



SUMMARY RECORD OF THE 49th MEETING

Chairman: Mr. KUYAMA (Japan)

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The meeting was called to order at 10.50 a.m.

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

Health insurance contributions by the Organization (A/C.5/38/16; A/38/7/Add.9)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that paragraphs 3 to 11 of the Secretary-General's report and paragraphs 1 to 7 of the report of the Advisory Committee on health insurance provided background information on the health insurance plans applicable to United Nations staff members in New York, Geneva, Vienna and other duty stations together with explanations of the costs of those plans and the manner in which the costs were shared between the staff and the Organization. At the moment the Organization was paying around 50 per cent of the total cost, and the staff as a whole was paying the remaining 50 per cent although, as the two reports indicated, the level of contribution paid by each staff member varied. In response to the General Assembly's request in resolution 37/126, section III, paragraph 8, the International Civil Service Commission (ICSC) had decided that the fifty-fifty cost-sharing formula should be replaced by a formula to be worked out using the methods described in paragraph 106 of its report to the General Assembly (A/38/30).

2. The Secretary-General had stated in his report that he would have preferred a straight formula applicable world wide, under which the Organization would pay two thirds of the cost of health insurance and the staff one third (see document A/C.5/38/16, para. 13), but the Advisory Committee stressed that if that formula had been adopted in preference to ICSC's, the share of health insurance costs paid by the United Nations would have been lower in New York but higher in other duty stations. At the moment, therefore, the ICSC formula was less costly for the Organization as a whole than that envisaged by the Secretary-General. He pointed out that for the present the ICSC formula would apply only to New York, and reminded members that according to the Secretary-General's calculation the average of health insurance contributions by the staff as a percentage of their net remuneration was lower in other duty stations than in New York. In view of the foregoing, the Secretary-General had recommended the General Assembly to approve the ICSC formula and suggested that the new arrangement should take effect from 1 January 1983. The Advisory Committee, on the other hand, had come down against retroactive application. Accordingly, it recommended against the supplementary estimates for 1983 for insurance premiums (see document A/38/7/Add.9, table 1). Nevertheless, it had approved the Secretary-General's formula for 1984-1985 (see table 1 again) subject to the comments and recommendations in its report (paras. 17-21). In paragraph 17 the Committee pointed out, in connection with the Secretary-General's assumption, that the further increase in health insurance costs would be paid in full by the Organization, that staff members' net salaries were not static and in his calculations the Secretary-General had overlooked that factor.

3. He remarked that the Advisory Committee felt it necessary to recommend a review of the application of the ICSC formula in paragraph 20 of its report. The other recommendations by the Advisory Committee relating to the ICSC formula were

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(Mr. Mselle)

summarized in paragraphs 23 to 25. The Advisory Committee, finally, had approved the Secretary-General's proposals for health insurance after separation from service, as indicated in paragraphs 8 to 22 of document A/38/7/Add.9.

4. Mr. KELLER (United States of America) said that the approach currently adopted in respect of sharing the cost of health insurance was based on too narrow an interpretation of General Assembly resolution 37/126, under which ICSC had been requested to examine the need for raising the ratio of the contribution made by the Organization for health insurance. His delegation believed that it was not the rate of subsidy that was the main problem but the method of adapting health insurance plans to the specific needs of subscribers. It therefore felt that the Committee should consider that question, basing itself if possible on the experience of the comparator national civil service. That civil service offered its staff a choice between various health insurance plans adapted to individual needs, since a person in good health did not necessarily need as broad a coverage as a person with chronic health problems. At the United Nations, however, staff members did not have that freedom of choice since they were offered only one plan providing many benefits which they did not necessarily need. Moreover, at the previous session of the General Assembly, the difficulties caused to staff members of the Secretariat by constantly increasing health insurance contributions had been stressed. His delegation therefore felt that ICSC should consider offering United Nations staff members the possibility of choosing between different plans. Although the administration of such a system could be complicated, it would be particularly appropriate in the case of New York where many insurance companies competed in offering a variety of plans.

5. The cost-sharing formula proposed by ICSC was complicated, and his delegation would prefer a simpler solution similar to the system of the comparator national civil service whereby 60 per cent of the cost of health insurance was borne by the Federal Administration and 40 per cent by the subscribers. That division was equitable and the contribution made by subscribers was sufficiently high to encourage them to choose carefully the health insurance plan most suited to their needs.

6. It was regrettable that the health insurance plan for staff members of the United Nations did not include a system of preventive care and health maintenance organization plans, on the basis of the principle that the expenses for the insurance company were lower if the insured person was kept in good health. His delegation hoped that the Committee would take into account that approach which was currently being considered by a study group in the United Nations Secretariat.

7. While recognizing that an increase in the percentage of the health insurance subsidy provided by the United Nations was justified, his delegation felt that it was impossible at the current stage to take a firm decision on the proposals of ICSC, the Secretary-General and the Advisory Committee. It therefore proposed that the Committee should adopt a draft resolution in which ICSC would be requested to submit a report expeditiously on the questions it had raised.

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8. Mr. EL SAFTY (Egypt) said that he had taken note with interest of the proposals put forward by the United States representative but wished nevertheless to recall that at the thirty-seventh session of the General Assembly, his delegation had submitted a draft resolution providing for a cost-sharing formula for health insurance whereby the United Nations would pay two thirds and the staff members one third, which would enter into force on 1 January 1983. Consultations had been undertaken on that subject and it had been found that the question was too complex and should first be studied by ICSC; as a result, section III, paragraph 8 of General Assembly resolution 37/126 had been adopted. In view of the difficulties encountered by staff members of the United Nations, whose net salaries were diminishing every year because of the increase in health insurance contributions, the sponsors of the resolution concerned had included in it the concept of retroactivity. ICSC had submitted the results of its consideration of the rates of health insurance subsidies paid by the organizations and the question of retroactivity in its report to the General Assembly (A/38/30). The Secretary-General had submitted his observations and recommendations in that respect, which had been slightly modified by the Advisory Committee. Although it was regrettable that the Secretary-General had opposed the principle of retroactivity, his delegation believed that the time had come to approve the Advisory Committee's recommendations which seemed to be compatible with the proposals of the United States delegation. The formula proposed by ICSC should be implemented immediately, and that would not exclude the possibility of offering United Nations staff members a choice between different health insurance plans at a later stage. The Committee could request ICSC to study the very valid ideas of the United States delegation and submit proposals on the subject to the General Assembly at its next session.

9. Mr. PEDERSEN (Canada) said that it was questionable whether the health insurance system of the United Nations could really be compared with that of the United States federal administration. The Noblemaire principle applied only to the salaries of staff in the Professional category; however, 60 per cent of the personnel of the United Nations did not belong to that category. Moreover, the amount of health insurance subsidies provided by other organizations varied considerably, and in some cases the full cost was paid. Bearing in mind the spectacular increase in health insurance premiums at New York, it was important that the Committee should take a decision on the question at the current session. Thus, the proposals made by ICSC did not necessarily exhaust the subject, and his delegation along with a number of others would submit a draft resolution recommending that ICSC continue to study the different options which could offer sufficient benefits at an affordable cost. In that respect, the suggestions made by the United States representative should be given further consideration. As to the cost-sharing formula, his delegation was prepared to support the proposal made by ICSC but, in accordance with the Advisory Committee's recommendation, ICSC must establish a ceiling on the subsidy provided by the Organization and report to the General Assembly at its fortieth session on changes to be made in that respect, taking into account the experience acquired over the forthcoming two years. At the current stage, the Committee should approve the Advisory Committee's recommendations which constituted a good point of departure for resolving the problem of health insurance.

10. Mr. MARRON (Spain) said that a solution must be found which would ensure the quality of health benefits provided to the staff and at the same time maintain the cost of health insurance at a level acceptable to all parties. In the absence of other proposals, his delegation was prepared to support the formula submitted by ICSC, but it would have preferred the solution suggested by the Secretary-General whereby the United Nations would have paid a predetermined percentage of the cost of health insurance. The current percentage of 50 per cent was clearly inadequate and his delegation would have no objection to raising it to 60 or even 75 per cent. The use of a simple formula, applicable throughout the world, would also avoid similar problems in other duty stations. As to the method used to calculate the level of contributions of staff members to health insurance, which represented 1.9 per cent of net salary for a single staff member and 3.8 per cent for a staff member with dependents, his delegation wished to know whether that was a weighted average or a simple arithmetical average.

11. Mr. LAHLOU (Morocco) said that the United Nations should assume a larger proportion of health insurance costs so that the percentage of their salary that staff members paid in contributions would remain constant. In his delegation's opinion, the ICSC recommendations should enable the Committee to take a well-informed decision, and the suggestions made by the representative of the United States should help it to consider that issue in greater depth. In any case, his delegation was opposed to the retroactive application of the formula adopted. While accepting the general plan proposed by the Advisory Committee and the principle of an increase in the health insurance contributions paid by the Organization, his delegation felt that ICSC should be encouraged to continue to study every possible option so as to ensure that the final decisions were not detrimental to either the Organization or the staff.

12. Mr. MERIEUX (France) wondered whether the measures suggested by ICSC really responded to the problems posed in connection with health insurance financing. He drew attention to the hybrid nature of the ICSC proposal, which made a distinction between New York - where the ceiling on the staff contribution would be set at 3.8 per cent for staff with dependants and at 1.9 per cent for unmarried staff - and the other duty stations, where the fifty-fifty cost-sharing formula would continue to be applied. In his opinion, the new system would necessarily create inequalities, and he asked whether, in keeping with the logic behind the ICSC proposal, the same ceilings should not be applied in every case. As currently worded, the ICSC proposals would, in any event, raise a number of questions. In particular, he wondered whether, one year later, when the average contributions paid by the staff as a whole were again calculated, the rates might not be lower than 1.9 per cent and 3.8 per cent, since the measures currently proposed would result in a reduction of the real costs borne by the staff in New York. He also asked whether New York was the only headquarters location where the ratio of staff contributions to net remuneration was higher than the average.

13. In view of the need to solve the health insurance problem quickly, his delegation was prepared to accept the Advisory Committee's proposals, on an entirely provisional basis, but it was important not to be satisfied with a patched up solution. On the contrary, the question should be viewed from a much

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more comprehensive perspective, so that the staff could be given a choice between different ways of covering health insurance costs. His delegation therefore welcomed the suggestions to the effect that ICSC should undertake a more exhaustive study of the issue.

14. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) observed that each of the three reports before the Committee on the complex question of health insurance financing contained different recommendations and, in the final analysis, raised more questions than they solved. Even the ACABQ report did not seem to be sufficiently well-founded to enable the Committee to take a decision, and the representative of the United States had rightly referred to certain matters which the ICSC should have studied thoroughly. In his delegation's opinion, the formula proposed by ICSC was arbitrary in that it distinguished between New York and the other headquarters locations and was based on percentages that seemed somewhat irrelevant. On that basis, it would appear difficult to reach a decision that truly responded to the interests of the staff, and his delegation therefore considered it to be essential to elaborate a rational formula, based on specific criteria. At the current stage, his delegation did not see the point of adopting the recommendations made by the Advisory Committee and agreed with the representative of the United States that ICSC should undertake an in-depth study of the question, taking into account all the aspects dealt with in the statements made by the various delegations so that a detailed report could be submitted to the General Assembly at its next session.

15. Mr. LANDAU (Austria) said that his delegation fully supported the recommendations made by the Advisory Committee on the basis of the Secretary-General's proposals. The formula proposed would probably cost the Organization less than an increase in the proportion paid by organizations applicable world wide. However, his delegation agreed with the representative of Canada that ICSC should continue to study the different possible options, and it expected the resolution concerning the ICSC report to contain a paragraph to that effect. His delegation was firmly convinced that the health insurance system constituted an important element of the working conditions, like the pension plan, and should offer sufficient coverage to ensure that, at the recruitment stage, no choice was made on the basis of health insurance. Moreover, his delegation had listened with interest to the suggestions made by the representative of the United States concerning the possibility of allowing the staff to choose between several health insurance plans, but it hesitated to take a position on that matter in view of the difference of scale between the United Nations and the United States Federal Administration, which employed several million people. Moreover, the example of the dental insurance plan, which was optional, showed that the financing of the plan could be undermined by the optional nature of the system. In addition, his delegation hoped that ICSC would carefully study every aspect of the after-service health insurance scheme, in particular the case of locally-recruited staff who were not entitled to any benefits after retirement.

16. Mr. FORAN (Controller), replying to a question from the representative of Spain, said that the averages of 1.9 per cent and 3.8 per cent calculated by ICSC

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were in fact weighted averages based on the number of staff in the General Service and Professional categories in the seven headquarters locations dealt with in the study. Replying to the request for clarification from the representative of France, he explained that, under the proposed system, the average contributions paid by the staff in New York could not drop below the 1.9 per cent and 3.8 per cent ceilings, because ICSC would regularly review the rates applied in the seven headquarters locations. He also explained that, for the time being, the new formula proposed by ICSC would be applicable only to New York.

17. Mr. KELLER (United States of America) reviewed some of the points raised by different representatives. With regard to the large number of health insurance plans offered by the United States Federal Administration, he explained that it was not necessary to apply every aspect of the model to the United Nations; that would be pointless in view of the difference of scale between the two employers. ICSC should merely be asked to use the wide range of proposed plans as a guideline in order possibly to offer the United Nations staff a choice. He considered as groundless the fear that the cost of health insurance or dental plans would rise inordinately if staff members had the option of joining. Those plans were already being applied in a large number of administrations and companies, and individual affiliation would not change the statistical criteria on which their cost was calculated.

18. Moreover, he felt that his delegation's suggestions fully responded to the concerns expressed by the representative of Canada, since they were directed towards relieving the staff's burden by enabling staff members to choose a health insurance plan suited to their needs and, at the same time, towards increasing the proportion of the burden borne by organizations. Under the new formula proposed by ICSC, the latter proportion, which had thus far been 50 per cent, would gradually be increased to 71 per cent, according to the Advisory Committee's recommendations, those in areas where health insurance costs were the highest, in other words, primarily in New York. However, his delegation believed that, if the contribution paid by organizations reached such a high percentage, staff members would no longer have any reason to choose an economical plan. Therefore, a ceiling must be set on the proportion borne by the Organization.

19. Mr. MERIEUX (France) said that, as he understood it from the explanations provided by the Controller, the percentage of the staff contribution was higher than the average only in New York and the rates of 1.9 per cent and 3.8 per cent would remain constant and would not be reconsidered so long as the Committee had not taken another decision on that subject.

20. The CHAIRMAN said that the proposal made by the United States delegation would be circulated as soon as possible, and he invited interested delegations to meet together in order to prepare a draft decision that could be broadly accepted.

United Nations language training programme (A/C.5/38/5)

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that in its most recent report on the matter (document A/36/7/Add.2, dated 5 October 1981) the Advisory Committee discussed the proposals made by the Secretary-General in his report on the review and evaluation of the United Nations language training programme (A/C.5/36/2). Among other things, in recommendation (d), the Secretary-General had suggested limiting to two the maximum number of official languages that staff members could learn free of charge. The General Assembly had requested the Secretary-General to conduct a review for the purpose of exploring the possibility of limiting the number of official languages which might be learnt free of charge and to report to it thereon at its thirty-eighth session. A study had accordingly been undertaken, showing that the number of people studying a third language was small and that limiting the number of official languages that could be learnt free of charge would not result in substantial savings for the Organization. On the other hand, such a step could adversely affect the level of enrolment for all official languages, particularly those that attracted fewer students. Consequently, the Secretary-General proposed not to pursue recommendation (b) and to place no limitation on the number of official languages which might be learnt free of charge. The Advisory Committee had accepted the Secretary-General's conclusion and was recommending that the Fifth Committee take note of the Secretary-General's report (A/C.5/38/5).

22. The CHAIRMAN said that, if he heard no objection he would take it that the Fifth Committee wished to recommend the General Assembly to take note of the Secretary-General's report on the United Nations language training programme.

23. It was so decided.

AGENDA ITEM 119: FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES IN THE MIDDLE EAST:

(a) UNITED NATIONS DISENGAGEMENT OBSERVER FORCE: REPORT OF THE SECRETARY-GENERAL (A/38/472 and Corr.1; A/38/588)

(b) UNITED NATIONS INTERIM FORCE IN LEBANON: REPORT OF THE SECRETARY-GENERAL (A/38/473 and Corr.1, A/38/589)

24. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that in paragraph 12 of its report on the financing of the United Nations Disengagement Observer Force (UNDOF), the Advisory Committee recommended approval of the Secretary-General's estimate for the costs of UNDOF in 1983-1984, which would mean that, provided the Security Council extended the mandate of UNDOF after 30 November 1983, the requirements for UNDOF should not exceed \$34,979,000 gross for the period from 1 December 1983 to 30 November 1984.

25. Turning to the United Nations Interim Force in Lebanon (UNIFIL), he pointed out that the Advisory Committee recommended the General Assembly to appropriate amounts corresponding to the commitments entered into for each of the three mandate

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periods from 19 December 1982 to 18 October 1983: those amounts were indicated in paragraph 8 of its report on the financing of UNIFIL. The Advisory Committee also indicated, in paragraph 12 of its report, that it had authorized the Secretary-General to enter into commitments of \$23,482,000 gross for UNIFIL for the period from 19 October to 18 December 1983 the Advisory Committee was recommending that that amount be appropriated by the General Assembly. As for the remaining months of the mandate, it recommended in paragraph 13 of its report that the Assembly should appropriate an amount of \$46,964,000 gross. The estimates for the period after 18 April 1984 were established on a monthly basis, as the Committee explained in paragraph 14, where it recommended the General Assembly to authorize the Secretary-General, subject to the prior concurrence of the Advisory Committee, to enter into commitments of up to \$11,741,000 gross per month for the period from 19 April to 18 December 1984.

AGENDA ITEM 117: UNITED NATIONS COMMON SYSTEM: REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (continued) (A/38/30 and Add.1; A/C.5/38/23, A/C.5/38/40)

26. Mr. AKWEI (Chairman, International Civil Service Commission), introduced the addendum to the ICSC report and outlined its content, stressing once again, in response to the Soviet representative's question on the financial implications of the fact that the Commission had been unable to reach any specific decision with regard to cost-of-living surveys, that the differences between the current post adjustment classifications and the results of the new cost-of-living surveys were based on preliminary findings by the Commission's secretariat. The Advisory Committee on Post Adjustment Questions (ACPAQ) had found that the findings raised serious difficulties and the extent of the differences would not be precisely known until the studies requested by ACPAQ were completed. It would not, therefore be possible to assess the possible financial implications accurately until ACPAQ and the Commission had made their recommendations.

27. The representative of the Soviet Union had also asked whether staff members had taken part in collecting the data for the cost-of-living surveys; he wished to reassure members that neither staff members nor members of their families were involved in data collection or analysis. Under a procedure adopted by ICSC on the recommendation of ACPAQ, however, staff representatives and/or their independent consultants were given access to the relevant data in order to reassure them that the surveys had been conducted with objectivity and competence.

28. To the representative of Trinidad and Tobago, who had pointed out that the Professional and higher categories received both assignment allowances and rental subsidies while General Service staff members received only the one or the other, he said that the rental subsidy scheme, as it applied to the Professional and higher categories, operated within the framework of the post adjustment system; whenever the average amount of subsidies paid to all such staff members went up at a given duty station, the post adjustment classification at that station fell. Rental subsidy had not formed part of the remuneration system for staff in the General Service and related categories until the Commission's decisions at its eighteenth session, but the non-resident's allowance had been applicable at all

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(Mr. Akwei)

duty stations. When the Commission considered the issue in depth, it had felt that there was no justification for continuing to pay the non-resident's allowance except at those few duty stations where recruitment difficulties were noted. It had therefore decided to grant the allowance only at selected duty stations. Its attention had, however, been drawn to the fact that in some duty stations where non-residents' allowances had previously been paid but would not be under the revised system, high rents would make it difficult to recruit and retain expatriate General Service staff. The Commission had therefore agreed to apply the rental subsidy scheme at those duty stations on an experimental basis, on the understanding that the matter would be reviewed in the near future.

29. Regarding the observation made by the representative of Greece on behalf of the member States of the European Community, that according to ICSC's conclusions the margin remained above the level generally accepted under the Noblemaire principle, he pointed out that the Commission had not in fact yet made any recommendation on the matter, and the General Assembly had not decided on the exact level of the margin. The review of the basis for the determination and level of remuneration of the Professional and higher categories, called for by the General Assembly in resolution 37/126, was in progress and the Commission, which was addressing the issue of the margin in that connection, hoped to make recommendations to the General Assembly at its thirty-ninth session.

30. Replying to the representative of Upper Volta, who had asked whether the United States Federal Civil Service was still the comparator national civil service used in the application of the Noblemaire principle, he said the Commission had informed the Assembly at its thirty-sixth session that, based on a comparison of non-expatriate benefits, it considered there was no evidence to suggest that any civil service other than the United States Federal Civil Service should be taken as the comparator. The Commission did recognize that the Noblemaire principle implied periodic review of the choice of national civil service to serve as the comparator; a review could take place once a method of comparing total compensation, to include expatriate benefits, had been developed.

31. The representative of Austria had asked about the special index for pensioners; on the recommendation of ICSC the General Assembly had approved, in resolution 37/126, a method of adjusting cost-of-living differential factors to take account of zero or low rates of taxation in comparison with those applicable at the base of the system. Applying that method was the responsibility of the Pension Fund, whose representative might wish to inform members about the procedure followed.

32. In connection with a question from the representative of Argentina about the regressive nature of the rental subsidy scheme at headquarters duty stations, he explained that an in-depth study by ACPAQ had shown the rents paid by newcomers were considerably higher than average levels at a given duty station, which was no longer the case with staff members who had been there for five years or more. The Commission had therefore decided to provide relief for newcomers and had felt that the best way of effecting the change to the status of a staff member who had been at the same station for more than five years was to use a regressive formula.

(Mr. Akwei)

33. Several delegations, including those of Austria, Japan, Trinidad and Tobago and the United States, had expressed their views on the education grant, some of them feeling that the provisions currently in force were not consistent with the original intent. In 1978, when it adopted the recommendation by ICSC following a comprehensive review of the matter (A/33/30), the General Assembly had recognized that if the grant was to be paid as an expatriate benefit one could not require the education to be given in the home country. As for the question from the representative of Greece on behalf of the member countries of the European Economic Community, he said that ICSC based its recommendations on the findings of a survey by the Consultative Committee on Administrative Questions of 6,400 staff members receiving the grant (about 50 per cent of the total). Interested delegations could be given a copy of the documents on the subject that the Commission had had before it at its seventeenth session. On the matter raised by the representative of Canada, he said that the ICSC secretariat had felt that reimbursing 100 per cent of education costs for handicapped children (the ceiling being set at \$6,000) would result, for all the organizations in the common system, in supplementary outlays of approximately \$200,000 per annum.

34. The representative of the Soviet Union had commented, concerning the comparison of total compensation, that the Commission was still disregarding the General Assembly's clear directive, in resolution 36/233, part III, paragraph 1 (b), that the study of total compensation between the United States Federal Civil Service and the International Civil Service should be completed as matter of priority, excluding expatriate benefits in the United States Federal Civil Service but taking them into account in the United Nations system. During the Fifth Committee's discussion of that resolution at the thirty-sixth session, he (Mr. Akwei) had drawn attention to the fact that it would be difficult for the Commission to comply with that paragraph because it was required to study total compensation on the one hand and a limited form of total compensation on the other, which ran counter to the basic principle of comparing total compensation. The representatives of Barbados and Belgium, who had been among the sponsors, had stipulated at the time that total remuneration should be regarded as excluding expatriate benefits. In considering resolution 36/233 at its fifteenth session, ICSC had concluded that, at least for the time being, the Assembly did not wish it to embark on a study of total compensation involving the expatriate benefits applicable in each civil service.

35. It might be because there was some confusion between the margin and expatriate benefits that some argued that expatriate benefits should be taken into consideration only on the United Nations side when comparing total compensation. In any event, he pointed out that document A/C.5/331 defined the margin, in paragraph 3, in relation to three factors: (a) the relatively better position of national, as compared with international services, to guarantee stability and security of employment; (b) the more limited prospects of promotion to the highest posts in an international secretariat compared with such prospects in most national services; (c) the fact that a large proportion of any international staff was required to incur additional expense and to make certain sacrifices by living away from their own country. To be valid, therefore, the comparison of total compensation should apply to a United Nations official (expatriate) and an official

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of the United States Federal Civil Service (also expatriate), with expatriate benefits being taken into consideration on both sides. If the General Assembly was prepared to accept that position, the Commission could spread the study over a period and thereby reduce the costs by dispensing with outside assistance.

36. Of the many representatives who had spoken about the level of pensionable remuneration, some had criticized the system of basing it on the weighted average of post adjustments (WAPA) and one of them had suggested replacing that system and freezing the level of pensionable remuneration. The General Assembly could of course decide that the individual benefits should be studied separately, but it would be easier for it to examine the total compensation, to compare it with that of the best paid national civil service and to decide what the margin should be. As to the use of WAPA, he recalled that in 1980 the General Assembly had approved, with effect from 1 January 1981, the dual indexing of pensionable remuneration, under which the level of remuneration for purposes of calculating contributions (PR/C level) was not allowed to fall below that for purposes of calculating benefits (PR/P level). In compliance with that rule, the PR/C level had been adjusted twice owing to the fact that, while WAPA had moved by only 2.4 per cent between January 1981 and July 1983, the rise in the United States consumer price index (CPI) had had the effect of increasing the remuneration amounts for the two purposes described by some 16 per cent. For WAPA to play any role in effecting an increase in the PR/C, it would have to go up by more than 20 per cent, which was not very likely in view of the continued strength of the United States dollar. Stopping the operation of WAPA, therefore, would not halt the movement of pensionable remuneration. On the other hand, if the movement of pensionable remuneration due to the CPI was halted, it would be necessary to freeze pension benefits also. The implications of freezing pensionable remuneration was an issue which had to be faced. It had not been made clear whether the idea was to freeze all grades at present levels or to put a ceiling at the top. Neither ICSC, which was concerned with the matter under article 10 of its Statute, nor the Pension Board had studied the matter because whenever that idea had been suggested, it had not been approved by the General Assembly for valid reasons, the principal reason being that freezing the PR/C would automatically mean freezing contributions and therefore freezing the adjustment mechanism based on the CPI, and ultimately freezing the pension benefits paid by the organizations of the common system. Any such unilateral decision by the General Assembly, even if temporary, was likely to be greatly resented by the other organizations of the system and their staffs as a decision not based on technical grounds. He therefore hoped that the members of the Committee would continue to reflect on that old divisive problem.

37. ICSC intentions concerning language incentives had provoked varying reactions. The Commission's position had been supported by the representatives of the USSR, Japan, the United States, the German Democratic Republic, Trinidad and Tobago, Bahamas and Czechoslovakia and had been questioned by those of Spain and Italy, and by the representatives of France, who had expressed surprise that the Commission had instructed its secretariat to look at possible alternatives to what was currently being done, without having been asked to do so by the General Assembly. The representative of Canada had asked ICSC to review the matter in consultation with other organizations and their staffs with a view to presenting specific

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recommendations on a common approach. Lastly, the representative of Greece, speaking on behalf of the Ten, had stressed that it was desirable for staff to be encouraged to improve their language skills. He (the speaker) wished to make it clear, first of all, that the Commission was competent to deal with any matter relevant to the common system. He reminded the Committee that the incentive system introduced by the General Assembly in resolution 2480 (XXIII) 19 B envisaged three actions: accelerated step increments for staff in P-1 to D-1 who were found proficient in a second official language; the requirement of proficiency in a second official language for promotion, although the Secretary-General was authorized to waive that rule if necessary; and improved language-training facilities. While progress had been made in language training, the situation regarding the other two elements left much to be desired. The first was discriminatory, since it was applicable only to staff subject to geographical distribution and it excluded the staff of bodies not funded from the regular budget (UNDP, UNICEF, etc.); the General Assembly surely would not wish that situation to continue. He pointed out that some 73 per cent of Professional staff appointed under the United Nations regular budget were eligible for consideration for the accelerated increment, that 42 per cent of those staff members actually qualified for it, and that there had been little movement in the numbers receiving it since the adoption of the resolution and the establishment of Arabic as an official language. As to the rule making promotion subject to knowledge of a second official language, he had been informed by the Secretariat that whenever waivers were requested they were nearly always granted, so that there was little point to that requirement. Lastly, the Commission's report clearly showed that the organizations and staffs of the common system did not favour the introduction of the United Nations arrangement in all organizations. ICSC had therefore decided to study the question with a view to a common approach, thereby meeting the wishes of the Canadian delegation and of various parties concerned.

38. The support expressed by many delegations for the Commission's work on personnel policy was very encouraging. With reference to the observations of the representatives of the German Democratic Republic and of Trinidad and Tobago, as well as of the Chairman of FICSA, who were surprised that ICSC had given such low priority to the study of recruitment measures for women, young people, disabled persons, and nationals of unrepresented and under-represented Member States, he stressed that the sequence in which ICSC studied problems did not reflect its views on their relative urgency. Its work programme was based on the assumption that it was first necessary to define a sound general policy in the area of recruitment and, on that basis, make specific recommendations to remedy existing imbalances and facilitate the recruitment of candidates from priority groups such as those that had been mentioned. In that respect, ICSC was particularly heartened by the positive comments of the representative of Greece, who, speaking on behalf of the European Economic Community, had said that strengthening of national recruitment services should assist in improving geographical distribution as well as the recruitment of women. With regard to the need, stressed by the representative of Bulgaria, to look at conditions of service also in the light of staff efficiency and behaviour, ICSC did not automatically share the views of FICSA that the loss of purchasing power threatened to lower the efficiency of the secretariats because it demoralized the staff and aggravated the recruitment and retention difficulties of

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the organizations. The Commission intended to pursue its work in two areas: while keeping the conditions of service under review, it aimed simultaneously at improving staff efficiency by establishing first and foremost job classification standards throughout the common system and then making specific recommendations to organizations on how those standards could be utilized to strengthen human resources planning and thereby to ensure more efficient utilization of staff resources. It went without saying that staff morale was dependent as much on the job satisfaction provided as on material reward.

39. In reply to the representative of Argentina, who had expressed surprise that, in spite of the provisions of General Assembly resolution 37/126, the Commission had not recommended that its proposals for health insurance should be implemented with retroactive effect, he explained that, in view of the administrative complications caused by such decisions, it was the usual practice for the Commission to give organizations several months' leeway for taking the necessary steps to implement them.

40. The representative of Bulgaria had raised the question of the "multiplicity" of staff groups and of their effects on the need to develop a unified international civil service. He wished to explain in that regard that there were only two bodies representing the staff and that the criteria set by the Commission prevented their proliferation. The sole concern of the Commission in the matter was to ensure that there was a mechanism for presenting staff views to it without obstructing its work. The emergence of groups representing different points of view was a democratic process which did not stand in the way of the Commission's efforts to develop a unified international civil service.

The meeting rose at 1.10 p.m.