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FIFTH COMMITTEE

82nd meeting

held on

Friday, 14 December 1979

at 10.30 a.m.

New York

SUMMARY RECORD OF THE 82nd MEETING

Chairman: Mr. PIRSON (Belgium)Chairman of the Advisory Committee on Administrative
and Budgetary Questions: Mr. MSELLE

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A/C.5/34/SR.82

20 December 1979

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 98: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

Revised estimates under section 32 (Construction, alteration, improvement and major maintenance of premises) A/34/7/Add.21: A/C.5/34/43; A/C.5/34/L.45

1. The CHAIRMAN drew the attention of members to the recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraphs 6, 11, 13 and 14 of its report (A/34/7/Add.21). In paragraph 6, the Advisory Committee recommended approval of the proposal to construct 2,001 square metres of additional net usable space at an estimated cost of 33,828,000 Kenyan shillings to provide expanded conference and common services facilities incorporating the increased requirements of the Centre. In paragraph 11, the Advisory Committee recommended that the General Assembly should approve the construction of all the three office buildings proposed by the Secretary-General. In paragraph 13, the Advisory Committee recommended that the General Assembly should approve an additional appropriation of \$1,916,000 under section 32 of the programme budget for 1980-1981 for the construction project at Nairobi. Finally, in paragraph 14, the Advisory Committee further recommended that the Secretary-General should submit a progress report, including up-to-date cost estimates, to the General Assembly at its thirty-fifth session.
2. Mr. AYADHI (Tunisia) said he realized that construction projects always presented special difficulties as far as budget preparation was concerned. It was essential that budgets for such projects should be based on adequate documentation. His delegation shared the concern expressed by the Advisory Committee in paragraph 1 of its report (A/34/7/Add.21) and urged the Secretariat to make a special effort to present full and complete information regarding the technical and financial aspects of all construction projects, so that delegations would be well informed of the implications of any decisions they might take.
3. It was also important to stress the need for constant vigilance with regard to the legal aspects of contracts involved in construction projects in order to ensure that all the necessary guarantees were provided. He would like some reassurance from the Secretariat with regard to measures that were being taken in that respect.
4. Mr. VISLYKH (Union of Soviet Socialist Republics) said he wished to restate the position his delegation had taken at the thirty-second session of the General Assembly when the decision had been made to start construction in Nairobi. There was already adequate space in Nairobi for United Nations staff financed under the regular budget of the Organization and the United Nations, as such, did not therefore need additional space in Nairobi. All new construction would be mainly for staff financed out of extrabudgetary funds and for staff of other organizations. His delegation could not agree with the use of resources from the regular budget for that purpose, particularly since, according to General Assembly resolution 2997 (XXVII), the administrative costs of the United Nations Environment

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(Mr. Vislykh, USSR)

Fund were to be borne by the Fund itself. That provided a clear guideline with regard to all administrative costs, including construction and rental expenses for UNEP, which should be covered by extrabudgetary funds.

5. His delegation would not support the proposal for financing the new construction in Nairobi from regular budgetary funds and it would vote against the recommendations contained in the Advisory Committee's report.

6. Mr. ZINIEL (Ghana) said he wished to thank the Advisory Committee for its analytical comments on the report of the Secretary-General. His delegation also wished to express its appreciation to the Government of Kenya for its very constructive involvement in the project. The Kenyan decision to exempt construction costs of the project from local sales tax represented a substantial contribution to the project. His delegation supported the recommendations of the Advisory Committee contained in paragraphs 11 and 13 of its report (A/34/7/Add.21).

7. Mr. PAPENDORP (United States of America) said his delegation was concerned that so much of the planned project, approximately 34 per cent of the usable floor space, was to be used for non-operational purposes. He would like clarification from the Secretariat as to whether such a high percentage was indeed required for such purposes.

8. Mr. HOUNA GOLO (Chad) thanked the Advisory Committee for its full analysis of the report of the Secretary-General and said that his delegation supported its recommendations. He, too, would like clarification regarding the problem mentioned by the United States representative.

9. Mr. TIMBRELL (Assistant Secretary-General for General Services) explained that, as stated in paragraph 47 of the report of the Secretary-General (A/C.5/34/43), primary responsibility for the construction project rested with the Executive Director of the United Nations Environment Programme (UNEP). The office of general services provided certain technical advice.

10. Replying to the representative of the United States, he said that he had tried to make a quick analysis of the figures involved in an effort to ascertain how the United States representative had estimated that 34 per cent of the usable floor space was to be used for non-operational purposes. He had deduced that the 34 per cent apparently referred to the additions that had been proposed and not to the total project approved two years earlier, with the subsequent additions. If the total area of the entire project was used as the basis for calculations, it would be found that no more than 10 per cent was intended for non-operational purposes.

11. In response to the Tunisian representative's request for assurances concerning contractual arrangements, he said that such arrangements were carried out in accordance with the Financial Regulations of the Organization, as was evident from paragraph 3 of the report of the Secretary-General (A/C.5/34/43). After tenders were received, the Executive Director of UNEP, following the regular practice, would analyse the bids and submit them to the Committee on Contracts in Nairobi for evaluation.

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12. Mr. BRUCE (Canada) asked the Assistant Secretary-General whether he had a representative living in Nairobi working on the project. He would like some assurance that the problems which had been referred to at the Committee's 80th meeting with regard to the construction work in New York would not arise in Nairobi.

13. He also wondered whether there might be a potential problem in the division of responsibility for the Nairobi project between the Assistant Secretary-General and the Executive Director of UNEP and whether there was adequate communication between the two so that each was fully aware of what the other was doing.

14. Mr. TIMBRELL (Assistant Secretary-General for General Services) replied that the Office of General Services did not have a representative as such in Nairobi. There was a Headquarters Planning Unit in Nairobi, which had a fully qualified professional staff.

15. He assured the representative of Canada that there had been close co-ordination between the Office of General Services and the staff in Nairobi in connexion with the technical aspects of the project. The Office of General Services was not directly involved in determining space requirements, since that would involve substantive decisions regarding staff requirements. However, once his office received projections of staff requirements, it could then comment on what space would be needed. As was evident from paragraph 47 of the report of the Secretary-General (A/C.5/34/43), the Office of General Services did maintain close contact with Nairobi. The ultimate responsibility rested with the Executive Director of UNEP; it would be impossible, on a day-to-day basis, for the necessary supervision to be carried out by anyone else.

16. Mr. VAN NOUHUYS (Netherlands) pointed out that paragraph 48 (b) of the report of the Secretary-General (A/C.5/34/43) referred to a recommendation by the Secretary-General that approval should be given for the placement of the funds appropriated for the additional construction, together with the funds appropriated for the basic project, in a special account, with any unexpended balance carried forward until the completion of the project. He noted that the report of the Advisory Committee did not contain any remarks on that proposal and he would like to know whether the Fifth Committee did not have to take a decision on that matter also.

17. The CHAIRMAN pointed out that, in paragraph 14 of its report (A/34/7/Add.21), the Advisory Committee recommended that the Secretary-General should submit a progress report. By approving that recommendation, the Fifth Committee would be assured of having a report at the following session on the basis of which it could make any necessary recommendations on the use of funds beyond the biennium.

18. Mr. AYADHI (Tunisia) stressed the importance of clarifying the question raised by the representative of the Netherlands, namely, whether or not the opening of a special account required a decision by the General Assembly. It was his understanding that all appropriations, even those that were to be placed in a special account, were approved within the framework of a given fiscal period.

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19. Miss ZONICLE (Bahamas) said that regulation 6.6 of the Financial Regulations of the United Nations should clarify the question.

20. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said that regulation 6.6 provided that trust funds, reserve and special accounts might be established by the Secretary-General and must be reported to the Advisory Committee. It had been the practice of the Fifth Committee and of the Secretary-General to establish special accounts for all construction projects with a duration of more than one financial period; in every case, the establishment of the special account had been communicated to the Fifth Committee.

21. The CHAIRMAN invited members to vote on the recommendations of the Advisory Committee contained in paragraphs 6, 11, 13 and 14 of the report of the Advisory Committee (A/34/7/Add.21).

22. The recommendations of the Advisory Committee were adopted by 85 votes to 8, with no abstentions.

23. Mr. PAPENDORP (United States of America), speaking in explanation of vote, said that his delegation, which had voted in favour of the Advisory Committee's recommendations, wished to reiterate the importance of realizing maximum economies through the use of common services in Nairobi.

24. Mr. BRUCE (Canada), introducing draft decision A/C.5/34/L.45, said that recent discussions had alerted the Committee to the need to supervise construction projects with great care. It was important for Member States to understand fully the various aspects of accommodation in Nairobi and to ensure that the centre established would be the best possible. In paragraph 31 of his report (A/C.5/34/43), the Secretary-General had stated that the establishment of common premises and services at Gigiri was in the best interest of the United Nations and the specialized agencies for reasons of economy, efficiency and co-ordination. In view of the costly experience of the United Nations in other cities, it was important to start planning now for the effective organization and full use of common services.

25. In paragraph 31, reference was also made to a report recommended by the Advisory Committee on the construction of a permanent headquarters building for UNEP and the other United Nations offices in Nairobi. His delegation would welcome a comprehensive report. Accordingly, in draft decision A/C.5/34/L.45, the General Assembly would request the Secretary-General to prepare for the thirty-fifth session a report on the organization, financing and management of the common services which would be established in the United Nations Centre in Nairobi in order to ensure that those services were shared to the maximum extent possible and that there was no duplication resulting in avoidable costs. His delegation hoped that that report and other reports on the construction of the Centre would be available in good time, so that delegations could examine the entire project in depth at the thirty-fifth session.

26. Draft decision A/C.5/34/L.45 was adopted without a vote.

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Expansion of meeting rooms and improvement of conference servicing and delegate facilities at United Nations Headquarters (continued)

27. Mr. WILLIAMS (Panama) announced that the Libyan Arab Jamahiriya had become a sponsor of draft resolution A/C.5/34/L.20.

28. Mr. MAJOLI (Italy) said that his delegation fully supported the draft resolution. It was imperative that the normal practice of soliciting international tenders for the award of contracts should be followed.

29. Mr. JALIL (Ecuador) said that his delegation supported the draft resolution and hoped that it would be adopted by consensus.

30. Mr. GARRIDO (Philippines) suggested the addition of a new preambular paragraph which would read: "Concerned with the rising cost of construction projects".

31. Mr. MARTORELL (Peru) said that his delegation fully supported the draft resolution.

32. Mr. SORDO (Uruguay) said that his delegation also supported the draft resolution. In the present circumstances, the soliciting of international tenders for the award of contracts was absolutely essential.

33. Miss ZONICLE (Bahamas) noted that the Advisory Committee had stated in paragraph 11 of document A/34/7/Add.20 that the time had come for an independent full-scale study of procedures for obtaining estimates and soliciting bids on United Nations construction projects at Headquarters and in other United Nations offices. She was concerned at the possibility of duplication or of conflicting results between that study and the review referred to in paragraph 1 of draft resolution A/C.5/34/L.20.

34. Mr. HOUNA GOLO (Chad) said that the implicit question behind the draft resolution was whether it would be possible to realize savings by soliciting international tenders. With regard to paragraph 2, he noted that no satisfactory information was available on the procedures governing the disposal of surplus property and equipment. His delegation would support the draft resolution and hoped that it would be adopted by consensus.

35. Mr. P. FALL (Senegal) commended the representative of Panama on his timely initiative in submitting the draft resolution and expressed the hope that it could be adopted by consensus.

36. Mr. AYADHI (Tunisia) said that he was grateful to the representative of Panama for introducing a draft resolution on the neglected, but very important subject of international tenders. He would suggest, however, that paragraph 1 should be amended to read: "Requests the Secretary-General to review existing procedures for the award of contracts, including construction contracts ...".

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37. Mr. WILLIAMS (Panama) said he could assure the representative of the Bahamas that the report of the Board of Auditors referred to in paragraph 11 of document A/34/7/Add.20 would not be in conflict with the other reports requested by the General Assembly. His delegation had no objection to the inclusion of the paragraph suggested by the representative of the Philippines, which would be the third preambular paragraph. It was concerned, however, that the amendment suggested by the representative of Tunisia might weaken the impact of paragraph 1 and confuse the issue.

38. Mr. AYADHI (Tunisia) said that, while he would not insist on his amendment, he was doubtful whether the representative of Panama wanted the draft resolution to imply that the United Nations should solicit international tenders only for construction contracts.

39. Mr. WILLIAMS (Panama) said that the point made by the representative of Tunisia was well taken.

40. Mr. RUEDAS (Assistant Secretary-General for Financial Services) pointed out that in many cases the United Nations did solicit international tenders for the award of contracts.

41. Mr. PAPENDORP (United States of America) said that if the soliciting of international tenders was common in United Nations procurement in general, except in respect of construction contracts, the amendment suggested by the representative of Tunisia was unnecessary.

42. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said that, although the procedure of soliciting international tenders was fairly frequently used, such tenders were not solicited for every single contract.

43. Mr. MAJOLE (Italy) said that inasmuch as paragraph 1 of draft resolution A/C.5/34/L.20 was concerned primarily with construction contracts, the words "in particular" would be preferable to "including" in the amendment suggested by the representative of Tunisia.

44. Mr. HOUMA GOLO (Chad) supported the representative of Italy.

45. Mr. VAN OUNUYIS (Netherlands) inquired whether the contracts referred to in the Tunisian amendment would include contracts governing the disposal of surplus property and equipment. The draft resolution was concerned primarily with construction contracts and surplus property and equipment. For the sake of clarity, it should be confined to those two items and not include other broader considerations.

46. Mr. WILLIAMS (Panama) said that his delegation was prepared to accept the Philippine and Tunisian amendments.

47. Mr. PAPENDORP (United States of America), referring to paragraph 1 of draft resolution A/C.5/34/L.20, said that the soliciting of international tenders was already an established procedure, not merely a possibility, except in respect of construction contracts. The Tunisian amendment would therefore make the paragraph illogical.

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48. The CHAIRMAN said that paragraph 1, as amended by the representatives of Tunisia and Italy would read: "Requests the Secretary-General to review existing procedures for the award of contracts, in particular construction contracts ...".

49. Mr. RAMZY (Egypt) said that, if the amendment was adopted, paragraph 1 would apply to procurement, as well as to construction contracts. As members were aware, the question of procurement was the subject of an ongoing study by the Governing Council of UNDP and he wondered whether the draft resolution would have a bearing on that body's deliberations.

50. The CHAIRMAN said that, if amended as proposed, the draft resolution might have a bearing on the work being done by UNDP, but he would not seek to place that interpretation on the draft resolution.

51. Mr. AYADHI (Tunisia) observed that the World Bank, when granting a loan to a country for a project, always required contracts to be awarded by competitive bidding on an international basis. His delegation was concerned that the United Nations should conform with such well-established practices of international organizations when awarding contracts in connexion with its regular programme of technical assistance.

52. Mr. VAN NOUHUY (Netherlands) suggested that the concerns expressed by the United States representative might be met by replacing the words "going to tender" in paragraph 1 by the words "increasing tender".

53. Mr. WILLIAMS (Panama) said that the amendment suggested by the representative of the Netherlands was acceptable to his delegation.

54. Draft resolution A/C.5/34/L.20, as amended, was adopted.

Administrative and financial implications of the draft resolution submitted by the Second Committee in document A/C.2/34/L.93/Rev.1 concerning agenda item 12 (A/C.5/34/91)

55. The CHAIRMAN drew attention to paragraph 7 of the statement of financial implications submitted by the Secretary-General (A/C.5/34/91), in which it was indicated that no appropriation was requested at the present time with respect to the proposals in the draft resolution in document A/C.2/34/L.93/Rev.1. He suggested that the Committee should request the Rapporteur to inform the General Assembly that, should draft resolution A/C.2/34/91/Rev.1 be adopted, no additional appropriation would be required. The conference servicing costs arising from the draft resolution would, as usual, be included in the consolidated statement of conference servicing requirements to be submitted towards the end of the session.

56. The Chairman's suggestion was adopted.

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Administrative and financial implications of the draft resolution submitted by the Second Committee in document A/C.2/34/L.120 concerning agenda item 55 (f)
(A/C.5/34/92)

57. Mr. PAL (India) said that the original version of the draft resolution adopted by the Second Committee (A/C.2/34/L.102) had included a specific reference to a meeting of the Group of 77 in preparation for the special session of the General Assembly. The Secretary-General had informed the Second Committee in document A/C.2/34/L.118 that the estimated cost of the meeting was \$71,000. In the final version of the draft resolution adopted (A/C.2/34/L.120), the specific reference to the meeting had been deleted, but it was the understanding of the Group of 77 that the estimated cost of the meeting was still included in paragraph 8 of the statement of financial implications submitted by the Secretary-General in document A/C.5/34/92.

58. Mr. KIAMIS (Algeria) confirmed that it was the understanding of the Group of 77 that the reference to preparatory arrangements in paragraph 5 of document A/C.5/34/92 covered the meeting of the Group of 77.

59. Mr. BEGIN (Director, Budget Division) said that it was clear from paragraph 5 of document A/C.5/34/92 that the amount referred to by the representative of India had not been included in the estimated requirements for the special session, since the draft resolution finally adopted by the Second Committee no longer contained a specific reference to a meeting of the Group of 77. Nevertheless, the Secretariat was aware of the possibility of such a meeting and had therefore indicated that it would report to the General Assembly such requirements as might arise in connexion with the special session in the context of the programme budget performance report.

60. Mr. DESLLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the procedure that had been followed by the Secretariat was not satisfactory to the Advisory Committee. In the past, the Advisory Committee had emphasized that the Secretariat should indicate as clearly as possible all expenditure which might be necessary to implement the provisions of draft resolutions during the biennium under consideration. It was vital for the Advisory Committee to know the amount of expected expenditure.

61. Mr. AYADHI (Tunisia) said that it might be sufficient if the position stated by the representative of India was reflected in the summary record of the meeting. He also understood the concern of the Advisory Committee for sound financial management, and was prepared to follow its lead in the matter.

62. Mr. PAL (India), supported by Mr. KIAMIS (Algeria), said that, in discussing the preparations for the special session of the General Assembly in 1980, the Second Committee had considered a draft resolution submitted by the Group of 77 in document A/C.2/34/L.102, paragraph 9 of which contained a specific reference to a meeting of the Group of 77 prior to the special session. The financial implications of that meeting had been estimated by the Secretariat at \$71,000. During informal consultations on draft resolution A/C.2/34/L.102, the Group of 77 had been requested

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(Mr. Pal, India)

by other groups to agree to the deletion of any specific reference to the meeting in the final draft resolution. The Group of 77 had agreed, on the understanding that the reference to "preparatory arrangements" in paragraph 7 of draft resolution A/C.2/34/L.120 would be understood to include a meeting of the Group and that the financial implications of such a meeting were implicitly included in document A/C.5/34/92. The Director of the Budget Division had, however, just stated that that was not the case. Accordingly, the statement of financial implications submitted by the Secretary-General was in violation of the agreement reached in the Second Committee. He appealed to the Fifth Committee to include in the financial implications of the draft resolution the amount of \$71,000 for the meeting of the Group of 77, as originally costed by the Secretary-General.

63. The CHAIRMAN suggested that the Committee should approve paragraph 3 of the Secretary-General's statement of administrative and financial implications, (A/C.5/34/92), bearing in mind the explanation just given by the representative of India.

64. Mr. BUJ FLORES (Mexico) said that the Committee should also take note of paragraph 5 of the Secretary-General's statement of financial implications.

65. The CHAIRMAN suggested that the Committee should take note of paragraph 5 of document A/C.5/34/92 and request the Rapporteur to inform the General Assembly that any additional appropriation resulting from draft resolution A/C.2/34/L.120 would be reflected in the consolidated statement on conference servicing to be submitted towards the end of the session.

66. The Chairman's suggestion was adopted.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS (continued)
(b) COMMITTEE ON CONTRIBUTIONS (continued) (A/C.5/34/97)

67. The CHAIRMAN drew attention to the Secretary-General's note informing the Committee that Mr. Carlos Moreira Garcia (Brazil) had resigned from the Committee on Contributions.

68. The Committee decided without objection to recommend to the General Assembly the appointment of Mr. Helio de Burgos Cabal (Brazil) to serve for the unexpired portion of the term of office of Mr. Carlos Moreira Garcia (Brazil), which would expire on 31 December 1980.

The meeting rose at 1.05 p.m.