

United Nations  
**GENERAL  
ASSEMBLY**

THIRTY-SEVENTH SESSION

*Official Records\**



FIFTH COMMITTEE  
39th meeting  
held on  
Friday, 19 November 1982  
at 10.30 a.m.  
New York

SUMMARY RECORD OF THE 39th MEETING

Chairman: Mr. KUYAMA (Japan)

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

CONTENTS

AGENDA ITEM 107: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT  
(continued)

AGENDA ITEM 103: PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)

Administrative and financial implications of draft resolutions I and II  
recommended by the Third Committee in document A/37/595 concerning agenda  
item 76

AGENDA ITEM 106: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS  
WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued)

- (a) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY  
QUESTIONS
- (b) IMPACT OF INFLATION AND MONETARY INSTABILITY ON THE REGULAR BUDGET OF THE  
UNITED NATIONS

---

\* This record is subject to correction. Corrections should be sent under the  
signature of a member of the delegation concerned *within one week of the date of  
publication* to the Chief of the Official Records Editing Section, room A-3550,  
866 United Nations Plaza (Alcoa Building), and incorporated in a copy of the  
record.

Corrections will be issued after the end of the session, in a separate fascicle for  
each Committee.

82-57818 4484S (E)

Distr. GENERAL  
A/C.5/37/SR.39  
23 November 1982

ORIGINAL: ENGLISH

/...

The meeting was called to order at 10.45 a.m

AGENDA ITEM 107: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT  
(continued) (A/37/372 and Add.1 and 2)

1. Mr. FORDE (Joint Inspection Unit) said that the report of JIU on communications in the United Nations system (A/37/372) was addressed to all the participating organizations of JIU but it also contained a number of recommendations addressed to the United Nations alone.
2. Chapter V contained a summary of conclusions and recommendations. The Inspectors attached particular importance to recommendation 10, which called for greatly increased inter-organization co-operation on communications. The objective was gradually to introduce a modern communications system serving all the organizations of the United Nations system and thereby increase effectiveness and reduce costs. From that point of view, the comments of ACC (A/37/372/Add.2) were disappointing. Although they purported to agree generally with the broad thrust of the objectives and the recommendations of JIU, they did not seem to hold out much promise for a unified approach to the solution of existing problems and to the search for more effective and less costly methods. Paragraph 5 of document A/37/372/Add.2, in particular, would, if applied, probably undermine the objectives sought by the Inspectors in recommendation 10. The existing mechanisms for inter-agency co-ordination did not possess the required expertise and they were not accustomed to working in a way conducive to reform. Recommendation 10 required a fresh and energetic approach supported by dedicated specialists.
3. The Inspectors fully concurred in the Secretary-General's comments in paragraph 5 of document A/37/372/Add.1. Recommendation 10 was designed precisely to indicate how best an integrated communications system could be developed. The Inspectors also found themselves in general agreement with the other comments of the Secretary-General in that document.
4. Some important managerial decisions would need to be taken in the future if the United Nations system was to obtain the best value for the resources it spent on communications. It was to be hoped that the opportunity to take a broader approach to that question would not be missed.
5. Mr. TIMBRELL (Assistant Secretary-General for General Services) said that the Secretariat welcomed the thorough and constructive report of the Joint Inspection Unit on communications in the United Nations system. The Secretary-General was, in the main, in agreement with both the approach and the conclusions of the Inspectors. The problem of communications in the United Nations was becoming more difficult as the Organization's programmes expanded and its work became decentralized.
6. The problem had three components. First, there was the fact that, over the years, a different approach had been taken by the various organizations of the system to communications and in some cases it had been only marginally co-ordinated. Secondly, there was a need to respond to new technological

/...

(Mr. Timbrell)

developments in a realistic manner with the objective of improving operations. Thirdly, there was the question of determining an appropriate level of expenditure on communications in the light of tight money policies. The United Nations, for its part, was reviewing all facets of its communications facilities and would explore the thoughtful recommendations of JIU. The Secretary-General would endeavour in that process to take the lead in promoting a more co-ordinated approach to the problem by the organizations of the United Nations system.

7. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, although the report of JIU was thought provoking and well researched, the Advisory Committee had had some difficulty in determining what recommendations it should make to the Fifth Committee. The Advisory Committee took note of the reaction of the Administrative Committee on Co-ordination and the Secretary-General, as contained in the addenda to the JIU report, which did not contain any proposals for immediate action. The Advisory Committee had also noted that the JIU recommendations were concerned with the long-term needs of the United Nations system. It had therefore decided to await whatever specific proposals the Secretary-General might submit either in separate documents or in connection with his budget proposals for 1984-1985 or subsequent biennia following the completion of the review of all facets of the communications system to which the Assistant Secretary-General had just referred.

8. It was for the Fifth Committee to determine whether any of the recommendations of JIU required immediate action. Assuming that they did not, the Advisory Committee was recommending that the report of JIU should be accepted.

AGENDA ITEM 103: PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)

Administrative and financial implications of draft resolutions I and II recommended by the Third Committee in document A/37/595 concerning agenda item 76 (A/37/7/Add.8; A/C.5/37/31, A/C.5/37/32 and Add.1)

9. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee in document A/37/7/Add.8, said that paragraphs 2 to 7 of the report dealt with the request contained in draft resolution I that the Secretary-General should appoint a Secretary-General of the Second World Conference to Combat Racism and Racial Discrimination. As indicated in paragraph 3 of the report, the Secretary-General had appointed the Assistant Secretary-General for Field Operational and External Support Activities to that post. The related cost estimates were set out in paragraphs 3 to 10. In order to enable the Secretary-General of the Conference to discharge his responsibilities, a request had been made for three temporary posts, two in the Professional category (P-4 and P-3) and one General Service post. The assumption on which the Secretary-General's request had been costed was that the posts would be available for 12 months in 1983. In view of the fact that the Conference was scheduled for August of that year, the Advisory Committee doubted whether it was necessary to make all the temporary posts available for the entire year. On the basis of the information obtained from the Secretary-General of the

/...

(Mr. Mselle)

Conference and other representatives of the Secretary-General, it had concluded that it should be adequate to authorize two of the posts for 12 months and one for 9 months. That proposal was contained in paragraph 4 of the Advisory Committee's report.

10. The Advisory Committee was also recommending a slight reduction in the request for common-services costs from \$26,700 to \$15,000.

11. Paragraph 7 contained a summary of the Advisory Committee's recommendations relating to the Secretary-General of the Conference and related expenses.

12. Paragraphs 8 to 25 of the report dealt with the requests arising from draft resolution II. Paragraph 10 contained a summary of the related estimates for the Conference under the headings of conference-servicing costs, travel and other costs, and public information. Because it was envisaged that the Conference would be held in Manila and it was proposed that an exception should be made to the provisions of General Assembly resolution 2609 (XXIV), the United Nations would be expected to bear 50 per cent of the additional cost of holding the Conference in the Philippines. Expenditure under the regular budget would therefore be slightly higher than if an exception to the resolution had not been recommended. The Secretary-General had established the related conference-servicing costs and travel for two venues, Geneva and Manila, and one half the difference between the two estimates was the amount that would be added to the regular budget. In paragraph 12, the Advisory Committee indicated that, if the proposed formula was accepted, the United Nations share would be \$1,100,800 for conference-servicing costs, while the share to be borne by the Government of the Philippines would be \$113,800. The amount relating to the United Nations share was not being requested at the current stage but would be resubmitted in the context of the consolidated statement of conference-servicing costs to be considered later in the session. The Advisory Committee had drawn the attention of the Secretariat to a number of errors it had found in the estimates of conference-servicing costs and hoped that the consolidated paper would be based on accurate amounts.

13. Paragraph 13 contained details of the additional appropriations which the Secretary-General was requesting the General Assembly to approve at the current stage. The total amount was \$799,200, which included an amount of \$160,300 relating to additional travel which would be incurred if the Conference was held in Geneva, an amount of \$561,900, representing one half of the additional travel requirement if the Conference was held in Manila, and an amount of \$77,000 for public information activities. The last-mentioned amount was discussed in paragraphs 14 and 15, in which the Advisory Committee recommended that the request of \$62,000 for the information centres should be accepted and that the additional amount requested for publications should be absorbed.

14. The Advisory Committee's analysis of the requests for travel were contained in paragraphs 16 to 20. It recommended that the requests should be reduced on the ground that the number of staff to be sent to the Conference could be re-examined without adversely affecting the efficiency of the Conference. The total reduction recommended in that connection was \$84,900 at Manila rates.

/...

(Mr. Mselle)

15. Finally, paragraph 24 and annex I showed the total amount, namely \$711,600, for immediate approval under various sections of the programme budget if exception to resolution 2609 (XXIV) was accepted. If no such exception was approved, it would be necessary, as indicated in paragraph 25 and annex II, to appropriate an amount of \$186,100 under various sections of the programme budget.

16. Mr. AMNEUS (Sweden), speaking on behalf of the Nordic delegations, said that the delegations concerned were worried that, unless the Fifth Committee acted decisively, the General Assembly might take a decision that would undermine its own authority and credibility. Resolution 2609 (XXIV), which had been adopted in 1969, was still in force and required Governments hosting sessions of United Nations bodies away from established headquarters to defray the additional costs involved. That provision had been reaffirmed in resolution 31/140 and to date no exceptions had been made to it. The so-called Ghana formula of 1978 had been a very special case and, in fact, had never been applied, as the Advisory Committee had pointed out. There were no compelling reasons to make an exception now. The issue was more than budgetary: it was a matter of administrative, financial and legal responsibility.

17. With regard to the budgetary implications, the Committee should be aware that to make an exception in the case before it would open the way to many more exceptions in the future. Of course, the Nordic delegations were not opposed to the Second World Conference and appreciated the generous offer of the Philippine Government to act as host, but they wished to uphold the credibility of the Fifth Committee and the United Nations by ensuring respect for the rules which Member States themselves had set.

18. The Nordic delegations concurred in the opinion of the Committee on Conferences that such a departure from a well-established principle should be discouraged. They therefore believed that paragraph 4 of draft resolution II should be deleted and suggested that delegations should meet informally to discuss how that might be done.

19. Mr. KRISTIANSEN (Denmark), speaking on behalf of the countries of the European Economic Community, said that those countries had strong reservations about paragraph 4 of draft resolution II, by which half of the additional cost involved in holding the Conference in the Philippines would be defrayed from the regular budget of the United Nations, in contravention of General Assembly resolutions 2609 (XXIV) and 31/140. General Assembly resolution 31/78, by which it had been decided to make an exception to resolution 2609 (XXIV), did not constitute a precedent, since the World Conference to Combat Racism and Racial Discrimination had actually been held in Geneva.

20. The EEC countries were opposed to making any exception to the relevant resolutions, in view of the serious financial consequences which would ensue.

/...

21. Mr. ALBANO (Philippines) said that the decision to hold the Conference at Manila had been overwhelmingly approved in the Third Committee. His Government had agreed to host the Conference, provided that the cost-sharing formula contained in paragraph 4 was approved by the General Assembly. It had requested the Secretary-General to practise the utmost economy in organizing the Conference, and, accordingly, the estimated number of interpreters required from New York had been reduced. His delegation supported the recommendations made by the Advisory Committee.

22. Mr. PEDERSEN (Canada) said that no exception had ever been made to resolution 2609 (XXIV). Although his delegation supported the convening of the Conference, no exception should be made in that case either.

23. The General Assembly had approved the provision of conference-servicing facilities around the world, and full use should be made of those facilities in order to justify the expenditure incurred. His delegation proposed that the Fifth Committee should recommend to the General Assembly that it approve the additional appropriations in annex II of document A/37/7/Add.8, and that no exception should be made to paragraph 10 of resolution 2609 (XXIV).

24. Mr. GRODSKY (Union of Soviet Socialist Republics) said that his delegation had supported the decisions on the Conference taken in the Economic and Social Council and the Third Committee. Nevertheless, the proposed departure from the provisions of resolution 2609 (XXIV) was disquieting, particularly since that resolution had been adopted unanimously and had been reaffirmed by resolution 31/140. Any exception would be unacceptable, since it would have undesirable financial consequences and would place a heavy burden on the budget. His delegation shared the concern of the Advisory Committee. It should be noted that the Committee on Conferences had already decided that it would be undesirable to make any exception. The Soviet Union felt strongly that any additional cost should be borne by the host Government.

25. Mr. KELLER (United States of America) said that the United Nations had many conference facilities available, with skilled staff on hand, and those facilities should be used. Any proposal designating other venues for meetings should be backed by sound arguments. The principle contained in resolutions 2609 (XXIV) and 31/140 was well founded.

26. It had been suggested informally that, since the Third Committee had adopted draft resolution II, the matter was closed. His delegation strongly disagreed with that viewpoint. Paragraph 4 of the resolution was concerned with budgetary and administrative questions, which were the exclusive concern of the Fifth Committee. The proposals made by the Nordic countries, and Canada were welcome.

27. Mr. TAKASU (Japan) said that his Government was opposed to racial discrimination and supported the convening of the Second World Conference to Combat Racism and Racial Discrimination. Nevertheless it had reservations concerning paragraph 4 of the draft resolution. Any departure from the provisions of resolution 2609 (XXIV) would have serious repercussions on future United Nations conferences. Japan thus opposed the cost-sharing proposal on administrative and financial grounds.

/...

28. The CHAIRMAN suggested that the representative of Canada might wish to withdraw his proposal for the time being, in view of the Swedish proposal to defer consideration of the matter.

29. It was so decided.

AGENDA ITEM 106: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued) (A/37/547 and Corr.1; A/C.5/37/23, A/C.5/37/39)

(a) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS

(b) IMPACT OF INFLATION AND MONETARY INSTABILITY ON THE REGULAR BUDGET OF THE UNITED NATIONS

30. Mr. FORAN (Controller), introducing the Secretary-General's report in document A/C.5/37/39, said that there had been differing views regarding the aim of the study on the impact of inflation and monetary instability on the regular budget of the United Nations. It had thus been decided that the study would not draw conclusions about the political causes of inflation, but would restrict itself to a technical analysis of the relationship between the budget and inflation over the past three biennia.

31. Expenditure at United Nations headquarters in New York, Geneva and Vienna accounted for approximately 78 per cent of the regular budget, while salaries and common staff costs represented 77 per cent. It had been decided to limit the scope of the study to the relationship between inflation, on the one hand, and salaries and common staff costs, on the other. It should be noted that the cost to the public sector of providing goods and services tended to increase at the same rate as the general price level. The biennium 1976-1977 had been taken as the base for the study, which had not dealt with increased expenditure due to the rise in the number of established posts. Over the period 1976-1981, there had been a real increase in staff costs per post of 3.8 per cent in New York and 3.7 per cent in Vienna, while in Geneva staff costs per post in United States dollars had increased by 10 per cent less than the cost-of-living change in dollar terms.

32. Mr. KOULIK (Ukrainian Soviet Socialist Republic) said that the information contained in the Advisory Committee's report (A/37/547) revealed the major shortcomings which still existed in administrative and budgetary co-ordination. Unfortunately, the report contained no detailed analysis of the budgets of the specialized agencies and the International Atomic Energy Agency, as called for in General Assembly resolution 36/229, but, like previous reports, contained only an objective description of the financial difficulties of the specialized agencies. The Advisory Committee made very few proposals for ensuring effective administrative and budgetary co-ordination with a view to a rational and economic use of United Nations resources.

33. The most acute financial problem facing the United Nations system was the problem of limiting the growth of the budgets of the United Nations and the

/...

(Mr. Koulik, Ukrainian SSR)

specialized agencies. Table A.1 of document A/37/547 provided figures on the overall total of the regular budgets of the specialized agencies and IAEA, which in 1983 would amount to nearly \$1 billion. It was regrettable that the Advisory Committee had not commented on that figure, which exceeded the sum total of the annual income of about 35 or 40 Member States. It was therefore not surprising that the situation regarding contributions to the budgets of those organizations had deteriorated compared with previous years. An increasing number of countries were finding it more and more difficult to meet their financial obligations to international organizations within the prescribed time-limits.

34. The growth of regular budgets was to a large extent a consequence of the increase in the numbers of staff members in the secretariats of the United Nations and the specialized agencies. In 1982 some organizations had adopted stringent measures to reduce the rate of increase in recruitment; in particular, the Food and Agriculture Organization of the United Nations, as was noted in paragraph 27 of the Advisory Committee's report, had kept its establishment at the same level in 1982-1983 as in the previous period. In most cases, however, the efforts of individual agencies had not been duly reflected system-wide and, in particular, a poor example was being set by the Secretariat of the United Nations itself; over the past two years 209 posts had been added to its establishment even though there were reports of underutilization of staff and lack of efficiency in the secretariats of international organizations as a whole.

35. Other factors which generated a considerable increase in the budgetary expenditure of the United Nations system were the inflationary processes and currency fluctuations in countries in which the financial operations took place, as was shown in the tables in the Advisory Committee's report. It was regrettable that, despite the constructive decisions of the General Assembly at previous sessions providing for the expenditure associated with inflation to be absorbed through savings, a review of the priority of programmes, and intrabudgetary adjustments, such expenditure was still being met through increases in the contributions of States, including those which were in no way responsible for the adverse effects of the capitalist system.

36. A correctly organized and effectively functioning system of administrative and budgetary co-ordination would make a substantial contribution to eliminating or at least lessening the impact of inflation and monetary instability. Such co-ordination should involve concerted efforts by the United Nations, the specialized agencies and IAEA to find more advanced, effective and economical methods of work for the individual secretariats, to apply the results of experience throughout the system, to identify and terminate ineffective and obsolete programmes, to eliminate any duplication in the system, and to allocate the financial and human resources thus released to the most important and urgent activities. Thus, co-ordination consisted, not simply in selecting, processing and analysing data, but also taking concrete action to generate savings and enhance the quality of the work performed throughout the United Nations system.

The meeting rose at 12.15 p.m.