



FIFTH COMMITTEE
46th meeting
held on
Wednesday, 18 November 1981
at 11 a.m.
New York

SUMMARY RECORD OF THE 46th MEETING

Chairman: Mr. BRODODININGRAT (Indonesia)

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

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The meeting was called to order at 11.10 a.m.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)
(A/36/6, A/36/7, A/36/38 (chaps. V and VIID))

Administrative and financial implications of the draft resolutions submitted in document A/36/L.15 concerning agenda item 26 (A/C.5/36/49)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee accepted the Secretary-General's estimate of \$92,200 for expenditure which would arise should the General Assembly adopt draft resolution A/36/L.15.
2. The CHAIRMAN proposed that the Committee should request the Rapporteur to report directly to the General Assembly that, should it adopt the draft resolution in document A/36/L.15, an additional appropriation of \$92,200 would be required under section 1 of the proposed programme budget for the biennium 1982-1983.
3. It was so decided.
4. Mr. HAKIM (Afghanistan) expressed his delegation's vehement protest over the consideration by the United Nations of the so-called "situation in Afghanistan". The Democratic Republic of Afghanistan threatened no State, whether in western Asia or elsewhere. Afghanistan, which engaged in no terrorist or aggressive activities against its neighbours, was a non-aligned country which pursued a policy of peace based on peaceful co-existence and supported all efforts to strengthen international peace and security. He drew attention to Article 2, paragraph 7, of the Charter, which clearly stipulated that nothing authorized the United Nations to intervene in matters which were essentially within the domestic jurisdiction of an independent and sovereign State. His delegation totally rejected draft resolution A/36/L.15 and its administrative and financial implications.
5. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said his delegation had set forth its position on the matter in a plenary meeting of the General Assembly. In principle, the Soviet Union was not opposed to the Secretary-General's dispatching a peace mission. It considered, however, that the costs of such a mission should be met from appropriations approved under the regular budget.
6. Mr. HOANG HAI (Viet Nam), supported by Mr. MORET (Cuba), said that draft resolution A/36/L.15 constituted an interference in the internal affairs of a sovereign State and a violation of the principles set forth in the Charter of the United Nations. If the administrative and financial implications outlined in document A/C.5/36/49 had been put to a vote, his delegation would have voted against.
7. Mr. RICHTER (German Democratic Republic) said that draft resolution A/36/L.15 constituted an interference in the domestic affairs of Afghanistan. The adoption

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(Mr. Richter, German Democratic Republic)

of the draft resolution would make it even more difficult to find a solution to the so-called "Afghan problem". His delegation rejected the draft resolution and its financial implications.

8. Mr. TOUGOU (Mongolia) said that draft resolution A/36/L.15 represented a new attempt by the imperialist forces to meddle in the domestic affairs of a sovereign State. His delegation refused to participate in the financing of measures which might be taken in pursuance of that resolution.

9. Mr. GUBSCI (Hungary) and Mr. DENEKEW (Ethiopia) said that their delegations would have voted against the administrative and financial implications described in document A/C.5/36/49, if they had been put to a vote.

10. Mr. NKOUNKOU (Congo) said that, had the administrative and financial implications of draft resolution A/36/L.15 been put to a vote, his delegation would have abstained.

11. Mr. KEMAL (Pakistan) expressed satisfaction at the initiatives which might be taken by the Secretary-General and his Special Representative in the quest for a peaceful solution to the situation in Afghanistan. His delegation supported the administrative and financial implications of draft resolution A/36/L.15.

First reading (continued)

Income section 2. General income

12. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) observed that the Advisory Committee had originally recommended a reduction of \$726,600 in the estimate for income section 2. That amount consisted of \$701,300 arising from its recommended reductions under section 28M and \$25,300 resulting from its recommendation that the reclassifications proposed for the Joint Inspection Unit in section 28L not be approved. Since the Fifth Committee had not approved the latter recommendation, the Advisory Committee's estimate for income section 2 should be revised upwards, from \$33,795,000 to \$33,820,300.

13. The CHAIRMAN invited the Committee to take a decision on the Advisory Committee's recommendation.

14. The estimate of \$33,820,300 recommended by the Advisory Committee under income section 2 for the biennium 1982-1983 was approved in first reading.

Income section 3. Revenue-producing activities

15. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee accepted the proposals for reclassifications and new posts for the United Nations Postal Administration. He observed that no proposal had been made to increase the charges for parking.

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(Mr. Mselle, ACABQ)

16. As to the sale of postage stamps, the representatives of the Secretary-General had informed the Advisory Committee that, subsequent to the preparation of income section 3, they had revised their estimate of net income for 1980-1981 to \$20,705,200; in the circumstances, the estimate of net income from the sale of stamps in 1982-1983 could be increased by \$1,759,000. The Advisory Committee was therefore recommending that the estimate for income section 3 should be increased by \$1,759,000 to \$17,968,000.

17. Mr. PAPENDORP (United States of America) said that his delegation concurred with the recommendations of the Advisory Committee, although it was concerned over the reclassifications proposed in the Commercial Management Service. He wished to know whether any reductions in staff were planned in the Visitor's Section in the event that the number of visitors declined. He also asked whether due account had been taken of the income earning potential of sales publications when a decision was made on the number of copies to be printed.

18. Mr. KUYAMA (Japan) requested clarifications regarding the projected deficit for the garage operation at Vienna in 1982-1983 and asked whether the loss was attributable to a reduction in parking fees.

19. Mr. BEGIN (Director, Budget Division), replying to the representative of the United States, said that it was difficult to forecast with any accuracy the number of visitors. However, under the relevant administrative provisions, the number of guides and dispatchers could be reduced if necessary. He indicated further that the size of a printing of a sales publication was decided on the basis of past experience and that every effort was made to adjust printings to projected sales.

20. Mr. TIMBRELL (Under-Secretary-General for General Services) said that there were six parking decks at Vienna, one of which was reserved for embassies, missions, important visitors, principal officers and handicapped persons. Only the general operating costs of that parking deck were borne by IAEA, UNIDO, and the United Nations, and included in the estimates of expenditure under section 28 M. The operating costs of the five other parking decks were covered by parking fees.

21. The CHAIRMAN invited the Committee to take a decision on the Advisory Committee's recommendation concerning income section 3.

22. The estimate of \$17,968,000 recommended by the Advisory Committee under income section 3 for the biennium 1982-1983 was approved in first reading.

Section 9. Transnational corporations (continued)

23. The CHAIRMAN pointed out that the Fifth Committee had already begun consideration of section 9 but had postponed its decision, pending receipt of the information requested by the representative of Peru. That information had been provided in document A/C.5/36/CRP.1, which the Committee had received the day before. He also reminded members that at the 32nd meeting the Egyptian representative had formally

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(The Chairman)

proposed that the Committee should approve the requested reclassification of a Professional post from P-2 to P-3 in the Information Analysis Division despite the recommendation of the Advisory Committee. If the Committee adopted the Egyptian proposal, the associated cost would amount to \$18,100.

24. Mr. MARTORELL (Peru) said he had two questions to ask the Executive Director of the United Nations Centre on Transnational Corporations. First, document A/C.5/36/CRP.1, which listed the consultants whom the Centre had hired between 1 January 1980 and 31 October 1981 utilizing appropriations from the regular budget, revealed a marked imbalance between consultants from developing countries and those from developed countries. With very few exceptions, moreover, the Centre had not made use of any consultants from Eastern European States. Did that imply that the centre considered that the countries of Eastern Europe lacked sufficiently highly qualified experts?

25. It was his impression that, besides the consultants paid for from regular budget appropriations, the Centre also financed consultancy services from extrabudgetary resources from either the Trust Fund for the Centre on Transnational Corporations or UNDP. He would not, for the moment, ask for a full report on all the consultants paid for from extrabudgetary funds, but he would appreciate information on their geographical distribution. He would also like to know whether any of them were employed on a permanent basis.

26. Secondly, he wished to draw attention to the Latin American States' concern at the proposed redeployment of the Centre's resources. He reserved the right to return to that matter once the Executive Director had answered his questions.

27. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) complained that the Russian version of document A/C.5/36/CRP.1 had reached his delegation only that morning. Like the representative of Peru, he was amazed that the Centre had recruited only three consultants from the countries of Eastern Europe; and if one looked closely at the time for which those three consultants had been employed and the tasks they had been given, it was plain that their services had been used only briefly and for matters of minor importance. They could thus scarcely be called "consultants" as the term was generally understood in the United Nations - i.e. experts engaged for fairly long periods to deal with matters of considerable importance. He would like the Executive Director to provide some clarification in that regard.

28. On the question of consultancy services financed from extrabudgetary resources, his delegation would like to know whether any consultants from Eastern European countries were involved and, if not, to receive an explanation. His interest in obtaining the additional information would in no way prejudice his delegation's position on the appropriation requested under section 9.

29. Mr. WILLIAMS (Panama) said that he shared the Soviet representative's concern, and added that the Centre had only very rarely used consultants from Central America or the Middle East. The Executive Director should explain to the Committee how consultants were recruited: did the Centre rely on publications, or did it seek suggestions from the permanent missions or from Governments?

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30. Mr. AL-SALMANI (Oman) expressed regret that there was no Arab version of document A/C.5/36/CRP.1 and asked when it would be issued.

31. Mr. EL HOUDERI (Libyan Arab Jamahiriya) endorsed the comment by the representative of Oman. He also shared the concern voiced by several delegations at the geographical distribution of the consultants employed by the Centre. He, too, would like information on the consultants financed from extrabudgetary funds and, like the Peruvian representative, he was uneasy about the proposed redeployment of the Centre's resources.

32. Mrs. de HEDERVARY (Belgium) said it was a pity that the names of the consultants hired by the Centre were accompanied by initials only, without any indication as to their sex. She wondered how many of the consultants were women, since women were supposed to be adequately represented at all levels of responsibility.

33. Mr. YOUNIS (Iraq) endorsed the remarks by the representative of Oman. Like the Peruvian representative, he deplored the imbalance between consultants from developing and developed countries.

34. Little use had been made of the appropriations allocated to the Centre/ECWA Joint Unit in 1980-1981. He asked for clarification on that point, and wondered who would decide how to use the appropriations approved for the Joint Unit in 1982-1983: the Executive Director of the Centre, or the Executive Secretary of ECWA.

35. Mr. NUÑEZ (Ecuador) said he could not help but notice that less than ten per cent of the consultants hired by the Centre were from Latin America. He would like to know what criteria the Centre applied in selecting consultants. Did it ask Governments for the names of persons with special expertise in the area of transnational corporations?

36. Mr. SAHLGREN (Executive Director of the United Nations Centre on Transnational Corporations) drew attention to two errors which had occurred in the English version of document A/C.5/36/CRP.1: foot-note 1 in fact related to paragraph 2 (d) and should appear on page 2; and in the fourth line of paragraph 6 "(WCW)" should read "(ECE)".

37. In reply to the Peruvian question on the geographical distribution of the consultants hired by the Centre and financed from the regular budget, he pointed out that the total number of consultants employed in 1980-1981 was 171, 69 of whom came from developing countries, 99 from developed countries and 3 from countries of Eastern Europe. In other words, over 40 per cent of the consultants came from developing countries, whereas the proportion for the biennium 1979-1980 had been only 38 per cent. Some imbalance still existed, but he would continue his efforts to remedy that state of affairs.

38. He assured the representative of the USSR that he was aware of the very low proportion of consultants from Eastern European countries. That might be because

(Mr. Sahlgren)

those countries considered that no transnational corporations operated in their territories, and, consequently, had fewer specialists in such matters. In any event, he would continue his efforts to make more frequent use of consultants from Eastern European countries, for he personally was convinced that they had many qualified experts in the field.

39. In recruiting consultants the Centre rigorously applied the general principles governing the use of outside expertise and professional services, as contained in document ST/AI/232. The services entrusted to consultants were clearly related to priority activities or to a legislative decision by the Commission on Transnational Corporations, and did not duplicate work or activities done by other offices of the Secretariat, other United Nations bodies or other organizations or agencies of the United Nations system. Moreover, the services to be performed were those for which provision could not be found within the staff resources of the Secretariat for lack of specialized knowledge and/or expertise. The Centre granted only fixed-term contracts, which could be renewed if necessary. Consultants were selected only from highly qualified candidates in the field of transnational corporations. The Centre, which maintained a directory of some 5,000 books and articles published annually on the subject, was familiar with the work of specialists and was in a position to assess their quality. It was also conversant with the work of experts employed by Governments. It could thus choose the most highly qualified candidates to perform specific services.

40. However, Governments frequently requested the Centre to provide the services of a consultant whom they nominated. Another factor that hampered efforts to engage consultants on a broader geographical basis was decentralization: the joint Centre/regional commission units almost always recruited their consultants from the regions in question.

41. The Centre attempted to recruit female consultants wherever possible. Approximately ten women had been engaged during the period under consideration. Yet the quality of the services rendered could not be sacrificed for the sake of balance between the sexes. It was a fact that there were too few qualified women working in industry or commerce and at universities. As the situation improved the Centre would be able to recruit more female consultants.

42. With regard to the joint Centre/regional commission units, he said that the Centre and the Executive Secretaries of the regional commissions had concluded an agreement on the role of the joint units in implementing the programme of work on transnational corporations. The Centre and the Executive Secretaries of the regional commissions were striving - with only moderate success to date - to discharge sometimes conflicting mandates given to them by their respective legislative bodies: the Commission on Transnational Corporations and the regional economic commissions. With respect to the Centre/ECWA Joint Unit, the problem of recruiting a competent person to head the Joint Unit had been resolved.

43. In response to a question from the representative of Peru, he stated that the Centre had two types of extrabudgetary resources: the Trust Fund for the

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(Mr. Sahlgren)

Centre on Transnational Corporations, which received voluntary contributions from Governments, and UNDP funds, which were used more for training activities than for recruiting consultants. Over the past year, 47 per cent of the experts engaged as consultants and 55 per cent of those recruited for training courses had been nationals of developing countries. Those percentages were far higher than for the United Nations system as a whole.

44. The representative of Peru had expressed concern over the redeployment of the Centre's resources. As he had explained to the Committee at its 32nd meeting, guided solely by the interests of the Organization, he had submitted a proposal on that subject to the Secretary-General and was currently awaiting the Secretary-General's decision.

45. Mr. MARTORELL (Peru) said that the countries of Latin America could not accept that, when the Centre's resources were redeployed, the post of Director of the Policy Analysis Division - a post held prior to her death by a national of a Latin American country - should be abolished or given to the current chief of the Advisory Services Section, a national of a North American country which was already adequately represented. The Latin American countries had thus proposed the candidature of a Jamaican national for that post.

46. He had noted the explanation given by the Executive Director of the Centre that consultants were always recruited for a fixed term. Nevertheless, in 1980, five consultants from Western European and other countries had been engaged and paid for from extrabudgetary funds. Those consultants, each of whom received more than \$50,000 per annum, had no clearly defined duties. In general, there was a disturbing imbalance in the geographical origin of consultants financed from extrabudgetary funds, since more than three quarters of them were nationals of developed countries. A single consultant from an Eastern European country, Yugoslavia, had been recruited. Yet the Centre should above all serve the interests of the developing countries. It was thus essential for the Centre to provide the Committee, before the latter took a decision on the budget section dealing with transnational corporations, with detailed information on all the consultants it employed.

47. His delegation supported the Egyptian proposal concerning the restoration of the Secretary-General's request for the reclassification from P-2 to P-3 of a post in the Information Analysis Division.

48. Mrs. LOPEZ ORTEGA (Mexico) said that she shared the concern expressed by the representative of Peru and trusted that the interests of the Latin American countries would be taken into account when senior posts at the Centre were allocated.

49. Mrs. DORSET (Trinidad and Tobago) said that her delegation wished to know whether the Centre intended to carry out a study on the status of women employed by transnational corporations. Referring to the ECA/ECLA/ESCAP interregional project on transnational corporations in export industries, particularly sugar-cane,

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(Mrs. Dorset, Trinidad and Tobago)

coffee, cotton and tin, she said that account should be taken of the vital role played by women in those industries, especially in Latin America. The huge profits made by transnational corporations operating in those sectors were largely attributable to the fact that they mainly employed women. Studies of the policies of transnational corporations should take account of the impact of those policies on persons of modest means, who were generally women.

50. She could not ignore the comments by the Executive Director of the Centre that the recruitment of female consultants should not be at the expense of the quality of the services provided. That should also be true of the recruitment of male consultants. It was a question, not of sacrificing quality, but rather of taking account of the vital role played by women in transnational corporations. That was the justification for women occupying senior posts at the Centre. Even though they were generally less qualified academically than men, women were often better at taking a human approach to problems.

The meeting rose at 1.10 p.m.