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SUMMARY RECORD OF THE 73rd MEETING

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

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The meeting was called to order at 3.30 p.m.

AGENDA ITEM 104: PROGRAMME PLANNING (continued)

- (a) REPORT OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION
- (b) MEDIUM-TERM PLAN FOR THE PERIOD 1984-1989
- (c) REPORTS OF THE SECRETARY-GENERAL

Draft resolution A/C.5/37/L.49 as orally revised.

1. <u>Mr. MACARTNEY</u> (Canada), explaining his delegation's position on draft resolution A/C.5/37/L.49 as orally revised, which had been adopted by consensus at the previous meeting, said that the adoption of the draft together with the annexed Regulations was a significant step forward in improving the effectiveness of the systems concerned. His delegation concurred with the view that the Regulations themselves were open to revision in the light of experience. He drew attention to the reservations expressed by his delegation in other substantive committees concerning the medium-term plan, and said that his delegation interpreted section II, paragraph 9, of the draft resolution as not requiring the Secretary-General to take any specific action; it interpreted the words "further integrate" in that paragraph to mean co-ordinate or harmonize. In implementing the resolution, it was essential to maintain financial integrity: a degree of separation between the planning, budgeting, monitoring and evaluation functions would probably always be required.

2. <u>Mr. MURRAY</u> (United Kingdom) said that in addition to the reservations expressed by the Danish representative on behalf of the members of the European Economic Community, his own delegation's reservations concerning the wording used in parts of the medium-term plan, as expressed in CPC and the Economic and Social Council, still applied. His delegation had the same reservations as the United States delegation concerning regulation 3.12. It hoped that the proper application of the concepts set forth in the resolution and annexed Regulations would lead, over time, to a real improvement in the effectiveness and productivity of the United Nations.

Mr. GRODSKY (Union of Soviet Socialist Republics) said that his delegation had 3. not objected to the adoption of the draft by consensus, although it did not support all the provisions of the medium-term plan. Soviet representatives in CPC and in the Main Committees of the Assembly at the current session had already expressed reservations to that effect. Unlike the Danish representative, he attached great importance to the programme on trade between the socialist and developed countries, believing it to be of value for most Members of the Organization, including the developing countries. He would have liked the text adopted to include more specific provisions on centralized monitoring and priority evaluation, as well as the identification of obsolete, completed and marginally useful activities and the associated redeployment of resources to other areas. Despite such shortcomings, however, his delegation welcomed the introduction of procedures to rid the United Nations budget of unnecessary areas of activity. It was high time that United Nations activities were financed through the elimination of old and redundant programmes rather than by additional appropriations.

Mr. KEMAL (Pakistan) said that although the wording in the seventh preambular 4. paragraph of the draft reflected the terms actually used in the report of the Committee of Governmental Experts, that Committee had reached no final decision on the form that the integration of the programme planning, budgeting, monitoring and reporting system should take: indeed, the general feeling seemed to have been that the Secretary-General should pursue such integration as he saw fit. His delegation would have preferred to use the word "harmonize", rather than "integrate", since "integrate" implied an organizational change. Concerning the establishment of the Central Monitoring Unit, referred to in the eighth preambular paragraph, he cautioned the Secretary-General against allowing the Unit to become a cumbersome bureaucracy operating pro forma. The best form of monitoring was that undertaken by the intergovernmental bodies: each such body could undertake an evaluation of the subject of concern to it, thus making the monitoring of the Secretariat units involved a regular part of its work. Setting up an individual monitoring unit would mean spending large sums of money on an activity which would not necessarily result in increased programme delivery.

5. Section II, paragraph 9, of the draft implied that the Secretary-General was required to take measures to further integrate the programme planning, budgeting, monitoring and evaluation functions of the Secretariat. Once again, his delegation would have preferred the term "harmonize", since it did not believe that there had been consensus on the need for the administrative changes implicit in the term "integrate". The regulation governing the budgetary implications of the medium-term plan might delay the work of the General Assembly. His delegation hoped that the Secretariat units involved would co-operate to prevent that from happening.

6. <u>Mr. CAPPAGLI</u> (Argentina) said that, while his delegation had joined the consensus, he wished to draw attention to the reservations which it had expressed concerning programme 2, subprogramme 2, in chapter 4 of the medium-term plan for the period 1984-1989, in so far as it referred to the Malvinas. The pursuit of decolonization through an act of self-determination was not appropriate in the case of the Malvinas.

7. <u>Mr. GEPP</u> (Brazil) said his delegation regretted the fact that the Fifth Committee had been unable to consider individual chapters of the medium-term plan. His own delegation had problems with chapters 6, 10, 14 and 21. He understood, however, that individual chapters had been discussed in other Main Committees of the General Assembly.

8. <u>Mr. YOUNIS</u> (Iraq) welcomed the adoption of a new system to govern programming, budgeting, monitoring and evaluation, and said that his delegation attached special importance to articles V and VI of the Regulations annexed to the draft. He hoped that the new system would begin to function very shortly, and that the central unit would have adequate staff and resources to do its work properly. He felt that a different format should be found for the Secretary-General's report on programme performance, which should indicate the results of the Organization's efforts and shortcomings in the implementation of programmes. The report should also provide more accurate information on programmes and subprogrammes affecting the regional economic commissions. His delegation felt that the report, although discussed in CPC and the Economic and Social Council, did not receive due attention from the Fifth Committee, in view of its significance as the final report on the outcome of all programmes.

9. <u>Mr. SAGRERA</u> (Spain) said that, for the same reasons as the Argentine representative, he wished to express reservations concerning the inclusion in the medium-term plan of the subprogramme according assistance to the Special Committee of 24 in so far as Gibraltar, Namibia and the Malvinas were concerned.

10. <u>Mr. GODFREY</u> (New Zealand) said that his delegation had been happy to join the consensus on the draft, which provided the United Nations with an agreed set of procedures for determining priorities. It was now up to Member States, working through CPC and individually, to make the new procedures work. He hoped it would be possible to reach agreement on low-priority programme elements which could be reduced in scope, if not eliminated entirely, in order to finance new or higher-priority programmes. He attached particular importance to regulation 4.6, and trusted that the Secretary-General would pay heed to that regulation in preparing his forthcoming budget proposals.

11. <u>Mr. RUEDAS</u> (Under-Secretary-General for Administration and Management) said that the intention of the Secretary-General, as voiced in the statements referred to in the sixth preambular paragraph of the draft, was to take action on programme planning, but to exercise caution in doing so. It was necessary to emphasize the dual nature of the Secretary-General's approach because section II, paragraph 9, of the draft appeared to lay greater stress on action than on caution. As members were aware, during the early months of 1983 the Secretariat would be occupied in preparing the proposed programme budget for consideration by CPC and ACABQ at their spring sessions. Accordingly, the report requested in section II, paragraph 9, of the draft might not be as informative as the sponsors would have wished.

12. <u>Mr. TOMMO MONTHE</u> (United Republic of Cameroon) commended the co-operative spirit displayed by delegations during the consultations on the draft. He particularly praised the delegations of the Federal Republic of Germany, the United States, Finland, the Byelorussian Soviet Socialist Republic, the Soviet Union, Pakistan and Panama, all of which had entered the consultations with very firm views, but finally agreed to allow the draft to be adopted by consensus. He hoped that attitudes could be moulded by the experience gained, on the understanding that what had now been accomplished could be modified or completely recast, as circumstances required.

13. <u>The CHAIRMAN</u> announced that the Committee had completed its consideration of agenda item 104.

Administrative and financial implications of the draft resolution submitted in document A/37/L.40/Rev.l concerning agenda item 27 (A/37/7/Add.20; A/C.5/37/85)

14. The CHAIRMAN informed the Committee that the adminstrative and financial implications of the revised draft resolution submitted in document A/37/L.40/Rev.1 were the same as those indicated by the Secretary-General in document A/C.5/37/85 and were consequently covered by the Advisory Committee's report in document A/37/7/Add.20.

15. <u>Mr. MSELLE</u> (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that, in paragraph 4 of the Advisory Committee's report (A/37/7/Add.20), the figure of \$604,950 should read \$555,000, in the table following paragraph 12 of the report, under section 4, the figure of \$317,650 should read \$317,700 and the total at the end of the table should read \$555,000.

16. The Advisory Committee's report referred to a number of issues which remained to be settled. Accordingly, it was recommending a total amount of \$555,000, to be allocated in accordance with paragraphs 5 to 10 of its report, which would provide sufficient funds for the functioning of the Conference secretariat for the first six months of 1983. The Advisory Committee was also recommending that the Secretariat should report to the Advisory Committee at its spring session in 1983 on the result of the Preparatory Committee's meetings to be held early in 1983. If necessary, the Advisory Committee would authorize the Secretary-General to enter into commitments in order to finance all the activities not covered by the appropriations currently recommended.

17. <u>Mrs. KNEZEVIC</u> (Yugoslavia) said that her country attached great importance to the United Nations Conference for the Promotion of International Co-operation in the Peaceful Uses of Nuclear Energy which, in accordance with General Assembly resolution 36/78, was to be held at Geneva in 1983. Bearing in mind the financial implications of that undertaking, her delegation strongly supported the holding of both sessions of the Preparatory Committee for the Conference in New York, not in Vienna. In that connection, she drew attention to paragraph 1 of the draft resolution and observed that the revised text had been carefully worked out by the Group of 77.

18. Her delegation did not agree with the indication contained in the Secretary-General's statement (A/C.5/37/85) to the effect that the holding of the meeting of the Preparatory Committee in New York would make an exception to the general principle affirmed in resolution 31/140 that United Nations bodies should meet at their respective established headquarters. As her delegation understood it, since the Preparatory Committee was a subsidiary body of the General Assembly and since the headquarters of the General Assembly was in New York, both meetings of the Preparatory Committee should be held in New York. Moreover, the Secretary-General indicated in his statement that, because of the large permanent conference-servicing staff in New York, the actual cost of holding those sessions in New York would be lower. The financial aspect should be of primary importance to the Committee in taking a decision on all such matters.

19. <u>Mr. PAPENDORP</u> (United States of America) said that his delegation had read with interest the documents before the Committee and had noted, in particular, the Advisory Committee's finding that many of the original requests outlined in the Secretary-General's statement were based on assumptions and were thus unjustified. He expressed appreciation to the Advisory Committee for specifying that money should not be spent until it was requested and that Member States should examine all such requests very closely. However, his delegation did not feel that the Advisory Committee had gone far enough in that direction. In its opinion, all the activities proposed in the Secretary-General's statement could be carried out differently, within existing resources.

(Mr. Papendorp, United States)

20. Accordingly, his delegation proposed the adoption of the following draft decision:

"The Committee wishes to inform the General Assembly that, should it adopt the draft resolution contained in document A/37/L.40/Rev.1, the only additional costs would be \$1,534,900 for conference-servicing costs, calculated on a full-cost basis and subject to review in the context of the consolidated statement of total conference-servicing requirements, and that all other costs should be absorbed within the existing resources appropriated in accordance with General Assembly resolution 36/240."

He pointed out that similar decisions had been adopted previously and, since no other Main Committee had examined the financial implications of the draft resolution, his delegation felt that it was appropriate to introduce the draft decision at the current meeting.

21. <u>Mrs. LOPEZ ORTEGA</u> (Mexico) said that her delegation agreed with the comments made by the representative of Yugoslavia. The draft resolution contained in document A/37/L.40/Rev.1 was the result of lengthy negotiations and had been endorsed the Group of 77. Her delegation also supported the Advisory Committee's report (A/37/7/Add.20) and therefore could not support the draft decision proposed by the United States. Accordingly, she requested that a vote should be taken on the draft decision.

22. <u>Mr. ZINIEL</u> (Ghana), speaking in explanation of vote before the vote, said that members of the Committee were all very conscious of the expenditures made by the Organization and of the responsibility which their decisions placed on the Secretary-General. His delegation had always felt that it was absolutely necessary to practise the utmost economy, but not at the expense of much-needed programmes. After examining the Secretary-General's statement and the Advisory Committee's report, he wished to thank the Advisory Committee for exercising its usual cautious scrutiny, as reflected particularly in paragraphs 4, 5 and 6 of its report (A/37/7/Add.20), and for its advice to the effect that those issues on which adequate information was not yet available required further consideration. Therefore, his delegation supported the well-reasoned recommendations of the Advisory Committee and would be unable to support the United States proposal.

23. <u>Mr. EL SAFTY</u> (Egypt) said that the Advisory Committee, whose views were respected by the entire Committee, had made reasonable recommendations, based on facts. Since the United States proposal dealt with only one element of the Secretary-General's statement and ignored the others and since his delegation did not know on what facts it was based, his delegation would vote against the draft decision and would support the recommendations made by the Advisory Committee.

24. <u>Mr. NUÑEZ</u> (Ecuador), <u>Mr. ROY</u> (India), <u>Mr. HADID</u> (Algeria), <u>Mr. GEPP</u> (Brazil), <u>Mr. AKHTAR</u> (Bangladesh) <u>Mr. YOACHAM</u> (Chile) and <u>Mr. NTAMBI</u> (Uganda) endorsed the comments made by the representatives of Yugoslavia and Mexico in support of the recommendations made by the Advisory Committee and opposing the United States proposal.

25. The draft decision proposed orally by the United States delegation was rejected by 60 votes to 18, with 11 abstentions.

26. <u>The CHAIRMAN</u> proposed that, on the basis of the recommendations of the Advisory Committee, the Fifth Committee should inform the General Assembly that, should it adopt the draft resolution contained in document A/37/L.40/Rev.1, additional appropriations totalling \$550,000 - \$317,700 under section 4, \$14,000 under section 10, \$19,300 under section 11, \$18,000 under section 12, \$17,300 under section 13, \$16,300 under section 14 and \$152,400 under section 27 - would be required under the programme budget for the biennium 1982-1983, and that a further appropriation of \$70,400 would be required under section 31 (Staff assessment), to be offset by an increase in the same amount under income section 1 (Income from staff assessment). The Committee should also inform the General Assembly that conference-servicing requirements would arise, estimated, on a full-cost basis, at \$1,534,900, and that the actual additional appropriations which might be required in that respect would be considered in the context of the consolidated statement of conference-servicing requirements to be submitted later in the session.

27. <u>Mr. PAPENDORP</u> (United States of America) requested that the proposal should be put to the vote.

28. The Chairman's proposal was adopted by 60 votes to 9, with 20 abstentions.

29. <u>Mr. MACARTNEY</u> (Canada) said that his delegation had voted against the proposal because agreement had not been reached on either the agenda or arrangements for the Conference. His delegation considered that the information activities envisaged were over-ambitious, that the Conference secretariat was too large and that there had been inadequate co-ordination with IAEA.

30. <u>Mr. BANGURA</u> (Sierra Leone) said that his delegation had voted in favour of the proposal on the understanding that the comments made by the representative of Yugoslavia would be taken into account. First performance report (continued) (A/37/7/Add.23; A/C.5/37/65)

31. <u>Mr. MSELLE</u> (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew the Advisory Committee's report to the attention of the Fifth Committee and expressed the hope that its recommendation would be accepted by consensus.

32. <u>Mr. YOUNIS</u> (Iraq) requested clarification concerning the revised figures for budget section 14 (Economic Commission for Western Asia).

33. <u>Mr. PAPENDORP</u> (United States of America) said that the Secretary-General's first performance report for the biennium 1982-1983 (A/C.5/37/65) was an improvement over the corresponding report for the preceding biennium. Although the Secretary-General was projecting a reduction in the net requirements of the Organization, such savings were largely illusory since it was unlikely that Member States would receive a substantial reduction in their assessments once the additional appropriations approved at the current session were factored in. In view of the steep increases in assessments over the last decade, which had created serious financial problems for all Member States, it would be appropriate for the entire saving of \$38.6 million to be passed on to them.

34. When at the preceding session his delegation had voted against the programme budget for 1982-1983, it had taken the view that savings achieved through revised assumptions for inflation and exchange rates should have been passed on to Member States. Instead, by using those savings to fund new programmes, the General Assembly had created a potentially explosive situation. The General Assembly would probably approve at the current session well over \$25 million for new programmes, revised estimates and conference-servicing costs, thereby reducing the savings for Member States and also perpetuating the financial emergency. The programme growth authorized over the past two years had been temporarily masked by economic factors which were volatile and subject to rapid and dramatic change. Prevailing exchange and inflation rates, which were responsible for the slower pace of nominal growth in the regular budget, were a departure from well-established trends. Should there be a reversal in those rates, the excessive real growth in the programme budget for the biennium would produce sharp and painful increases in the assessments of Member States.

35. His delegation opposed the expenditure under section 1 of \$244,700 for the International Conference on Palestine and the expenditures relating to the preparations for the Second World Conference to Combat Racism and Racial Discrimination and the Programme for the Decade for Action to Combat Racism and Racial Discrimination.

36. In section C of the performance report, explanations were provided for expenditures totalling \$1,801,900 incurred by the Secretary-General during the current year. While the justifications given for most of the expenditures seemed adequate, his delegation believed that, given the relatively small amounts involved, they should have been fully absorbed from within the available resources.

37. His delegation was pleased to note that the overall net requirements of the Organization had declined, although it was not because programme growth had been contained. It regretted that the Secretary-General had been unable to absorb \$3.6 million in additional requirements to reduce the financial burdens of Member States. He was, however, prepared to heed the appeal made by the Chairman of the Advisory Committee that the Fifth Committee should adopt its recommendation by consensus.

38. <u>Mr. TOMMO MONTHE</u> (United Republic of Cameroon) observed that the performance report before the Committee called for a downward adjustment in the appropriations originally approved at the preceding session and that all delegations seemed to be prepared to support the Advisory Committee's recommendation in paragraph 10 of its report. However, it was quite likely that, at some time in the future, the Committee would be asked to approve an upward adjustment in the initial appropriations and he suspected that not all delegations would be prepared to join in the consensus then.

39. In the light of the Advisory Committee's analysis in paragraph 4 of its report, it was clear that the changes required in the initial appropriations were the result primarily of changes in exchange inflation and rates and that the impact of the decisions of policy-making organs was relatively small. Inflation and exchange rates would doubtless continue to be the main factors affecting future budgets. Consequently, if delegations were prepared to join in a consensus when a downward revision was possible, because of lower inflation and more favourable exchange rates, they should do likewise when an upward adjustment was necessary because inflation ran higher and exchange rates were less favourable. The General Assembly would have an answer to the question who was responsible for inflation and fluctuating exchange rates when the Secretary-General submitted the report requested in the draft resolution on the impact of inflation and monetary instability on the budget of the United Nations (A/C.5/37/L.31), which had been adopted on the proposal of the Cuban delegation.

40. <u>Mr. GODFREY</u> (New Zealand) observed that the Secretary-General was projecting a substantial reduction in income, mainly because of the impact of inflation and exchange rates on staff assessment. However, as he understood it, staff assessment was a certain percentage of staff salaries, and staff salaries in turn accounted for some 80 per cent of the costs of running the Organization. He requested clarification concerning the matter since he was under the impression that there was a correlation between staff assessment, total salary costs and, in turn, the total expenses of the Organization.

41. He noted that under budget section 2 D (Special missions), for which some \$42 million had originally appropriated, an additional \$8 million, or nearly 20 per cent of the original appropriation, was being requested. That percentage seemed very high and merited an explanation from the Secretariat. On the other hand, of the \$60 million originally appropriated for ECLA, the Secretary-General was reporting a saving of some \$15 million, or 25 per cent of the original appropriation.

42. <u>Mr. GEPP</u> (Brazil) asked how much of the anticipated saving of \$38 million would be left after the additional appropriations and revised estimates approved by the General Assembly at the current session were subtracted.

43. <u>Mr. DITZ</u> (Austria) noted that schedule 1 of the performance report gave 15 per cent as the rate of inflation for Vienna in 1982. He asked how that figure had been arrived at, since, to his knowledge, the rate of inflation in Austria had been running well below 10 per cent.

44. <u>Mr. BEGIN</u> (Director, Budget Division), replying to the representative of Iraq, said that the changes in the appropriations under budget section 14 reflected the disruption experienced in the work of ECWA as a result of its transfer from Beriut to Baghdad. The transfer entailed a number of readjustments in expenditures for certain staff allowances and for removal expenses, as well as the revision of the amounts of other staff allowances to reflect the different living conditions in the new headquarters city. The Advisory Committee had been kept informed of the difficulties encountered in connection with the move. The decrease of \$1,201,200 was the result of a very high vacancy rate following the transfer to Baghdad. That rate was nearly 25 per cent at the current time but a concerted effort was being made to fill as many vacancies as soon as possible. The calculations in the performance report were based on an anticipated average vacancy rate of 20 per cent for the two years of the biennium.

45. Turning to the questions asked by the representative of New Zealand, he said that the reduction under income section 1 was obviously offset by a reduction in the same amount under expenditure section 31. The Secretariat should have perhaps indicated in a footnote that the decrease in income from staff assessment was not the result of inflation alone. In the case of the Professional category, staff assessment was based on net salary, excluding post adjustment, and the salary scale was revised very infrequently. In the case of General Service salaries, staff assessment was affected by inflation but accounted for a relatively small proportion of all staff assessment. As a general rule, staff assessment varied little from year to year. However, the preceding year, a number of classes of post adjustment had been consolidated into gross salary, the amounts for post adjustment had had to be revised in the budget proposals for 1982-1983, and, unfortunately, the Secretariat had overestimated the amounts for staff assessment. Thus, the adjustment proposed in the performance report represented, for the most part, the regularization of a situation which the Secretariat had misread the preceding year.

46. The representative of New Zealand had also inquired about the relatively high increase in the appropriation for special missions (section 2 D). Staff sent on such special missions, especially to the Middle East, were entitled to various allowances, the amounts of which had been revised during the preceding biennium. However, the Secretariat had not accurately estimated the financial implications of the revisions and the Secretary-General had had to request an upward revision in the second performance report for the biennium 1980-1981. However, that revision had not been incorporated into the 1980-1981 resource base used in preparing the budget proposals for 1982-1983. Thus, it was once again necessary to request an additional appropriation but it should be the last time that the Secretariat would need to do so.

47. The sizeable decrease in the requirements for ECLA highlighted the great susceptibility of the budget to changes in inflation and exchange rates. The rate of inflation in Santiago had been extremely high in 1981, ranging between 20 and 30 per cent, while in 1982, the Chilean peso had been devalued by some 50 per cent. The figures in the performance report reflected the devalued peso and an inflation rate higher than anticipated.

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48. As to the point raised by the representative of Brazil, the consolidated statement of conference-servicing costs would indicate a requirement of some \$10 million. The financial implications of the report of the United Nations Council for Namibia would amount to over \$2 million in non-conference-servicing costs. In the light of all the factors, there could be a decrease of between \$2 million and \$4 million in relation to the estimates approved at the thirty-sixth session.

49. He understood the Austrian representative's surprise concerning the 15 per cent inflation figure for Vienna given in schedule 1. It would have been simple for the Secretariat to indicate in a footnote that, in some cases, the figures for 1982 did not reflect solely the rise in prices recorded in 1982. Although the Secretariat had had to cope with a much higher than expected rate of inflation in the first year of the biennium 1980-1981, it had not then submitted to the Committee a rigorously arithmetical calculation and had not automatically requested the increase in appropriations which would have been justified by the higher rate of inflation. On the contrary, it had examined the budget section by section, in an effort to meet the necessary expenditure from existing resources for the second year of the biennium. In some cases, it had been obliged to request additional resources, but in many cases it had managed to limit expenditure to the strict minimum. The volume of available resources had therefore not kept pace with developments in 1980 and 1981. Since the 1981 figures had not been revised to take account of inflation, the Secretariat had had to make adjustments that would reflect the real situation as it had existed in 1982. In order to offset the underestimation made in previous documents, the current first performance report indicated an inflation rate of 15 per cent for Vienna. That did not mean that the Secretary-General was requesting a 15 per cent increase for that duty station. The actual inflation rate had in fact been several points below 15 per cent.

50. <u>Mrs. de HEDERVARY</u> (Belgium) said that paragraph 8 of the first performance report (A/C.5/37/65) referred to an additional requirement of \$508,500 under expenditure section 2 for the appointment by the Secretary-General of a special representative for Namibia. She wished to know whether that amount was simply for the appointment of the special representative or also for the establishment of an office.

51. <u>Mr. GODFREY</u> (New Zealand) said that footnotes to schedules 1 and 2 indicated that the figures for two duty stations reflected the combined effect of inflation and exchange rate changes. The savings of \$15 million to which he had earlier referred should have been attributed to changes in the rate of exchange rather than in the rate of inflation.

52. <u>Mr. BEGIN</u> (Director, Budget Division) said that the representative of New Zealand was basically right. For some duty stations, the figures were estimated separately in relation to the rate of exchange and the rate of inflation. The Secretariat had traditionally used a different approach in respect of other duty stations, such as Santiago. There, account was taken of the combined effect of inflation and exchange rate changes. It was believed that, for practical

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reasons, that was a sensible approach for duty stations where expenditure was relatively low. As to the point raised by the representative of Belgium, the requirement of \$508,500 was to cover the cost of appointing the special representative and providing support staff.

53. <u>Mr. MURRAY</u> (United Kingdom) said that his delegation awaited with some trepidation the grand total of new appropriations, including the consolidated statement of conference-servicing requirements. The United Kingdom would like the Director of the Budget Division to inform the Committee of the real growth in the United Nations budget which the grand total would represent.

Education grant for certain full-time officials other than members of the Secretariat (continued) (A/C.5/37/L.50/Rev.1)

54. <u>Mr. KEMAL</u> (Pakistan), introducing draft decision A/C.5/37/L.50/Rev.1 on behalf of the sponsors, said some delegations believed that, before a decision was taken on the question of the education grant, the question should be reviewed on the basis of a report by the Secretary-General. Other delegations were of the view that a decision should be taken at the current session so that justice would not be delayed.

55. In the light of the difference of opinion, the sponsors of the original draft (A/C.5/37/L.50) had held consultations with a number of delegations. The sponsors still adhered to their original view, but, in the interests of consensus and harmony, saw merit in the proposal to request a study the Secretary-General. It should be noted, however, that a number of delegations still would prefer to have the entitlement to the grant authorized at the current session.

56. The study would not be limited to compensation and other conditions of service of the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory Committee. Some delegations had called for a more comprehensive study. Since a study of conditions of service of members of the International Court of Justice was also to be submitted to the General Assembly, the Secretary-General might wish to combine the two studies and also report on the situation of any other officials in a similar position.

57. In its resolution 35/221, the General Assembly had decided that the compensation and other conditions of service of the full-time members of ICSC and of the Chairman of the Advisory Committee would next be reviewed at the fortieth session of the Assembly. The sponsors of the revised draft decision hoped that the primary purpose of the study of aspects of conditions of service not covered in the resolution, such as the education grant, would be to reach a decision on the grant.

58. In view of th efforts made to meet the concerns of delegations, it was hoped that draft decision A/C.5/37/L.50/Rev.1 would be adopted by consensus.

59. <u>Mr. EL SAFTY</u> (Egypt) said that he was grateful to the representative of Pakistan for the efforts to reach an acceptable compromise. The discussions in the Fifth Committee and the informal consultations had put the officials in question in an embarrassing and unenviable position. His delegation would like the Committee to accept a gentleman's agreement to abide by certain principles: any report or draft resolution concerning the compensation and other conditions of service of the Secretary-General, the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory Committee should be considered early in a regular session; the related discussions should be held, not in open meetings, but informally, and agreements should be worked out during informal consultations; the Committee should do its utmost to reach a consensus on such matters; should it be necessary to take a vote, delegations should refrain from explaining their positions.

60. In accordance with those principles, he proposed closure of the debate. The Committee should proceed to take a decision on either the original or the revised draft decision. Egypt would like adoption to be by consensus. In the event of a vote, there should be no explanations of position.

61. <u>Mr. MERIEUX</u> (France) thanked the sponsors for their spirit of compromise in revising the draft decision. His delegation believed that the study by the Secretary-General would help the Committee to take an informed decision. While it agreed that the relevant report or draft resolution should be considered early in a regular session, it felt that there was nothing to be gained by avoiding open discussions. He trusted that the revised draft would be adopted by consensus.

62. <u>Mr. OKEYO</u> (Kenya) said that, in a spirit of compromise, his delegation was prepared to await the study by the Secretary-General, although it would have preferred the adoption of the original draft decision. Justice would have been better served if the officials in question had been authorized, at the current session, to receive the education grant.

63. It should be clearly understood that the entitlement to the education grant would come with the post, whoever the incumbent might be and whatever his or her nationality.

64. Draft decision A/C.5/37/L.50/Rev.1 was adopted without objection.

The meeting rose at 6.20 p.m.