other commissions and departments which had a comparable temporary post. The Secretary-General hoped that the self-evaluation efforts might be accompanied by new attitudes, which would compensate for the non-renewal of the posts in question.

55. The Secretary-General proposed to create one non-recurrent P-5 post in the Technical Innovations Board. The representative of Ghana had noted that, in the case of the Economic and Social Commission for Western Asia (ESCWA), the Secretary-General proposed transforming a similar temporary post into a permanent one. However, the post to be created in ECA was a temporary one, it being understood that during the biennium 1990-1991 it ought to be possible to determine whether there was a need to make that temporary post permanent.

56. The second category of questions concerned the resources of ECA. The reduction of posts proposed by CPC with respect to the resources allocated to the United Nations Programme of Action for African Economic Recovery and Development was one of the smallest in the whole Secretariat. Efforts would be continued to mobilize extrabudgetary funds over and above those requested by the Secretary-General. In that connection an amount of approximately \$65,000 was requested under the Programme of Action for consultants and travel costs, to which must be added the activities allocated to the Programme by the Office of the Director-General for Development and International Economic Co-operation and the four non-recurrent posts proposed under the Programme in section 27 (Information). The Secretary-General also proposed that certain activities should be carried out by UNCTAD as part of the implementation of the Programme of Action.

57. The third category of questions concerned the multinational programming and operational centres (MULPOC) and the Pan-African Documentation and Information System (PADIS). The Secretary-General would submit to the forty-fifth session of the General Assembly an overall report on the MULPOCs, which would first be considered at the next meeting of the ECA Conference of Ministers. A study of PADIS would be made in 1990, and the efforts to mobilize extrabudgetary resources would be continued. If those resources proved insufficient, the Secretary-General would put the problem before the competent organs.

58. Mr. LADJOUZI (Algeria) said that his delegation was ready to accept the Secretary-General's budget estimates for section 13 provided that the following four questions were taken up in informal consultations during the second reading of the budget: (a) the creation of a non-recurrent temporary post for a Chief, Office

(Mr. Ladjouzi, Algeria)

of Automation, on which ACABQ had commented in paragraph 13.5 of its report (A/44/7); (b) the question of translation services, which ACABQ raised in paragraph 13.11 of its report, in particular the worrying situation with respect to the Arabic language, and the question of the resumption of the translators' training programme in ECA; (c) the CPC recommendations that the Secretary-General should provide ECA with sufficient resources commensurate with the priority assigned by the General Assembly to the United Nations Programme of Action for African Economic Recovery and Development and that the high vacancy rate should be eliminated (document A/44/16, paras. 181 and 183); and (d) the evaluation of ECA activities.

59. Mr. ETUKET (Uganda) endorsed the comments made by the Algerian delegation and said that his own delegation was worried about the low level of resources envisaged for the implementation of the Programme of Action. It could agree to the approval of section 13 in first reading only with great reluctance and provided that a suitable response was given to the request of the Algerian delegation.

60. The CHAIRMAN suggested that the Committee should take a decision in first reading on section 13 of the draft programme budget (Economic Commission for Africa), it being understood that informal consultations would be held on the four points raised by the Algerian delegation before the section was taken up in second reading.

61. It was so decided.

62. The CHAIRMAN said that, if there were no objections, he would take it that the Committee decided to approve the conclusions and recommendations of the Committee for Programme and Co-ordination concerning section 13 (A/44/16, paras. 179-184).

63. It was so decided.

64. An appropriation of \$59,112,800 under section 13 for the biennium 1990-1991 was approved in first reading without objection.

Section 14. Economic and Social Commission for Western Asia

65. Mr. ABDULLAH (Iraq) said that his Government attached great importance to the Economic and Social Commission for Western Asia (ESCWA). However, it regretted that the Commission's programmes had produced only limited and intangible results, and that some activities financed from the regular budget had not been carried out owing to the problem of vacant posts. The vacancy rate in ESCWA was very high, and in that connection his delegation drew attention to General Assembly resolution 39/243 of 18 December 1984, which had been sponsored by Iraq, concerning staff and administrative questions of the Commission. In view of the situation in the Commission, it was imperative for that resolution to be implemented.

66. Mr. HILLEL (Israel) stated reservations concerning section 14 in view of the fact that Israel had not been able to participate in the Commission's activities.

67. Mr. ABDULLAH (Iraq), speaking in exercise of the right of reply, said that Palestine was one of the States members of ESCWA and that Iraq supported all the efforts of that member State.

The meeting rose at 1 p.m.