

AGENDA ITEM 73

Programme budget for the biennium 1974-1975 (*continued*) (for the previous documentation, see the 1635th meeting; A/9608/Add.2, A/C.5/L.1173)

Use of experts and consultants in the United Nations (continued) (A/9112 and Corr.1 and Add.1 and 2, A/C.5/1611, A/C.5/L.1173)

49. Mr. SOKALSKI (Poland) introduced a draft paragraph (A/C.5/L.1173), also sponsored by the Nigerian delegation, for inclusion in the report of the Fifth Committee on the use of experts and consultants in the United Nations. The draft paragraph incorporated a number of the suggestions made in the Committee and took account of the main critical evaluations presented in the report of the Joint Inspection Unit (see A/9112 and Corr.1) and the observations of the Advisory Committee on Administrative and Budgetary Questions thereon (A/9112/Add.2). It was based on the following premises: firstly, that the use of experts and consultants in the United Nations called for considerable improvement and orderly procedures; secondly, that the United Nations should not be deprived of the use of outside expertise for it had to have access to outside minds with

expert knowledge in specific fields if it was to perform its functions properly; thirdly, that a formula was needed that would be both flexible and restrictive and would allow for adjustments and financial manoeuvrability. A suitable formula was included in paragraph (d) of the draft. The Director of the Budget Division had perceived some of the advantages of such a formula in his statement at the previous meeting. The adoption of the draft would give the Secretary-General time to prepare and carry out all the necessary organizational and administrative measures before proceeding to programme budgetary outlays in his proposed programme budget for the biennium 1976-1977 in such a way as to insure that over-all expenditure for outside expertise did not exceed 1 per cent of the total provision for salaries. He noted that he also expected that it would prove feasible to make certain savings in the annual expenditure on consultative services in the programme budget for the current biennium 1974-1975.

50. In conclusion, he expressed his appreciation to members of the Committee who had shown interest in and supported the draft, and hoped that it would be acceptable to the Committee.

The meeting rose at 1.55 p.m.

1638th meeting

Thursday, 3 October 1974, at 10.45 a.m.

Chairman: Mr. Costa P. CARANICAS (Greece).

A/C.5/SR.1638

In the absence of the Chairman, Mr. Garrido (Philippines), Vice-Chairman, took the Chair.

AGENDA ITEM 72

Financial reports and accounts for the year 1973 and reports of the Board of Auditors (*continued*) (A/9607 and Corr.1 and Add.1-6, A/9668 and Corr.1, A/9763 and Corr.1):

(c) United Nations Children's Fund (A/9607/Add.2, A/9763 and Corr.1, paras. 17-21)

1. Mr. HEYWARD (Deputy Executive Director, Operations, United Nations Children's Fund) said that the financial report and accounts for the year 1973 and the report of the Board of Auditors would be submitted to the next session of the UNICEF Executive Board in May 1975.

2. In connexion with the question of delayed delivery or failure to supply material, referred to in paragraph 19 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/9763 and Corr.1), he said that he agreed it was essential to try to avoid delays. The suggestion that UNICEF should provide "in all contractual arrangements for compensation to UNICEF at specified rates in the event of late delivery" was, however, based on a

misunderstanding, for UNICEF only rarely made the size and type of purchase for which such clauses would be suitable. Such clauses were not in accord with trade practice for the UNICEF type of procurement; nor were other supply sections in other United Nations agencies using such clauses. Moreover, the Office of the Legal Counsel had advised UNICEF that penalty clauses or disguised clauses were not enforceable in one of the large markets in which UNICEF made purchases. The procedure recommended by the Advisory Committee would thus be suitable for UNICEF only occasionally. UNICEF would continue to try to secure good delivery by using reliable suppliers.

3. With regard to the question of vehicles, dealt with in paragraph 20 of the report of the Advisory Committee, he recalled that the Executive Board of UNICEF had received the report of the Joint Inspection Unit on UNICEF-assisted transport organizations,¹ had agreed in principle to the conclusions and recommendations contained therein, and had authorized the Executive Director to implement those recommendations and to carry them out to the extent feasible.

¹ See document A/C.5/1598, of 6 September 1974, paras. 54-59.

4. Referring to the observations made by the representative of China (1637th meeting), he said that countries were not selling UNICEF vehicles because unsuitable types had been supplied, although that could have been inferred from paragraph 20 of the Advisory Committee's report. Vehicles were supplied for projects benefiting children after agreement with the Ministries concerned about the type of vehicle required and the brand of vehicle for which maintenance facilities were available. The vehicles were sold only after many years of service had rendered them uneconomical to maintain.

5. UNICEF sometimes arranged the sale of such vehicles itself, but more often the ownership of the vehicle had been transferred to the Ministry operating the project, in which case it arranged the sale. The report of the Joint Inspection Unit had recommended more extensive use of that procedure. The receipts from such sales were under \$100,000 annually, most of which was received without undue delay.

6. Referring to the question of over-production of greeting cards, dealt with in paragraph 21 of the report of the Advisory Committee, to which the representative of China had also referred, he said that the reasons for such over-production and the measures being taken to reduce it were given in paragraphs 5 to 11 of the report of the Board of Auditors (A/9607/Add.2, part two, chap. IV). UNICEF greeting cards were now sold in 135 countries, and there were therefore several thousand consignment points at which stocks had to be held so as not to lose sales. The profit made on one sale was equivalent to the cost of stocking three cards, and the production cost of unsold cards was 3.8 per cent of gross sales. It was important to maintain enough stocks to allow for maximum sales. Efforts were being made, however, to reduce over-production in co-operation with the national committees which were the sales agents and responsible for distribution and stocking in the various consignment points. The question of rationalization of distribution and greater use of cards from earlier years had been discussed at the recent summer meeting with the national committees and some progress had been made.

7. UNICEF intended to hold a pledging conference, for the first time in its history, on 7 November 1974. The target was \$100 million for long-term projects and general purposes, but special contributions were also being sought for relief and rehabilitation and special assistance for services benefiting children in countries particularly affected by the economic situation. The Executive Board had decided to declare an emergency for children in developing countries as a result of the current economic crisis; that decision had been endorsed by the Economic and Social Council at its fifty-seventh session, in July 1974. After reviewing the situation of the 400 to 500 million children in countries adversely affected by the economic crisis, which had prompted the convening of the sixth special session of the General Assembly, the Executive Board had concluded that there was an emergency situation and felt it its duty to call that danger to the attention of the world community.

8. Mr. ALCONCEL (Philippines) thanked the UNICEF representative for his clarification of several points raised in

the report of the Board of Auditors. With regard to the question of enforcement of contractual obligations, he suggested that cash deposits might be used as one means of enforcing a contract without recourse to legal procedures. In connexion with the question of UNICEF vehicles, he suggested that UNICEF officials in charge of equipment might be required to submit a report to the internal auditor who would approve requests for the sale of vehicles. He fully accepted the financial report and accounts for 1973.

9. Mr. HEYWARD (Deputy Executive Director, Operations, United Nations Children's Fund), replying to the representative of the Philippines, said that performance bonds were used in some types of contracts where it was possible. However, a substantial part of UNICEF business was for purchases in which the use of performance bonds was not the general practice. That matter had been discussed with the Board of Auditors, which had asked why bond and penalty clauses were used in some contracts and not in others. Referring to the question of the sale of UNICEF vehicles, he said that sales were controlled by UNICEF offices in the field in accordance with the procedures for surplus disposal; inventories were maintained which were available for examination by the internal auditors.

10. The CHAIRMAN proposed that the Committee should recommend the adoption by the General Assembly of the draft resolution which he read out.²

It was so decided.

(d) United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/9607/Add.3, A/9763 and Corr.1, para.22)

11. Mr. VAN WIJK (Office of the United Nations Relief and Works Agency for Palestine Refugees in the Near East) said that he was glad that the accounts of UNRWA were in order. The nature and size of UNRWA programmes for education and health and relief activities made any suggestions on financial and administrative management most welcome. The report of the Board of Auditors (A/9607/Add.3, chap. III) indicated what efforts UNRWA had made to respond to the recommendations made by the Board of Auditors in the past.

12. The financial situation of UNRWA, described in paragraphs 11 to 14 of the report of the Board of Auditors, was extremely serious. The estimated \$10 million shortfall in 1974 had persisted until the end of June when \$12.1 million had been received in contributions from the European Economic Community and the United States of America. Consequently, it had not been necessary to reduce services in 1974. The situation was, however, serious; the estimated income for 1974 had been \$89 million, and estimated expenditure \$88 million. Costs were continuing to increase and there was a very low level of working capital and a consequently low margin of safety. Expenditure in 1974 was expected to be \$25 million more than that for 1973 and \$35 million more than that for 1972. The increase was due mainly to higher costs for food and other

² Text subsequently adopted by the General Assembly (resolution 3227 C (XXIX)).

supplies, and adjustments in the remuneration of local staff to take account of an increase in the cost of living and currency fluctuations. In 1975, \$109 million would be required to maintain the regular UNRWA programme. Since the Commissioner-General estimated income for 1975 at \$70 million, the estimated shortfall was \$39 million. That was an extremely serious situation.

13. Mr. BACHE (United States of America) drew attention to paragraph 14 of the report of the Board of Auditors. The Agency had met its 1974 deficit through special contributions of \$4.2 million from the United States of America and \$7.9 million from the European Economic Community. The Commissioner-General had reported to the General Assembly that he expected a \$40 million deficit in 1975 due to inflation and other factors, which could not be met by the anticipated revenue. If UNRWA services were reduced to the level of anticipated income, it would be unable to carry out its mandate.

14. The CHAIRMAN proposed that the Committee should recommend the adoption by the General Assembly of the draft resolution which he read out, operative paragraph 2 of which read:

"2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions set forth in its report".

15. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) suggested that paragraph 2 of that draft resolution was unnecessary, as the Advisory Committee had not made any observations on the accounts of UNRWA for 1973.

16. Mr. SILVEIRA DA MOTA (Brazil) proposed that paragraph 2 of the draft resolution should be amended to read:

"2. Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions".

17. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee adopted the draft resolution, as amended by the representative of Brazil.³

It was so decided.

(e) United Nations Institute for Training and Research (A/9607/Add.4, A/9763 and Corr.1, paras. 23-25)

18. Mr. MILLAR-CRAIG (Director of Administration, United Nations Institute for Training and Research) said that, as in the past, UNITAR found the comments made by the Board of Auditors in its report (A/9607/Add.4, chap. IV) very useful and constructive. UNITAR had a very satisfactory working relationship with the Board of Auditors and was taking active measures to implement the recommendations that had been made. Consultations on the 1973 accounts and work on the 1974 accounts had just been resumed.

19. The question of the ratio of administrative and substantive expenditure had been referred to by the

Advisory Committee on Administrative and Budgetary Questions in paragraph 24 of its report (A/9763 and Corr.1) and also in paragraphs 140 to 143 of the report of the Executive Director of UNITAR to the General Assembly⁴. It was important, in looking at the administrative and the substantive expenditure, to consider the total expenditure, expenditure from the general fund and also from special purpose grants, little of which was spent on administrative costs. Moreover, the Executive Director and staff members involved mainly in administrative work also participated in programme work; that point was not brought out clearly in the financial accounts and tended to distort the actual ratio of administrative to substantive expenditure. Another factor was that UNITAR occupied its own building and, unlike offices located in the Headquarters building, had to pay rent, tax, electricity, telephone and other costs. In taking account of all those factors, it could be calculated, as had been done for the recent meeting of the Board of Trustees, that approximately one third of the total 1975 UNITAR budget was for administrative costs, while two thirds of the total was to be spent on studies and training programmes.

20. Mr. BOUAYAD-AGHA (Algeria) expressed concern over certain gaps in reporting on UNITAR activities which could undermine the confidence of Member States in UNITAR. The main task of UNITAR was to provide training for young officials from developing countries. Those countries should therefore take an interest in the management of UNITAR which was, regrettably, not completely satisfactory. One matter for concern was that while general administrative expenditure was increasing, expenditure on programmes was decreasing: from 52 per cent of the total budget in 1972 to 48.9 per cent in 1973. That was a regrettable development, and he suggested that better utilization of UNITAR staff could lead to more emphasis being placed on programmes.

21. The fact that UNITAR continued to pay property taxes to New York City, although it had done so under protest in 1974, was somewhat surprising. UNITAR should take a more imaginative approach to the problem. He suggested that the Executive Director should submit the matter to the Committee on Relations with the Host Country, giving all the relevant facts and explaining the financial problems the current system involved for UNITAR.

22. The critical remarks he had made were not intended in a negative sense but should be construed as constructive criticism inspired by his delegation's respect for the value of the work done by UNITAR.

23. Mr. BACHE (United States of America), while agreeing that figures giving the ratio of general administrative costs and programme costs should take account of the special purpose grants and that the percentages given might be somewhat misleading, nevertheless shared the concern expressed by the representative of Algeria. In that connexion, he welcomed the statement by the representative of UNITAR that administrative costs in 1975 would account for only one third of total expenditure.

³ *Idem* (resolution 3227 D (XXIX)).

⁴ *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 14.*

24. He supported the recommendation made by the Advisory Committee in paragraph 25 of its report concerning internal control on sales. The fact that formal orders of transfer from one chapter or section of the budget to another were not issued during the year, noted in paragraph 6 of the report of the Board of Auditors, indicated questionable financial procedures.

25. He also expressed concern over the inconsistency in remuneration for special fellows and research associates, mentioned in paragraph 8 of the report of the Board of Auditors. That policy could result in increased costs.

26. Mr. MILLAR-GRAIG (Director of Administration, United Nations Institute for Training and Research), responding to the observations made by the representatives of Algeria and the United Nations, said that the Executive Director and staff of UNITAR shared their concern over the level of administrative expenditure. Certain economies in administrative expenditure were planned for 1975. He hoped that the Administrative Management Service would give some advice on what other economies could be made.

27. With regard to the question of taxes paid to New York City, he said that the Executive Director intended to take up that matter in consultation with the Legal Counsel and the Office of General Services, and also in co-operation with the Board of Auditors. The matter had been considered by the Legal Counsel in the past, but it was a complex legal question and would be examined again very closely in 1975. UNITAR would certainly follow up the suggestion made by the representative of Algeria that the matter should be taken to the Committee on Relations with the Host Country.

28. He had taken note of the observations made by the Board of Auditors on control of expenditure, and work was currently under way on new procedures to enable closer control of expenditure during the coming year.

29. It was true that there had been some inconsistency in the remuneration paid to research associates and special fellows in the past, but procedures had now been introduced to eliminate any such inconsistencies. UNITAR found it less expensive to employ such persons than to employ regular staff as it did not have to pay pension contributions for them. Emoluments were negotiated on an individual basis as experienced persons sometimes worked on a part-time basis at low rates for UNITAR.

30. The CHAIRMAN proposed that the Committee should recommend the adoption by the General Assembly of the draft resolution which he read out.⁵

It was so decided.

(f) Voluntary funds administered by the United Nations High Commissioner for Refugees (A/9607/Add.5, A/9763 and Corr.1, paras. 26 and 27)

31. Mr. DAYAL (Office of the United Nations High Commissioner for Refugees) said that he had taken note of

the comments of the Board of Auditors (A/9607/Add.5, chap. III) and that the High Commissioner would be reviewing the situation with a view to determining what action should be taken to implement the recommendations of the Board.

32. The CHAIRMAN proposed that the Committee should recommend the adoption by the General Assembly of the draft resolution which he read out.⁶

It was so decided.

(g) Fund of the United Nations Environment Programme (A/9607/Add.6, A/9763 and Corr.1, paras. 28-30)

33. Mr. BOUAYAD-AGHA (Algeria), supported by Mr. MAJOLI (Italy), said that he would welcome clarification of the situation regarding the use of consultants by UNEP. He noted that, although an appropriation of \$50,000 had been made for the engagement of consultants, the expenditure on that account amounted to some \$218,000. While recognizing the possibility of exceeding the appropriation by a small amount, he failed to understand the reason for such a large difference.

34. Mr. BROWN (United Nations Environment Programme) pointed out that 1973 had been an unusual year for UNEP, which had been called upon to organize a secretariat, prepare a programme and establish its headquarters. UNEP had to undertake a great deal of work requiring considerable expertise. However, the situation was not likely to recur in the future and the matter was also under study by other bodies of the United Nations.

35. Mr. ZIEHL (Deputy Controller) noted that the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/9763 and Corr.1, para. 29) that the Executive Director of UNEP should submit a report on the question was being implemented. He hoped that the entire matter would be dealt with in a forthright manner and that the report would be available to the Fifth Committee through the Advisory Committee during the current session.

36. The CHAIRMAN proposed that the Committee should recommend the adoption by the General Assembly of the draft resolution which he read out.⁷

It was so decided.

AGENDA ITEM 73

Programme budget for the biennium 1974-1975 (*continued*) (for the previous documentation, see the 1635th meeting; A/9608/Add.2, A/C.5/L.1173, A/C.5/L.1174)

Study of the role, organization and functioning of the United Nations Board of Auditors (A/9608/Add.1)

37. The CHAIRMAN said that a number of representatives who wished to make statements on the question were not

⁵ Text subsequently adopted by the General Assembly (resolution 3227 E (XXIX)).

⁶ *Idem* (resolution 3227 F (XXIX)).

⁷ *Idem* (resolution 3227 G (XXIX)).

yet ready to do so. He therefore suggested that the Committee should hear at its current meeting only introductory statements by the Chairman of the Advisory Committee on Administrative and Budgetary Questions and by the representative of the Board of Auditors on the report of the Advisory Committee (A/9608/Add.1). The Committee would then continue consideration of the question the following week, on the understanding that no final action would be taken pending the statement by the Chairman of the Board of Auditors in November.

It was so decided.

38. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled the decision taken by the Fifth Committee at the twenty-eighth session⁸ that the Advisory Committee should undertake a study of the role, organization and functioning of the Board of Auditors. The Advisory Committee had interpreted that request as requiring it to hold consultations with the members of the Board and with representatives of the Secretary-General. It had done so and had obtained information both orally and in writing.

39. With regard to the role of the Board of Auditors, the Advisory Committee had come to the conclusion that the terms of reference had stood the test of time and called for no substantive amendment.

40. Referring to the organization of the Board of Auditors, he said that the Advisory Committee had considered that the number of members was sufficient and required no change. The reasons for that conclusion were given in paragraph 5 of the report of the Advisory Committee.

41. With regard to the functioning of the Board, he drew attention to paragraphs 6 to 9 and said that the Advisory Committee had not been convinced that the current system of audit assignments operated with sufficient regard to economy. It had therefore suggested that the Board should be invited to propose alternative methods of allocating audit assignments.

42. On the question of biennial auditing, the Advisory Committee had broken down the operation of the work of the Board into the three distinct types mentioned in paragraph 11.

43. The Advisory Committee considered that transaction auditing, discussed in paragraph 12, should continue to be conducted on a continuous or semi-continuous basis. However, it thought that economies in travel costs might be achieved if there were three visits every two years instead of two visits a year.

44. The question of the certification of accounts was more difficult and the views of the Secretary-General and those of the Board did not coincide. The Advisory Committee had at first been inclined to agree with the Secretary-General that the procedure was time consuming and might be dispensed with in intermediate years. However, for the reasons given in paragraph 13, it had concluded that, for the

time being at least, the Board should continue to certify accounts on an annual basis after the accounts had been closed and reconciled. It had expressed the view, however, that the question should be reviewed in two years' time after an accounting manual had been issued and the vacancies in the internal audit service filled.

45. With regard to the preparation and submission of reports to the General Assembly, he thought that all concerned were agreed that there was no need for the Board to submit formal reports in intermediate years. However, the annual meetings between the Board and the Advisory Committee should continue to be held so that any major deficiencies would be brought to the Advisory Committee's attention and then to that of the General Assembly.

46. Referring to the rotation of membership, dealt with in paragraph 15, he said that there was nothing in the Financial Regulations of the United Nations to prevent a more frequent rotation if the General Assembly so desired. The Advisory Committee believed it necessary to stress, however, the need to maintain a reasonable degree of continuity.

47. With regard to paragraph 16, he said that although the Advisory Committee had not attempted to quantify the savings that might accrue, it had set out the areas in which it thought that savings might be made if its suggestions were pursued.

48. Mr. SAAVEDRA (Board of Auditors) commended the Advisory Committee on its excellent study of the role, organization and functioning of the United Nations Board of Auditors. He recalled that the study had been done at the request of the General Assembly and was one of the first of its kind to be produced in the history of the United Nations. He was sure that it would be of great importance for the future of the Organization.

49. As the Board of Auditors was to meet from 18 to 21 November 1974, he had been authorized by the Board to inform the Committee that all the Board members wished to be heard regarding various aspects of the problems referred to in the Advisory Committee's report, particularly the question of the biennial budgeting cycle. The Auditors were currently engaged in a study of that question and hoped to report on the matter before 18 November.

Mr. Dipp Gómez (Dominican Republic), Vice-Chairman, took the Chair.

Use of experts and consultants in the United Nations (continued) (A/9112 and Corr.1 and Add.1 and 2, A/C.5/1611, A/C.5/L.1173, A/C.5/L.1174)

50. Mr. SILVEIRA DA MOTA (Brazil), introducing draft paragraphs for inclusion in the Committee's report to the General Assembly (A/C.5/L.1174), said that the sponsors had wanted to express the Committee's approval of the Joint Inspection Unit's recommendations (see A/9112 and Corr.1), subject to the recommendations and observations of the Advisory Committee on Administrative and Budgetary Questions (A/9112/Add.2). They had also wanted to

⁸ See *Official Records of the General Assembly, Twenty-eighth Session, Annexes, agenda item 79, document A/9450, para. 120 (a).*

take note of the Secretary-General's commitment to issue the necessary regulations concerning the use of experts and of the commitment made by the Director of the Budget Division at the 1636th meeting to issue a follow-up report on the implementation of recommendations of the Joint Inspection Unit. They had also wanted to make it clear that they expected that expenditure on outside experts would be substantially reduced. The draft paragraphs were not presented in a spirit of contention. The sponsors merely felt that the text submitted by the delegations of Nigeria and Poland (A/C.5/L.1173) did not take account of the reality of the situation as presented to the Committee and of the Secretary-General's decision to issue codified instructions concerning the use of experts and consultants. The draft paragraphs also took account of the need for experts to reflect a broad range of nationalities and did not attempt to establish any ceiling or restriction for the expenditure on experts. They felt that to do so would be inconsistent with programme budgeting and that the Secretary-General should retain a certain flexibility in the hiring of outside experts.

51. Mr. HUCKE (German Democratic Republic) said that his delegation was fully aware of the usefulness of outside expertise for the implementation of programmes, particularly those relating to economic and social activities and was in favour of continuing to make use of experts in the most effective and economical manner. However, the report of the Joint Inspection Unit (see A/9112 and Corr.1) cited many examples of misuse of that instrument, for instance, cases where outside experts had been hired to do work which the regular staff could have done. In the view of his delegation, the manpower within the Secretariat should not be increased nor should decisions of the General Assembly be circumvented by using experts and consultants. It could therefore not agree with the argument in paragraph 17 of the comments of the Secretary-General (see A/9112/Add.1) that experts could be used when the regular staff lacked the time to do the work. The main problem seemed to be that there were no general guidelines establishing the circumstances in which outside experts could be used. The situation should be corrected so that the use of outside expertise might be an effective instrument which could enlarge the Organization's capacity for programme implementation.

52. His delegation therefore welcomed the news that steps had already been taken to implement the recommendations and that administrative instructions applicable to all units of the Secretariat were being prepared. The instructions should spell out the criteria to be applied when using experts and consultants. The most important definitions to be settled were those of the words "expert" and "consultant". Such persons must be selected from highly qualified candidates recommended by an institution or recognized authority in a particular field. The need for selecting candidates on a wide geographical basis must also be taken into account. In that connexion, the news that the Secretariat planned to prepare a list of possible candidates in various specific fields was most welcome. Naturally such a list would have to be updated regularly.

53. His delegation was also in favour of establishing some limit on the resources to be used for outside expertise. That would help to ensure that efficient use was made of experts

and that they were called in for priority matters. The suggestion that expenditure for outside expertise should be limited to 1 per cent of the total provision for salaries seemed reasonable; however, his delegation would be prepared to accept another solution if it were better. Finally, his delegation fully supported the proposal contained in document A/C.5/L.1173, which would contribute to more effective use of outside expertise and give the Advisory Committee and the Fifth Committee more control.

54. Mr. SETHI (India) said that, while a certain amount of waste was inevitable, since the mere fact of having to resort to experts implied that little was known about the particular field involved, it was clear from the report of the Joint Inspection Unit that there were grave deficiencies in the use of experts. The first lesson to be drawn was that a clear distinction must be made between the competence of the Secretariat staff and that of experts and that the line between general work and work requiring special skills should not be blurred. Paragraph 21 of the report of the Inspection Unit listed numerous examples of work for which outside experts had been hired upon questionable grounds. His delegation unreservedly supported the criteria for the use of outside experts given in paragraph 219. Evidently, the line separating the area of competence of the permanent staff from that of experts must evolve as the Secretariat's activities broadened. Although it had been pointed out, quite rightly, that there was a high degree of competence in the Department of Economic and Social Affairs, the inspectors had drawn attention to the somewhat paradoxical situation, namely, that while the permanent staff were called on to do increasingly diversified tasks, experts were being asked to do more routine work. It was therefore clear that the question of the use of experts could not be divorced from that of the recruitment of permanent staff. It might even be interesting, in due course, to consider to what extent the excessive use of experts might be due to the strict rules by which the Secretary-General must abide in recruiting permanent staff and the relative freedom he had in recruiting outside experts.

55. His delegation attached great importance to the need for experts to benefit the developing countries above all. It would have liked to see a closer relationship between substantive research and studies and back-stopping of technical co-operation activities shown in table 7 of the report of the Joint Inspection Unit. Chapter VI of the report showed that the work which experts were asked to do was often purely theoretical and served merely for the information of the Secretariat.

56. Turning to the recommendations of the Joint Inspection Unit, he said that his delegation was not against the idea, contained in recommendation 1, of a ceiling for expenditure on expert services. However, that question should be approached with care in view of inflation and other factors, and there should be no reduction in the appropriations for expert services in the programme budget. His delegation had taken note of the Secretary-General's statement concerning the probable effect on the developing countries of any such reduction in expenditure. With regard to recommendation 2, it seemed that the new budget formula, although an improvement, was still not perfect. Much more detail was needed regarding the break-down of

expenditure on expert services in order to meet the criteria set forth in paragraph 50 of the report of the Joint Inspection Unit. With regard to the reservations expressed by the Secretary-General concerning recommendation 3, subparagraph (a), he stated that, although there was need for flexibility in the implementation of recommendation 3, there was the problem of the overlapping of various specialized activities several examples of which had been evoked in the report. It could not be denied that close collaboration between the legislative bodies and the Secretariat was essential in order to ensure that the best possible use was made of experts. That would enable the legislative bodies to follow up their decisions and allow them to exercise greater control, thus reducing instances in which expenses were approved after they had been incurred. If the legislative bodies established a small group to follow up their decisions and maintain a dialogue with the Secretariat, many difficulties would be overcome.

57. His delegation had difficulty in agreeing with the reservations expressed by the Secretary-General concerning subparagraphs (b) and (c) of recommendation 3. Although

it was desirable that the Secretary-General should be able to use his discretion in engaging experts, it should not mean that the distinction between the competence of experts and of the regular staff should be blurred. Finally, his delegation had no particular comment on recommendations 4, 5, 6 and 7. It welcomed the statement made by the Director of the Budget Division at the 1636th meeting concerning the guidelines that would be provided concerning the use of experts.

58. Mrs. DE ZEA (Colombia) said that her delegation could support most of the recommendations of the Joint Inspection Unit but felt that no strict limit should be placed on expenditure for expert services. The Secretary-General should be allowed some flexibility in that respect. Secondly, it was essential that in engaging experts account should be taken of the needs and priorities of the developing countries and of the desirability of ensuring that nationals of developing countries were also engaged in that capacity.

The meeting rose at 12.55 p.m.

1639th meeting

Friday, 4 October 1974, at 10.35 a.m.

Chairman: Mr. Costa P. CARANICAS (Greece).

A/C.5/SR.1639

AGENDA ITEM 73

Programme budget for the biennium 1974-1975
(continued) (for the documentation, see the 1638th meeting)

Use of experts and consultants in the United Nations
(continued) (A/9112 and Corr.1 and Add.1 and 2,
A/C.5/1611, A/C.5/L.1173, A/C.5/L.1174)

1. Mr. ONISHCHENKO (Ukrainian Soviet Socialist Republic) expressed his delegation's gratitude to the Joint Inspection Unit for its report (see A/9112 and Corr.1) which was excellent and was the first of its kind in the history of the United Nations..

2. One of the main conclusions of the report was that the increase in United Nations expenditure on experts and consultants had not always been justified. His delegation therefore agreed with the inspectors' view that recourse to that type of temporary assistance was excessive, that it could be made far more beneficial to the United Nations and that the money appropriated for it could be put to far better use if more effective controls were exercised. Moreover, the record-keeping methods regarding data on outside expertise were very unsatisfactory. In that connexion, he referred to paragraph 9 of the inspectors' report.

3. His delegation considered it necessary to draw the Committee's attention to the lack of control exercised over

expenditure on temporary staff. The fact that there were in the Secretariat nearly 13,000 members, whose ranks continued to increase constantly, should make it possible to dispense with the services of outside experts and consultants and thus enable economies to be achieved not only with respect to consultants' fees but also with respect to time. In that connexion, he mentioned the example given in paragraph 32 of the report, which also contained other examples showing the extent to which expenditure on such assistance was wasteful and unjustified in many cases. His delegation supported the inspectors' recommendation that annual expenditure on experts and consultants should not exceed \$2,250,000 and was therefore unable to agree with the comments of the Secretary-General (see A/9112/Add.1), who was trying to reject it. It was also surprised at the position of the Advisory Committee on Administrative and Budgetary Questions (A/9112/Add.2, para. 11) on that recommendation.

4. The Ukrainian delegation drew attention to the flagrant violation of the principle of geographical distribution in the selection of experts and consultants. It was inadmissible to have a situation such as that described in paragraph 208 of the report of the Joint Inspection Unit, which indicated that two countries—the same in both cases—had provided, together, 38.3 per cent of the total number of consultants, whereas some of the technologically most advanced countries in different parts of the world had provided relatively little or no expertise at all. His delegation agreed with the statement in paragraph 211 that efforts should be made to select experts and consultants from a wider and more