



# General Assembly

Sixty-seventh session

Official Records

Distr.: General  
28 December 2012

Original: English

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## Fifth Committee

### Summary record of the 16th meeting

Held at Headquarters, New York, on Monday, 26 November 2012, at 10 a.m.

*Chair:* Mr. Berger. . . . . (Germany)  
*Chairman of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Kelapile

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*The meeting was called to order at 10.10 a.m.*

**Agenda item 135: Human resources management**  
(*continued*) (A/66/327 and Add.1 and A/67/99 and Corr.1, 136 and Add.1, 171 and Corr.1, 306, 324 and Add.1, 329 and Add.1, 337 and Add.1 and 545)

1. **Mr. Xie Xiaowu** (China) said that human resources management reform should be used as an opportunity to strive for universal representation by addressing the under-representation of developing countries in the geographic distribution of posts in the Secretariat.

2. Staff mobility, if properly implemented, would enrich the experience of staff members and enhance the Organization's capacity to implement its mandates. Since no precedent existed for large-scale staff mobility in a similar institution, the Secretariat should carefully analyse the current problems in order to ensure that the reforms addressed them adequately. It should also assess the administrative and fiscal impact of including all duty stations and heed the views of all stakeholders. Existing recruitment and promotion policies should be utilized to enhance mobility within the Secretariat and the performance assessment system and accountability should be strengthened. Dialogue between management and staff should be improved so as to establish a harmonious work environment and foster a common sense of mission in delivering the Organization's programmes.

3. **Mr. Benmoussa** (Morocco) said that without competent, dynamic, motivated and mobile staff it would be difficult for the Organization to discharge its mandates. Considering that staff costs accounted for over 70 per cent of the regular budget and 25 per cent of the combined peacekeeping and support budgets, optimal human resources management was crucial. Despite the Secretariat's efforts to ensure proper staffing, many gaps remained, including high vacancy levels in peacekeeping and special political missions that threatened to jeopardize the implementation of mandates. Moreover, the Organization could not remain effective without an adaptable and mobile Secretariat staff.

4. Improving the geographic distribution in the composition of the Secretariat was also important. As most of the Organization's work related to development, developing countries should be better represented, particularly by women and in senior posts.

5. **Ms. Takahashi** (Norway) said that Member States expectations' could not be met unless the Organization had the ability to recruit the right person to the right place at the right time. She welcomed the Secretary-General's ambitious vision for the reform of human resources management, including through the mobility framework, which would result in a more flexible and experienced workforce. While the General Assembly should provide guidance, it should avoid micromanaging the reform process.

6. Measures should be put in place to reduce recruitment time; progress on that issue had been unsatisfactory. Proactive measures were also needed to ensure equal representation of men and women at all levels in the Secretariat. She welcomed the inclusion of voluntary postings in the proposed mobility framework, which would ensure balance between voluntary mobility and the requirements of strategic management. She also endorsed the Advisory Committee's call for analysis of the results of contractual reform in order to draw lessons from measures already taken.

7. **Mr. González Segura** (Mexico) said that the information provided on the proposed mobility framework failed to give a full picture of how the system would function. The General Assembly should exercise its oversight in order to ensure that the new system was fully understood and complied with its resolutions on geographic representation and gender balance. The mobility policy should also take into account the legitimate career expectations of United Nations staff. As members of diplomatic missions, delegations were well aware of the challenges of mobility for individuals and families. Nonetheless, the goal of establishing a modern mobility system that reflected the Organization's global nature was a good one. While the Secretary-General's proposal required further clarification, the Assembly should provide guidance that would enable the Organization to move responsibly towards that goal.

8. **Ms. Pollard** (Assistant Secretary-General for Human Resources Management), responding to the comments of delegations, said that contractual reform and the harmonization of conditions of service had laid the groundwork for the proposed mobility framework, which was a key pillar of human resources management reform. Her team would respond during informal consultations to the questions raised by

Member States and would welcome the Assembly's guidance on how to move forward.

**Agenda item 130: Programme budget for the biennium 2012-2013** (*continued*)

*Revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2012 (A/67/503 and 577)*

9. **Ms. Casar** (Controller), introducing the Secretary-General's report on the revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2012 (A/67/503), said that the additional requirements were estimated at \$1,093,800 for the programme budget for the biennium 2012-2013 under section 1, Overall policymaking, direction and coordination; section 2, General Assembly and Economic and Social Council affairs and conference management; section 9, Economic and social affairs; section 24, Human rights; and section 29E, Administration, Geneva. The amounts of \$90,000 and \$17,500 would be absorbed in sections 1 and 9, respectively, of the programme budget for the biennium 2012-2013. The remaining additional requirements of \$986,300, resulting from Economic and Social Council resolution 2012/29, were sought over and above the approved appropriations for the biennium. Furthermore, additional requirements of \$405,400 resulting from the same resolution would arise in 2014 under budget sections 2, 24 and 29E and would be considered in the context of the proposed programme budget for the biennium 2014-2015.

10. The Secretary-General's recommendations were set out in paragraphs 34, 35 and 36 of the report.

11. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/577), said that the Advisory Committee had no objection to the course of action proposed by the Secretary-General concerning the sum of \$107,500 to be absorbed within the relevant sections of the approved appropriations for the biennium 2012-2013. Concerning the sum of \$986,300 sought over and above the level of funding for the current biennium and the sum of \$405,400 to be considered in the context of the proposed programme budget for the biennium 2014-2015, the Advisory

Committee was of the view that the Secretary-General should make every effort to absorb the additional requirements, failing which any additional expenditures should be reflected in the relevant performance report.

12. **Mr. Benmehidi** (Algeria), speaking on behalf of the Group of 77 and China, said that mandates approved by intergovernmental bodies, particularly those related to development activities, should receive predictable and adequate funding. The Group therefore supported the provision of the additional resources required to finance the resolutions and decisions of the Economic and Social Council. The Group would also seek information concerning the use of the contingency fund, in the light of the Advisory Committee's statement that the fund could be exhausted before the first year of the current biennium had ended.

**Agenda item 137: United Nations common system** (A/67/30 and Corr.1 and A/67/573; A/C.5/67/3)

13. **Mr. Rhodes** (Chairman of the International Civil Service Commission (ICSC)), introducing the Commission's report for 2012 (A/67/30 and Corr.1), said that, in considering the items on its agenda for the current year, ICSC had been aware of the serious financial situation faced by Member States and the request, in General Assembly resolution 66/235A, that the Commission should regulate the conditions of service of staff bearing in mind the limitations imposed by Member States on their national civil services. In 2012, the Commission had completed its review of pensionable remuneration. Its report also contained a recommendation on the mandatory age of separation for new staff of member organizations of the United Nations Joint Staff Pension Fund, effective no later than 1 January 2014. ICSC had discussed the levels of the education grant and boarding flat rates for the school year in progress on 1 January 2013; it would continue to review the education grant with a view to harmonizing and simplifying the benefit. The Committee also had before it for its approval the revised standards of conduct for the international civil service.

14. In addition, the report contained information on the review of the base/floor salary scale; the post adjustment system; the United Nations/United States net remuneration margin; the first salary survey under the revised methodology for best prevailing conditions of employment, conducted in Rome in 2012; and the

mobility policies and practices of United Nations system organizations.

15. The Commission understood the constraints faced by Member States and had tried where possible to meet their needs without depriving its recommendations of their technical soundness. It was during a time of similar financial turmoil that the Assembly had established the Commission as a technical body and empowered it to take decisions concerning the common system. Its mandate had been to develop robust and transparent technical methodologies that would withstand challenges and thereby ease the Assembly's burden in that respect. Those methodologies, which were regularly reviewed and updated, were designed to deal with all eventualities and thus to guard against ad hoc decision-making. To remain viable, they must be consistent and be applied as intended. He cautioned the Assembly against establishing precedents that, for the sake of expediency, might endanger the Commission's technical integrity.

16. **Ms. Casar** (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 2012 (A/C.5/67/3), said that financial implications would arise from the Commission's recommendations on the level of the education grant, the base/floor salary scale and danger pay.

17. For the biennium 2012-2013, additional programme budget requirements of \$2,340,300 would be addressed in the context of the performance report. For the biennium 2014-2015, additional requirements of \$4,680,600 would be reflected in the proposed programme budget prior to determination of the appropriations to be adopted by the General Assembly in December 2013. With regard to peacekeeping operations, additional requirements of \$2,423,400 for the financial period from 1 July 2012 to 30 June 2013 would be reported in the related performance reports, while additional requirements of \$4,846,700 for the subsequent financial period would be taken into account in the context of the proposed budgets.

18. As requested by the Assembly in its resolution 66/235B, the statement also provided an update on the estimated annual financial implications of the replacement of hazard pay with danger pay.

19. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/573), said that, should the Assembly approve the Commission's decisions and recommendations, the Advisory Committee had no objection to the course of action proposed by the Secretary-General in paragraph 34 of his statement (A/C.5/67/3).

20. **Mr. Pace** (President of the Federation of International Civil Servants' Associations (FICSA)) said that the Federation supported the Commission's view that the existing salary adjustment mechanism had sufficient safeguards, checks and balances to ensure that net remuneration remained within a desirable margin relative to the comparator civil service.

21. FICSA was concerned that the current review of the level of the education grant might move away from strict adherence to the established methodology and result in a 50 per cent reduction of the adjustment.

22. The review of pensionable remuneration had revealed that the United Nations pension scheme, with 120,000 participants in 175 countries, was not truly comparable to the pension scheme of United States federal employees, which had over two million participants belonging to a single civil service; it had, however, constituted a useful stock-taking exercise that had established the overall comparability of the income replacement ratios of the two schemes. Future adjustments appeared to be subject to a "pragmatic" approach that had been too often abused to justify a departure from principles and methodologies.

23. The Federation supported the Commission's recommendation on the revised standards of conduct but was concerned that the absence of a plan for their implementation by organizations might lead to a low compliance rate; he hoped that the Assembly would address that issue. FICSA also supported the recommendation of the United Nations Joint Staff Pension Board that the mandatory age of separation should be raised to 65 for new staff effective no later than 1 January 2014; he looked forward to receiving the results of the review of the implications of applying that provision to current staff.

24. The core mandate and the independence of the international civil service as set out in Articles 100 and 101 of the Charter were at stake in the contractual

arrangements of the United Nations system. The Federation was prepared to discuss a holistic approach to the implementation of the contractual framework that would address Member States' concerns regarding geographic diversity and equitable representation. The increased use of non-staff contracts should also be included in the review of contractual arrangements.

25. With respect to the base/floor salary scale and the evolution of the United Nations/United States remuneration margin, FICSA had consistently held that the adjustment methodology was working well and should be maintained. The application of the new salary survey methodology in Rome had yielded a negative result that the Federation found unsatisfactory.

26. Turning to the conditions of service in the field and mobility, he said that the overall mobility framework remained fragmented and some items from the old system had not yet been suitably addressed in the new system, including evacuation allowances, the accommodation portion of rest and recuperation, and danger pay. He hoped that the Assembly would address the situation, considering the role played by such allowances in the mobility of United Nations staff.

27. Some delegations had expressed concern that the recommendations made by the Joint Inspection Unit in its report on staff-management relations (A/67/136) would dilute the decision-making process. In fact, the right to negotiate was a tool for dialogue aimed at achieving a shared understanding of events that would ensure staff engagement and motivation.

28. **Ms. Analena** (President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that in times of crisis, the tried and true methodologies of the United Nations common system were the best instruments through which to secure the high standards of efficiency, competence and integrity required for staff to deliver on programmes mandated by the Member States. Those methodologies ensured consistent conditions of employment throughout the system and promoted efficiency and harmony, so that organizations could focus on programme delivery rather than on administrative tasks. ICSC could continue to play its technical role only if it remained capable of independently applying the agreed methodologies and, in consultation with management

and staff, making the adjustments required to attract and retain highly qualified staff.

29. Noting that staff at Headquarters in New York had yet to see reflected in their compensation the increased post adjustment that should have taken effect on 1 August 2012, she said that it was a matter of concern that the Noblemaire principle could be set aside for short-term political considerations, potentially demoralizing the staff and thereby causing lasting disruption to the work of the Organization. Member States should safeguard the methodology applied to the salaries of Professional staff by allowing the post adjustment increase to take effect and should refrain in future from allowing political considerations to influence the technical decisions of ICSC.

30. To achieve the Secretary-General's goal of developing a flexible workforce, procedures should be put in place to allow staff members to gain promotion and recognition based on experience accumulated in any organization of the United Nations system.

31. She welcomed the recommendation of the United Nations Joint Staff Pension Board that the normal retirement age should be raised to 65 for new participants of the Fund. That step would help ensure the health of the Fund and was consistent with changes in the workforce as people lived longer and healthier lives. Due attention should, however, be given to staff members who performed tasks that involved carrying heavy weights or being exposed to the elements. Separation at the increased age should be optional for existing staff, without prejudice to their acquired right to retire with full benefits at their current mandatory retirement age of 60 or 62.

32. **Mr. Benmehidi** (Algeria), speaking on behalf of the Group of 77 and China, said that the Group reaffirmed the independence of ICSC and the principle that all staff of the United Nations system serving under similar conditions should receive equal treatment. Most staff were keen to work for the Organization because they believed in its goals. They deserved to receive respectable remuneration with incentives and allowances that enabled them to perform their work effectively despite the challenges. For that reason, the Group supported the Commission's recommendations on the level of danger pay at relevant duty stations and on the post adjustment increase for staff at New York. Adequate resources should be

appropriated for the implementation of all ICSC recommendations.

33. **Mr. Van Den Akker** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries the former Yugoslav Republic of Macedonia, Montenegro and Serbia; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, Ukraine, said that ICSC played an invaluable role in enhancing the effective functioning of United Nations system organizations, particularly at a time of worldwide financial and economic crisis. Staff was the major asset of the Organization, but staff costs also made up the largest portion of its budgets and were a major contributing factor to budget increases. That trend must be reversed; the Secretary-General should continue to strive for greater efficiency and transparency in the work of the Organization. At the same time, staff should be provided with appropriate support that would allow them to work effectively and safely, especially in dangerous circumstances. However, the limitations imposed by many Member States on their national civil services owing to financial constraints should also be borne in mind, for United Nations staff should not be insulated from the current economic realities.

34. A comprehensive review of allowances and benefits should be undertaken in order to establish a more realistic and simplified system that better responded to organizations' needs. Practices should be streamlined in such areas as conditions of service, the education grant and danger pay. The delegations for which he spoke would carefully examine the ICSC recommendations and their administrative and financial implications in the light of the overall economic situation.

35. In the circumstances, the salaries of United Nations staff and the post adjustment should be frozen until a more realistic and sustainable system could be implemented. The methodology for determining the education grant should also be reviewed.

36. **Mr. Ballantyne** (New Zealand), speaking also on behalf of Australia and Canada, said that, in order to ensure a harmonized and equitable common system, the decision to raise the mandatory age of separation should be made across the entire system rather than by individual organizations. He supported the recommendation that the age should be raised to 65

years for new staff and looked forward to receiving the results of the review of the implications of applying the change to current staff members.

37. He commended ICSC on its decision to defer the pay increase for United Nations staff at New York scheduled for 1 August 2012. Unless the Assembly took action, the increase would take effect retroactively on 1 January 2013; in the current extraordinary economic circumstances, Member States and the Commission should explore temporary measures to address the issue without compromising the integrity of the post adjustment system.

38. The three delegations would continue to monitor the operation of the new system of danger pay to ensure that it was achieving its objectives. Given that the system had only begun operating on 1 April 2012, assessment of its functioning was premature at present.

39. He took note of the Commission's decision to defer consideration of the accommodation portion of rest and recuperation travel while awaiting further information on cost and utilization rates. He also welcomed the revised standards of conduct for the international civil service, which should be widely disseminated throughout the organizations of the United Nations system.

40. **Mr. Lieberman** (United States of America) urged ICSC to conclude quickly its review of education grants and danger pay to ensure that the respective methodologies were based on a complete analysis of staff needs and were also sustainable for organizations and Member States. He concurred with the Advisory Committee's recommendation that the Secretary-General should take into consideration the lessons learned from the mobility schemes of other common system organizations when formulating the Secretariat's mobility plan.

41. The post adjustment system posed a challenge to the very sustainability of the common system. In the light of the information that the Secretariat and some funds, programmes and specialized agencies were experiencing financial difficulties, ICSC had sensibly decided to postpone the implementation of the post adjustment increase. That increase should be further postponed in order to ease the budget pressure on common system organizations, some of which had already taken harsh austerity measures, and to enable the Assembly to consider possible changes to the methodology.

42. Member States had more limited resources than ever and insisted that the Organization use its resources wisely. Given that staff-related expenditure accounted for nearly 75 per cent of the regular budget, measures to control such expenditure would have the greatest impact and should be considered within the larger context of budgetary sustainability. The United Nations was accountable not only to Member States but also to the citizens who funded it and whom it served. To allow a pay increase at a time of global financial constraint would damage the Organization's credibility and reputation.

*The meeting rose at 11.35 a.m.*