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Chair: Mr. Gohar (Vice-Chair) (Pakistan)
*Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Sene

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In the absence of Ms. Bird (Australia), Mr. Gohar (Pakistan), Vice-Chair, took the Chair.

The meeting was called to order at 3.05 p.m.

Agenda item 143: United Nations common system
(A/73/30 and A/73/446; A/C.5/73/2)

1. **Mr. Rhodes** (Chair of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for 2018 (A/73/30), said that ICSC had initiated a comprehensive review to align pensionable remuneration with the unified salary scale. Recognizing the complexity and interdependence of the various elements involved, the Commission had studied options for recalculating pensionable remuneration under the scale; the grossing-up factors, which were the percentage of salary used in the calculation of pensions; and a study comparing the pension schemes of the United States federal civil service and the United Nations. The report contained the Commission's conclusions and recommendations on the matter as well as a revised common scale of staff assessment and a revised pensionable remuneration scale.

2. In 2016, ICSC had recommended the establishment of end-of-service severance pay for staff serving under a fixed-term contract that expired without renewal. The General Assembly had not reached consensus on the matter and had requested, in its resolution 71/264, that the Commission undertake a comprehensive analysis of the effect of the adoption of that recommendation. As part of the analysis, ICSC had reviewed the practices of other regional and international organizations and of the comparator civil service, the United States federal civil service. Its findings and recommendations on the matter were contained in paragraphs 48–65 of and annex IV to the report.

3. The field-based organizations in the Human Resources Network had raised the matter of duty stations that had a hardship classification of D or E but were not designated as non-family duty stations, and had pointed out that the provision of adequate alternative arrangements to support staff well-being was an important aspect of the Organization's duty of care. After studying the matter, ICSC had decided to provide flexibility under the existing arrangements by allowing staff members with eligible dependants to decide whether to install their families at such duty stations and receive the related allowances, or not to install their families and instead to receive a reduced amount of the non-family service allowance. The Commission's decisions, which were intended to help the organizations

fulfil their mandates at the most difficult duty stations, were contained in paragraphs 156 and 157 of the report.

4. Under a standing mandate from the General Assembly, the Commission had continued to monitor the net remuneration margin. Following established practice, it had, on the basis of the latest available staff statistics, revised to 113 the estimated 2018 margin of 114.4 contained in its report.

5. The Commission had recommended adjustments to the unified base/floor salary scale for staff in the Professional and higher categories, which had come into effect as of 1 January 2017, on the basis of a comparison of net base salaries of United Nations officials with their counterparts in the comparator civil service. To reflect the movement of base salaries under the General Schedule scale of the comparator and a number of tax changes that had taken effect in the United States in 2018, ICSC recommended a 1.83 per cent increase in the United Nations base/floor salary scale, with effect from 1 January 2019. The usual practice, in which the salary scale was increased and the post adjustment multiplier was reduced commensurately, would result in no change in net take-home pay. The proposed salary scale and pay protection points were contained in annex VI to the report.

6. In 2016, the Commission had revised its human resources management framework, which had been in place since 2000. Given the increased recognition of the importance of diversity and gender in the common system, the Commission had decided to approve the inclusion in the revised framework of a workforce diversity component, set out in annex V to the report.

7. **Mr. Ramanathan** (Acting Controller), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of ICSC for the year 2018 (A/C.5/73/2), said that the decisions and recommendations of the commission with financial implications related to pensionable remuneration for the Professional and higher categories of staff; the end-of-service grant; the base/floor salary scale adjustment in respect of separation payments; children's and secondary dependant's allowances; and conditions of service in the field, in particular at duty stations with extreme hardship conditions. The financial implications of those recommendations and decisions were estimated at \$9,725,200 for the programme budget for the biennium 2018–2019 and the same amount for the proposed programme budget for the year 2020. Should the General Assembly approve the

recommendations of the Commission, the requirements relating to the 2018–2019 programme budget would be addressed, as necessary, in the context of the second performance report, and the requirements for 2020 would be taken into account in the context of the proposed programme budget for that year.

8. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee ([A/73/446](#)), said that, in addition to the estimated financial implications for the programme budget for the biennium 2018–2019 and the proposed programme budget for the year 2020, the decisions and recommendations of the Commission relating to the issues set out in the statement by the Secretary-General would result in estimated additional resource requirements for peacekeeping operations of \$3,548,800 for the financial period from 1 July 2018 to 30 June 2019 and \$7,097,600 for the financial period from 1 July 2019 to 30 June 2020. The Advisory Committee trusted that the General Assembly would be provided with more detailed explanations regarding the significant difference between the estimates by the Secretariat and by the Commission of the total annual cost implications for the Secretariat for the year 2020. The Advisory Committee recommended that the Assembly take note of paragraph 20 of the Secretary-General's statement ([A/C.5/73/2](#)).

9. **The Chair**, in accordance with General Assembly resolution [35/213](#), invited a representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) to make a statement. He also invited a representative of the Federation of International Civil Servants' Associations (FICSA) to make a statement.

10. **Ms. Nemeth** (Coordinating Committee for International Staff Unions and Associations of the United Nations System) said that CCISUA supported the much-delayed increase in pensionable remuneration proposed by ICSC and the United Nations Joint Staff Pension Board, which would bring the income replacement ratio of the Organization closer to that of the comparator civil service, and the pensionable remuneration of General Service staff closer to that of Professional staff. CCISUA also supported the proposals to ensure that the children's allowance was calculated in accordance with the approved methodology; an updated calculation had been extensively delayed during the earlier compensation review. In addition, the Coordinating Committee supported the introduction of an end-of-service grant for staff on fixed-term contracts that expired without renewal, a provision that was essential given current

reforms and restructuring. The introduction of an allowance for staff who did not install their families at D and E duty stations that were not designated as non-family duty stations reflected a similar provision of the comparator civil service and was essential in order to attract staff to field locations, given that many staff currently chose not to install their families at such duty stations and instead paid for a second home out of pocket.

11. The Coordinating Committee welcomed the progress made in the review of the post adjustment system, in which it would fully participate to improve the operational rules and the statistical methodology. It would ensure that its concerns regarding willing comparators, weightings that reflected where staff were recruited, currency fluctuations, language skills and actual comparability were taken into account in the review of locally recruited staff salaries. It supported the inclusion in the human resources management framework of a diversity component; the staff unions had been at the forefront of the campaign for a more diverse workforce in terms of gender, geographical origin, disability and other factors. At the same time, competence must be the primary consideration in recruiting staff. Lastly, there was a need to review ICSC operations in order to ensure that, in line with modern national systems, staff had full negotiating rights in the determination of their conditions of service. While the Commission had made welcome efforts at its last session to build consensus, the principle of staff negotiating rights should be enshrined to make ICSC fit for purpose.

12. **Mr. Fitzgerald** (Federation of International Civil Servants' Associations), said that the relationship between FICSA, the General Assembly, the Fifth Committee, the Secretariat and the common system had existed since the Assembly had decided, in its resolutions [34/220](#) and [35/213](#), to receive and consider fully the views of the staff as set out by a designated representative of the Federation, a relationship that had also been integrated long before into the rules of procedure of ICSC. Since the 1960s, the four staff members of the Federation had held Secretariat employment contracts, administered by the United Nations, in respect of which FICSA reimbursed the Organization. Several years previously, however, a United Nations legal officer had provided an opinion to the effect that the Secretariat should no longer administer the contracts, and the Federation now sought a decision of the Assembly formally recognizing established practice by authorizing the Secretary-General, from within existing resources, to provide and

administer Secretariat contracts for FICSA staff and to ensure that the Federation had the relevant facilities.

13. Despite differences of opinion regarding the most recent cost-of-living surveys conducted by the Commission, FICSA would participate in the upcoming ICSC reviews of the post adjustment system and the General Service salary survey methodology, which should be driven not by a desire to reduce costs but by a genuine interest in resolving the issues reported by the local survey committees. The United Nations Joint Staff Pension Fund was one of the strongest pillars of the common system. Although the United Nations Joint Staff Pension Board had accepted many of the recommendations contained in the report of the Office of Internal Oversight Services (OIOS) on the comprehensive audit of the governance structure and related processes of the Board ([A/73/341](#)), the inter-agency nature of the Fund and of the Board had not been adequately taken into account in some of those recommendations. Reasonable professional care should have been taken to obtain sufficient evidence to support the conclusions drawn in the OIOS report. A comparison of the governance structure of the Board with that of other pension boards would have made the audit more useful. The Federation was concerned about unresolved staff-management issues in several common system organizations.

14. **Mr. Alsayed** (Egypt), speaking on behalf of the Group of 77 and China, said that the Group supported the role of ICSC in the regulation and coordination of the conditions of service of the common system. As staff were the Organization's most valuable asset, conditions of service that could attract and retain a capable, dynamic and motivated workforce must be maintained. The Group reaffirmed the General Assembly's role in determining the conditions of service; staff serving under similar conditions should receive equal treatment throughout the common system. In informal consultations, the Group would follow up on the implementation of the General Assembly resolutions and decisions regarding the 2016 cost-of-living survey and the mandatory age of separation.

15. To ensure that the United Nations was a socially responsible employer, the Group would carefully examine the Commission's recommendations on pensionable remuneration; the end-of-service grant; remuneration of the Professional and higher categories; children's and secondary dependant's allowances; and conditions of service at hardship duty stations. The Commission had updated the human resources management framework to ensure that the Organization's workforce was diverse in terms of equitable geographical distribution and gender balance

and from cultural, generational and multilingual perspectives and the perspectives of persons with disabilities. The Group had always advocated gender balance and equitable geographical distribution, and encouraged ICSC to foster such distribution throughout the system, not only in a subset of posts. The Group welcomed the Commission's attention to the welfare of staff with disabilities, including accessibility and the provision of individualized reasonable accommodation in the workplace. The Organization should pursue its efforts to make the Inspira recruitment platform and the United Nations careers portal more accessible for applicants with disabilities.

16. **Ms. Nalwanga** (Uganda), speaking on behalf of the Group of African States, said that the Group supported ICSC in its role of improving staff welfare and shaping human resources management policies. By regulating and coordinating conditions of service and entitlements in line with best practices, the Commission had helped attract and retain highly qualified personnel. The Group attached great importance to the conditions of service of persons with disabilities, and would, in informal consultations, seek further clarification regarding the Organization's plans to make Inspira and the careers portal more accessible to applicants with disabilities.

17. Efforts to achieve gender parity in the United Nations system, for which the Group had long advocated, must not be reduced during the current reforms. Gender parity implementation plans should be developed in all Secretariat entities, and the Group would monitor progress towards such parity, particularly among Africans in senior positions. Strategic, coordinated and sustained efforts were needed to address the long-standing imbalance in geographical representation. The Group would seek to understand the ways in which staff would benefit from the decisions and recommendations of ICSC, in particular those related to pensionable remuneration for the Professional and higher categories, the end-of-service grant, the remuneration of the Professional and higher categories, children's and secondary dependant's allowances, and conditions of service at hardship locations in the D and E categories.

18. **Ms. Demetris** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia, the Republic of Moldova and Ukraine, said that ICSC played an essential role in enhancing the functioning of common system organizations. The Commission's

recommendation on consistent policies and standards to avoid discrepancies among conditions of employment in the common system, to be submitted to the General Assembly at its seventy-fourth session, would be essential to maintaining a level playing field for staff and ensuring the most efficient use of the organizations' resources. Decisions of the Assembly on ICSC recommendations should be implemented in full and without delay.

19. **Ms. Norman-Chalet** (United States of America) said that ICSC had been established to ensure consistency and continuity in the regulation and coordination of the conditions of service of the common system. Her delegation had long supported the work of ICSC in ensuring that staff compensation was streamlined, modern and fair. While the United Nations must attract and retain high-performing staff to fulfil its mandates, changes in the conditions of service must be based on the realities of the global marketplace. Her delegation was concerned that the Committee had before it proposals for new allowances and increases in existing allowances less than three years after the adoption of General Assembly resolution 70/244, which, by simplifying and modernizing the compensation of staff in the Professional and higher categories, had reduced certain elements that had unjustifiably increased. Her delegation would carefully consider the justification and methodology for the proposals, including the ways in which they fitted into current reform efforts and previous decisions on the rationalization of conditions of service.

20. Her delegation objected to the recent arbitrary salary bonuses paid to World Intellectual Property Organization staff, which undermined the common system and the holistic approach that the Commission and Member States must take in considering recommendations on the conditions of service. The General Assembly at its seventy-second session had supported the Commission's decision to reduce the post adjustment in Geneva. The organizations that had not implemented that decision or the Commission's decision on the mandatory age of separation should do so without delay. Her delegation welcomed the Commission's report on diversity, reiterated that the common system should reflect the principles enshrined in Article 101 of the Charter of the United Nations, and looked forward to the outcome of the Commission's review of the conditions of service of General Service staff.

21. **Mr. Wakabayashi** (Japan) said that his delegation supported the role of the common system in ensuring the efficiency and effectiveness of the conditions of service of staff in participating organizations. To maintain a

high level of motivation and confidence among staff, the Organization's greatest asset, the system should be constantly reviewed on the basis of changes in national civil service wages, the cost of living and other aspects of the economic situation, to ensure that it was transparent, fair and sustainable. His delegation attached great importance to the role of ICSC in improving the coherence and effectiveness of the management of system entities. To maintain the system's credibility, participating organizations should implement the decisions of the General Assembly and ICSC in full and in a timely manner. Significant resources would be required to implement the Commission's recommendations. Since staff remuneration was funded by the Member States, which were accountable for the efficient use of resources contributed by taxpayers, the Committee must closely examine the justification for any additional requirements. His delegation reiterated its confidence in ICSC as the body responsible for regulating and coordinating the conditions of service of staff in the common system.

22. **Mr. Kalugin** (Russian Federation) said that ICSC played a significant role in the proper functioning of the common system through its review of staff remuneration and benefits; his delegation would support all the Commission's recommendations during the Committee's deliberations. He welcomed the consideration by ICSC of the framework for human resources management, the review of pensionable remuneration, the adjustment of the unified base/floor salary scale for the Professional and higher categories, and the children's allowance. The recommendations regarding an end-of-service grant for staff members whose contracts were not renewed owing to circumstances beyond their control were fully justified.

23. With regard to the implementation of ICSC decisions and recommendations, his delegation was concerned about the payment by the World Intellectual Property Organization of an additional cash incentive to its staff. Such actions undermined the common system, in which staff benefits and allowances were determined by the General Assembly on the basis of the Commission's recommendations. Organizations should implement in a timely manner the decision that the mandatory age of separation should be raised to 65 years. His delegation reiterated the importance of ICSC as the only mechanism for determining conditions of service in the United Nations system.

The meeting rose at 3.50 p.m.