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34th meeting  
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Thursday, 3 November 1977  
at 3 p.m.  
New York

SUMMARY RECORD OF THE 34th MEETING

Chairman: Mr. TALIEH (Iran)

later: Mr. SCHMIDT (Federal Republic  
of Germany)

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

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The meeting was called to order at 3 p.m.

AGENDA ITEM 110: UNITED NATIONS PENSION SYSTEM:

- (a) REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (A/32/9, A/32/319)
- (b) REPORT OF THE SECRETARY-GENERAL (A/C.5/32/25)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions, referring to the administrative expenses of the Pension Fund, said that the Advisory Committee was recommending the approval of two of the three additional General Service posts requested by the Joint Staff Pension Board. It was not recommending acceptance of the Board's proposal to transfer 10 posts currently financed under temporary assistance to its permanent establishment. The Advisory Committee believed that that request was premature and should be considered at the thirty-third session, when the question of the WAPA/CPI adjustment scheme would be reviewed.
2. The Advisory Committee agreed that the General Assembly should once again authorize the Board to supplement voluntary contributions to the Emergency Fund by an amount of up to \$100,000 annually.
3. With regard to the question of the Fund's investments, he drew the attention of the Committee to the Advisory Committee's comments in paragraph 19 of its report (A/32/319).
4. The actuarial valuation of the Fund as at 31 December 1976 revealed an imbalance of \$211 million. In the past, the Advisory Committee had expressed concern over the Fund's growing actuarial imbalance and its recommendation in paragraph 23 of its report differed slightly from that submitted by the Board. The Advisory Committee was of the view that the existing imbalance was such as to require that no further liberalization of benefits should be made unless additional financing was provided.
5. The Board's recommendation that the International Fund for Agricultural Development (IFAD) be admitted to membership in the Fund raised a number of legal and policy questions which the Fifth Committee might wish to consider before taking a final decision on the application. The Board's recommendation was based on the assumption that, once IFAD became a specialized agency, it ought to be admitted to membership by virtue of article 3 (b) of the Fund's Regulations. But, as the Advisory Committee had pointed out in its report, the fact that IFAD would become a specialized agency did not necessarily mean that it would be eligible for admission by virtue of article 3 (b). The relationship agreement between the United Nations and IFAD did not specifically provide that IFAD would belong fully to the common system of salaries and allowances. If IFAD did not participate fully in the common system, the question arose whether it was eligible for admission to the Fund. Article 3 (b) was ambiguous on that question as it was

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subject to different interpretations. Article 57, paragraph 2, of the Charter, which was mentioned in article 3 (b) of the Fund's Regulations, stated that agencies brought into relationship with the United Nations were "hereinafter referred to as specialized agencies". Article 57, however, had no provision which indicated that a specialized agency brought into relationship with the United Nations must belong to the common system. The second part of article 3 (b) of the Fund's Regulations stated that membership in the Fund was open "to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies." That provision could be interpreted to mean that a specialized agency which had been brought into relationship with the United Nations and which need not participate fully in the common system of salaries and allowances could be admitted to the Fund under the first part of article 3 (b), but that other international intergovernmental organizations must first participate fully in the common system in order to be eligible for membership.

6. The existing situation was that all the specialized agencies belonged to the common system, and therefore the question had not so far arisen as to their eligibility for membership in the Fund. IFAD would therefore be the first specialized agency whose draft relationship agreement with the United Nations left room for partial participation in the common system. That was why the Advisory Committee had indicated that that was a precedent-creating situation. The Fifth Committee was therefore faced with two choices to decide whether IFAD was eligible for admission under article 3 (b) of the Fund's Regulations. His personal opinion was that, bearing in mind the ambiguity of article 3 (b) and article 57 of the Charter, IFAD was eligible for admission. The Fifth Committee might have a different opinion on the question. The second decision to be made would be, if IFAD was judged eligible, whether as a matter of policy it should be admitted. In that connexion, one should place the desirability of developing a strong United Nations common system above everything else. A possible course might therefore be for the application to be considered but for the final decision not to be taken until the Fifth Committee had pronounced itself on the draft relationship agreement between IFAD and the United Nations.

7. Mr. OKEYO (Chairman of the United Nations Joint Staff Pension Board), introducing the report of the Pension Board (A/32/9), said that no proposals to change the benefit system in any respect or to establish a new adjustment scheme had been submitted to the General Assembly at its current session. Thus, apart from approving administrative expenses and the continuation of authority to operate the Emergency Fund within the well-established limits, a decision by the General Assembly was required on only one important matter, namely the Board's recommendation that the International Fund for Agricultural Development be admitted to membership in the Pension Fund with effect from the date on which it became a specialized agency. It was expected that that date would be 1 January 1978 and, therefore, the problem of recognition of prior service performed by IFAD staff members would not arise.

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(Mr. Okeyo)

8. The Board had also recommended that the General Assembly approve an extension of the temporary measures adopted at the preceding session to provide relief to existing small pensioners whose pensions in the country of their residence had decreased in purchasing power by more than 20 per cent, even after the application of all previous adjustment measures. Paragraphs 61 to 68 of the Board's report contained a detailed account of the implementation of those measures, which not only had been beneficial to the small pensioners but also constituted a valuable input for the Board's analysis of the entire question of pension adjustment at its next session. In that connexion, there were encouraging signs that the Board would be successful in devising a satisfactory solution to the adjustment problem and he had personally been impressed by the attentiveness with which the Board had sought to interpret the wishes expressed by the General Assembly at its thirty-first session on the question of pension adjustment.
9. With regard to the investments of the Fund, he was gratified that the Board had paid particular attention to investments in developing countries. The position of the Board on investments in developing countries was outlined in paragraph 41 of its report.
10. A matter not requiring action by the General Assembly but of overriding importance was the actuarial valuation of the Fund as at 31 December 1976. While that valuation had revealed a slightly greater imbalance than that existing in 1974, it should be noted that part of the increase had been caused by the use of the new salary scale for the Professional category which, although it had gone into effect only on 1 January 1977, had been taken into account in the 1976 valuation.
11. Where the Advisory Committee's recommendations varied from those of the Board, the differences were very slight and he was confident that the Committee would not find it difficult to reach a decision on the matters submitted for its consideration.
12. Mr. SERRANO AVILA (Cuba) said that, in the light of the report on Pension Fund investments in transnational corporations and in developing countries (A/C.5/32/25), it would appear that the Secretary-General had not complied with the provisions of General Assembly resolution 31/197 which had been adopted by 106 votes in favour, 24 abstentions and a single negative vote, cast by the United States of America. In the view of his delegation, the report of the Secretary-General constituted a defence of transnational corporations which entirely overlooked all the resolutions on transnational corporations and the new international economic order adopted by the General Assembly and other international bodies. Moreover, the Secretary-General had failed to take into account the circumstances that had prompted the General Assembly to establish the Commission and Centre on Transnational Corporations.
13. As indicated in paragraph 4 of the Secretary-General's report, the investment objectives of safety, profitability, liquidity and convertibility were applied to all investments without regard to whether the issue being considered was that of a

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(Mr. Serrano Avila, Cuba)

business corporation, a government or government institution or an international financial institution. That meant that no consideration was given to whether a security was issued by a transnational corporation, and the provisions of resolution 31/197 were ignored. His delegation agreed that the Fund's investments must meet the four criteria listed in paragraph 4 of the report, but it also believed that those criteria must be applied in the light of resolution 31/197. Accordingly, investments must not be made in transnational corporations.

14. While the report dealt ostensibly with investments in both transnational corporations and developing countries, the annex contained information relating only to the few investments made in developing countries and international and regional financial institutions, while the Fund's enormous investments in transnational corporations remained veiled in secrecy.

15. Three points should be noted from the information presented in the annex to the Secretary-General's report. First, the investments in Papua New Guinea and the Philippines had had to be guaranteed by Australia and the Export-Import Bank of the United States respectively. Second, the investment in Papua New Guinea had an interest rate of 9.5 per cent, which was the highest rate of interest of all the investments described in the annex and was, no doubt, higher than the yield on any investments in transnational corporations. Third, the Fund had no investments in securities of the African Development Bank.

16. When resolution 31/197 had been adopted, the long-term investments of the Fund in transnational corporations had stood at \$600 million. In paragraph 12 of the Secretary-General's report, it was indicated that the total value of the Fund's portfolio had been \$1,273 million at market value on 31 March 1977, \$772 million or 61 per cent of which was invested in the securities of transnational corporations. Thus, the Fund's investments in transnational corporations had increased by \$172 million. On the other hand, as indicated in paragraph 16 of the report, investments in developing countries had increased only by \$17 million. It was clear in the light of those figures that the Fund's investments in developing countries had been financed from new resources and not from resources freed by the phasing out of investments in transnational corporations, as the Secretary-General had been requested to do in resolution 31/197. Thus, the United Nations Joint Staff Pension Fund, ignoring the resolutions of the General Assembly, continued to provide financial support to transnational corporations, while those same transnational corporations were financially bleeding the developing countries.

17. Mr. AKASHI (Japan) said that the actuarial valuation of the Fund as at 31 December 1976, although serious, did not seem unduly alarming. Actuarial valuations were based on long-term economic forecasts which always contained an element of uncertainty. His delegation noted the judgement of the Committee of Actuaries that the status of the Fund was reasonably satisfactory and concurred in its view that no significant liberalization of benefits should be made unless additional financing through one means or another were provided. His delegation believed that the question of the retention of staff in service beyond age 60 was essentially an aspect of personnel policy related to the question of the

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(Mr. Akashi, Japan)

composition of the Secretariat and that Pension Fund considerations should not be the preponderant factor in deciding the age for retirement. His delegation had already suggested the de facto extension of service of staff in the General Service category only as a means of meeting the requirements of the Pension Fund and ensuring an appropriate geographical and age distribution in the Secretariat.

18. With regard to the admission of IFAD to membership in the Fund, his delegation wished to explore further the implications of admitting a specialized agency that was not a member of the common system of salaries and allowances and felt it best to revert to that question when the Committee considered the draft relationship agreement between IFAD and the United Nations.

19. His delegation would agree to the recommendations of the Advisory Committee concerning the administrative expenses of the Fund for 1978, which represented a considerable increase over expenses for 1976 and 1977. Even though the regular budget of the Organization was not affected, the secretariat of the Pension Fund should be reminded of the need for economy and restraint. In that connexion, he recalled that his delegation's reservations with regard to the WAPA/CPI adjustment scheme had been based partly on its concern over the high costs of administering the scheme.

20. His delegation welcomed the fact that the Pension Board, the Secretary-General and the Advisory Committee were in complete agreement that the criteria of safety, profitability, liquidity and convertibility should be applied to investments in the developing and developed countries alike and that only when those criteria were met should priority be given to investing in the developing countries. A clear distinction should be preserved between economic assistance from Governments or international organizations and the investments of the Pension Fund, which belonged essentially to the participants and beneficiaries of the Fund alone. His delegation noted with satisfaction that the notion of "sacred trust", which it had used two years earlier to describe the Fund, had been mentioned in the report of the Pension Board. It also noted with approval that some progress had been made with regard to both direct investment in developing countries and investment in development securities. It noted with some misgiving, however, that the Fund's holdings in United States dollar securities showed a return of only 1.9 per cent between March 1976 and March 1977 as against a return of 9 per cent on non-United States dollar securities. That divergence had been manifest for some years and highlighted the need to diversify the Fund's holdings among major investment markets in the world. His delegation was confident that unnecessary timidity and what might be called "Wall Street centrism" was gradually being overcome and that the admittedly difficult task of diversifying investments could be accomplished within the framework of the four investment criteria suggested by the Secretary-General.

21. Mr. ABANKWA (Ghana) said that, while his delegation was not entirely satisfied with the level of the Fund's investments in developing countries, it was gratified by efforts that were being made to improve the situation. His delegation agreed with the Secretary-General that the Fund, in evaluating investment possibilities, should be guided by the criteria of safety, profitability, liquidity and

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(Mr. Abankwa, Ghana)

convertibility. Those criteria could withstand the test of any ideological scrutiny and it was not true that they could be met only in a few countries. His delegation agreed fully with the Pension Board that there was no inherent incompatibility between the objectives of maximizing earnings from investments and increasing investments in developing countries. It had, however, taken the Board many years to reach that simple conclusion.

22. His delegation was fully aware of the requirements of the sacred trust exercised by the Secretary-General as custodian of the Fund and did not seek to jeopardize the safety of the Fund's assets. However, spurious arguments should not be allowed to dissuade the Fund from investing in developing countries. The Secretary-General, in conjunction with the Investments Committee, should explore the possibility of investing in the African Development Bank and other institutions in developing countries. Transnational corporations themselves had invested in developing countries and had, without doubt, proved to their satisfaction that the criteria of safety, profitability, liquidity and convertibility were met. It was generally agreed that many developing countries possessed vast untapped resources and, if capital could be made available for their development, the four investment criteria could most certainly be met.

23. An investment decision was not purely a matter of economics but was also a moral exercise and a political issue. His delegation therefore expected that assets of the Pension Fund would not be invested in such places as racist South Africa, however safe investment opportunities there might be.

24. Mr. THOMAS (Trinidad and Tobago) agreed with the representative of Ghana that, while the principal investment criteria were safety, profitability, liquidity and convertibility (A/C.5/32/25, para. 4), it was imperative to bear in mind the overriding political consideration expressed in the third preambular paragraph of General Assembly resolution 31/197 that investments in shares of transnational corporations might contradict the objectives and purposes of the organizations of the United Nations system. Consequently, he would welcome information from the Controller concerning the extent to which shares of transnational corporations in the Fund were tested against that paramount criterion.

25. Mr. Schmidt (Federal Republic of Germany) took the Chair.

26. Mr. DEBATIN (Assistant Secretary-General, Controller) pointed out that, if that political criterion was to be meaningful, each investment in shares of transnational corporations would have to be measured against the location of the corporation and the nature of its business. There were countries which accommodated transnational corporations which were not open to Fund investment. For example, it had been decided not to invest in corporations with close business interests in South Africa or which were engaged in such operations as the production of weapons. Every effort was made to screen corporations and to ensure that no aspect of their operations would contradict the purposes of the Organization. On the other hand, he was not ruling out additional criteria which could be explored in evaluating investment possibilities.

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AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (continued)  
A/32/6, A/32/8, A/32/38; A/C.5/32/12 and 13)

First reading (continued)

Section 17 - Office of the United Nations Disaster Relief Co-ordinator

27. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that the Advisory Committee was recommending a reduction in the amount of \$559,500 in the Secretary-General's estimate, \$400,000 of which was procedural, as explained in its report (A/32/8, para. 17.14).

28. Although the General Assembly had approved the average growth rate for the UNDRO programme recommended by CPC, the Secretary-General, acting under paragraph 5 of General Assembly resolution 31/173, had requested the transfer to the regular budget of 10 posts presently financed from the trust fund. The Advisory Committee accepted the proposed transfers, except for a P-2 post which was not related to the functions to be financed from the regular budget. The functions attached to the post were linked to programmes of technical assistance and should normally be financed from technical assistance overhead funds. The Secretary-General's requests for funds for travel, consultants and printing were consequential on the transfer of the 10 posts and ACABQ found it difficult to accept most of them (A/32/8, paras. 17.8 and 17.13).

29. Mr. BRICARD (France) emphasized that the amount being requested by the Secretary-General under section 17 represented an increase of 63.7 per cent over the revised 1976-1977 estimate, reflecting an excessively high growth rate in the programme's resources. The General Assembly, when it had established the Office, had envisaged a small secretariat and indeed there had been only 15 posts financed from the regular budget for the 1976-1977 biennium. That number had now been increased to 25 posts and the total staff of the Office now consisted of 49, an increase of 66.6 per cent. His observations should not be construed as criticism of the work of UNDRO, for which his delegation had great admiration and respect.

30. Having approved the CPC recommendation for an average growth rate in the UNDRO programme, the General Assembly had proceeded to request the Secretary-General in its resolution 31/173 to transfer a substantial portion of UNDRO's core programme activities from the trust fund to the regular budget. That request was not compatible with the CPC recommendation and the French delegation had accordingly reserved its position on it. It was difficult to regard 50.9 per cent as an average growth rate for the section, particularly when the Secretary-General estimated a 2.2 per cent growth for the total programme budget. That dramatic increase was entirely due to the transfer to the regular budget of 10 posts formerly financed from extrabudgetary funds. It was intolerable that services or posts should be established at the initiative of one or more States for financing from voluntary funds and subsequently shifted to the regular budget where all Member States had to bear the costs. His delegation could not accept the transfer to the regular budget of 5 Professional and 4 General Service posts under section 17 and therefore could not approve the ACABQ recommendation.

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31. Mr. AMNEUS (Sweden), speaking on behalf of the Nordic countries, reviewed the provisions of the relevant General Assembly resolution (resolution 31/173, paras. 4 and 5) and said that the Committee must judge whether they had been properly implemented. The Committee should also consider how to deal with the \$400,000 for emergency relief assistance which ACABQ wanted to delete from the section pending submission of the Secretary-General's report under paragraph 13 of document A/C.5/1688. Lastly, if the Committee was to reach definitive conclusions on the question of future financial arrangements for UNDR0, as provided in paragraph 11 of resolution 31/173, it should defer a decision on section 17 until it could assess the results of the discussion of UNDR0 in the Second Committee.

32. Mr. van VLOTEN (Netherlands) supported the views expressed on behalf of the Nordic countries and reserved the right to revert to section 17 at a later stage.

33. Mr. STUART (United Kingdom) also took that position. It was clear that the Secretary-General could not comply with the Assembly's request in resolution 31/173 that he include in the regular budget for the biennium 1978-1979 a substantial portion of the UNDR0 core programme presently financed from the trust fund and still maintain the relative growth rate recommended by CPC. It it was to refine its important function of setting priorities for the work of the Organization, CPC must take into account the realities of resolution 31/173 and not attempt to invalidate the Assembly's decision by applying that relative growth rate. Like the Swedish delegation, his delegation could not decide whether to support ACABQ in deleting the \$400,000 for immediate emergency disaster aid until it had studied the Secretary-General's report on the question.

34. Mr. DERESSA (Ethiopia) also supported the position adopted by the Swedish delegation.

35. Mr. PIRSON (Belgium) observed that pressure for the transfer of posts financed from extrabudgetary sources to the regular budget constituted a recurring problem in the Fifth Committee. It would appear to require that budgetary control measures be applied not only to the regular budget but to extrabudgetary funds. He would appreciate information from the Secretariat regarding the current situation and future prospects of extrabudgetary funds: what were their sources, were they being exhausted and how did proposals for the transfer to the regular budget of posts financed from those funds originate?

36. Mr. GARRIDO (Philippines) regarded the deletion by ACABQ of \$400,000 for emergency relief from section 17 as a serious step. It was essential, particularly for countries which frequently suffered from natural disasters, that there should be a continuing source of emergency relief and nothing should be done to suspend the application of emergency relief measures.

37. Mr. FERNANDEZ MAROTO (Spain) supported the Belgian view that financial control should extend to extrabudgetary funds and that the sources of those funds should be identified.

38. The CHAIRMAN said that, pending a report from the Secretary-General, the Committee would defer further consideration of section 17 to a later meeting.

39. It was so decided.

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Organizational nomenclature in the Secretariat (A/32/8/Add.5; A/C.5/31/8; A/C.5/32/17)

40. Mr. DAVIDSON (Under-Secretary-General for Administration and Management) recalled that a Japanese proposal at the thirtieth session had provided the impetus for renewed efforts to bring some order into the disarray which had developed over the years in the organizational nomenclature of the United Nations. Much of that confusion had resulted from decisions taken by the legislative bodies or within the Secretariat. The standardized and uniform nomenclature proposed in the report before the Committee (A/C.5/32/17) was intended to apply to all organizational units fully or partly financed by the regular budget, excluding the International Court of Justice and special missions. The proposals had been made without the benefit of the recommendations of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System. The Secretariat, for purposes of uniform nomenclature, had been divided into six levels (A/C.5/32/17, part III), with major units - that is, organizational elements headed by an Under-Secretary-General or Assistant Secretary-General - constituting the first level. In level 1, the term "department" had been used to designate the five departments at Headquarters and the term "secretariat" to apply to major organizational units overseas. The annex to the Secretary-General's report (A/C.5/32/17) showed the results of the application of the standard criteria to the two top levels; their application to the four subordinate levels was being worked out with the Departments concerned.

41. It was unrealistic to expect full success in applying the criteria to every unit of the Secretariat, because traditional nomenclature had become entrenched and because many titles were consecrated in the resolutions and decisions of legislative bodies. However, with the help of the working group, the Secretary-General hoped to improve the situation and complete the standardization of nomenclature applicable to the various United Nations units. One of the major impediments was the correlation of nomenclature in the various languages, and in particular the titles of heads of units.

42. He expressed appreciation to the Advisory Committee for its observations (A/32/8/Add.5) and, in particular, its recognition that the Secretary-General had made limited progress in the right direction in efforts to standardize nomenclature. It was significant that ACABQ agreed that, given the diversity of the United Nations Secretariat, a certain degree of flexibility must be allowed in applying the criteria and that an organizational unit should not be classified at a given level on the basis of size alone (A/32/8/Add.5, para. 7).

43. Mr. AKASHI (Japan) said that the report of the Secretary-General was very useful in that it reflected the need for both a sense of reality and a logical approach to the problem. Because of the chaotic situation prevailing with respect to the nomenclature used by the Secretariat, there was a clear need for greater order and clarity. Under the existing system, titles gave little clue as to the hierarchical level, size or degree of responsibility of a given unit. ACABQ had suggested that such an undisciplined approach to nomenclature might be a factor in the unjustified

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(Mr. Akashi, Japan)

upgrading of some Secretariat posts (A/10008, para. 70). His delegation endorsed the Secretary-General's proposals for the revised organizational nomenclature as a first step towards the further consolidation and rationalization of the structure of the Secretariat, although it believed that the Secretary-General had not gone far enough.

44. The title of "centre" was subject to much abuse, partly by the Secretariat and partly as a result of policy decisions of intergovernmental organs. Moreover, the level of "branch" was ill-defined and could eventually be assimilated into the level of "division" or "section". It was also somewhat dangerous to link the title of a unit with the grade of the head of that unit or with the number of Professional officers and supporting General Service staff. The most essential criteria in determining the designation of a given unit should be its position in the total structure of the Secretariat, and in particular its relationship to the Secretary-General, and its degree of responsibility. To link the grade of an officer with the position of his post in the hierarchical structure would tend to favour officials in administrative units as opposed to those in substantive units, where a large number of qualified and experienced staff members were employed. Similarly, the grade of the head of a unit should not be determined by the size of that unit. The criteria proposed by the Secretary-General seemed generally satisfactory, but some anomalies remained. There was no obvious reason why the secretariat of UNRWA was referred to as a "secretariat" and not an "office", nor was it clear why the units dealing with legal affairs and public information were referred to as "offices" as opposed to "departments". Similarly, it must be asked why the "Office" of the United Nations High Commissioner for Refugees was not a "secretariat". The designation "centre" had subjective connotations. A centre was typically a former division of a department, secretariat or office, and was to serve as the focal point of a major programme on which legislative bodies wished to place special emphasis. There had been a proliferation of centres, some of which, like the Centre for Economic and Social Information in OPI were smaller than many divisions.

45. His delegation welcomed the fact that the Secretary-General had established an interdepartmental working group to put the new nomenclature into effect. While flexibility was important, it was to be hoped that the number of exceptions to the new nomenclature would be reduced to a minimum, and legislative bodies should co-operate by exercising restraint when recommending designations for organizational units. Nothing should be done to encroach upon the authority of the Secretary-General as the chief administrative officer of the Organization. His delegation was holding consultations with a view to submitting a draft resolution on the matter.

46. Mr. JOHNSON (Ecuador) said that substantial progress had been made with respect to establishing a more rational nomenclature, and it was essential that a final decision be taken on the matter at the thirty-third session of the General Assembly in order to ensure that the Secretariat could function smoothly and efficiently. It was important that the United Nations Secretariat both at headquarters and in the field should serve as a constructive model for Member States. The task of rationalizing the structure of the Secretariat must be completed as quickly as possible but required careful study; in that connexion, the recommendations of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System as well as those of the Fifth Committee, should be taken into account.

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47. Mr. PIRSON (Belgium) said that the Secretary-General's report was a good one and represented a good basis for further action. However, as pointed out by the Secretary-General (A/C.5/32/17, para. 21), the co-operation of legislative bodies was extremely important, and the Fifth Committee should therefore adopt a decision to the effect that legislative bodies should comply with the proposed nomenclature. He asked the representative of Japan to take his suggestion into account when preparing the draft resolution he had referred to.

48. Mr. Talieh (Iran) resumed the Chair.

49. Mr. NAUDY (France) said that the Secretary-General's report was very interesting but was of little practical use. The criteria governing the structure and operations of the Organization constituted a series of exceptions, and it would therefore be difficult to establish a general rule. For example, it was impossible to equate the position of officer in charge of an organizational unit at a given level with a particular grade. Similarly, the designation "centre" was used by legislative bodies to emphasize certain programmes with the result that "centres" did not necessarily fit into any rational system of nomenclature. As pointed out by the Under-Secretary-General, problems also arose in connexion with the translation of titles. It was to be hoped that the Secretary-General's report would provide a basis for further rationalization, and legislative bodies should try to take account of the Secretary-General's proposals when recommending titles for Secretariat units. A resolution passed by the General Assembly would give the Secretary-General's proposals more force, and the suggestion of the representative of Belgium should be taken into account in that connexion.

Section 16 - Office of the United Nations High Commissioner for Refugees (continued)

50. Mr. GOLOVKO (Ukrainian Soviet Socialist Republic) said that the estimates submitted by the Secretary-General under section 16 represented an increase of 16.9 per cent over the revised estimates for the current biennium. The increase related to proposals for the transfer of posts to the regular budget and the reclassification of posts. However, technology had substantially increased the efficiency of staff members and should lead to reductions in staff. Instead of expanding their secretariats, organizations must make rational use of the increasing capacity of existing personnel. His delegation could not, therefore, support the requests for additional posts or the estimates related to such requests.

51. CPC had reached the conclusion that the transfer to the regular budget of posts previously financed from extrabudgetary sources was a disruptive factor in the General Assembly's efforts to apply coherent management to the resources available to the United Nations through its regular budget (A/32/38, para. 65 (d)). His delegation strongly objected to such transfers in general and in the specific case under consideration, particularly since the transfer of posts under section 16 would lead to a distortion of the corresponding growth rate recommended by the Economic and Social Council and the General Assembly. Moreover, the transfer of posts to the regular budget might even give rise to further increases in the staff of UNHCR, since it would not prevent the establishment of new posts financed from extrabudgetary sources. The question of the reclassification of posts should not be considered until the International Civil Service Commission had developed a suitable post classification system. With respect to paragraph 16.7 of the Advisory Committee's report (A/32/8), he asked whether any additional posts had been approved by the Executive Committee at its session in October 1977.

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52. Mr. HART (Australia) said that his delegation supported the recommendation submitted by ACABQ under section 16. Proposals to transfer posts to the regular budget should never be approved without careful consideration, but in the case under discussion the proposed transfers were quite justified. In general, the international community should bear a greater share of the regular programme costs of UNHCR. Originally, all the administrative costs of UNHCR had been financed under the regular budget of the United Nations, as provided for in the statute of the Office (General Assembly resolution 428 (V), annex). However, when in the 1960s the task of providing assistance to refugees had been added to the Office's original functions, the administrative costs of staff engaged in assistance activities had been met from voluntary funds rather than from the regular budget. Staff members therefore had to be engaged on the basis of short-term contracts, a practice which had an unfortunate effect on staff morale. Accordingly, his delegation supported the transfer of 12 posts to the regular budget.

53. Mr. STUART (United Kingdom) said that his delegation endorsed the recommendations submitted by ACABQ under section 16. The transfer of posts to the regular budget was justified on the basis of article 20 of the statute of UNHCR (General Assembly resolution 428 (V), annex). Over the years, some of the costs that should have been borne by the regular budget had been financed from voluntary trust funds. As its twenty-eighth session, the General Assembly had decided that the regular budget for UNHCR should remain constant in real terms for a period of four years (1974-1977). Any additional programme support and administrative expenditure arising from changing refugee situations during that period was to be met from voluntary funds. The four-year period had now expired and the Secretary-General's proposals for the next four-year period were fair and consistent with the statute of UNHCR. The attitude of CPC towards growth in the regular budget caused by the transfer of posts to the regular budget was apparently based on a misunderstanding for which the Secretariat was responsible. The medium-term plan for the period 1978-1981 stated that "well below average" growth was projected for special political affairs and special missions because of the impossibility of foreseeing activities in that programme; in the case of international protection of and assistance to refugees, it was the result of a policy decision to rely, in principle, on extrabudgetary resources for real growth (A/31/6/Add.1, vol. II, para. 36). In fact, the decision taken at the twenty-eighth session was to rely on extrabudgetary resources in the first instance and to make the necessary readjustments at a later date. If those readjustments were made every four years as opposed to every two years, the rate of growth was bound to seem high.

54. The work of UNHCR could not be programmed, since it depended on the global refugee situation. The total expenditure of UNHCR in 1959, 1961 and 1965 had been \$6 million, \$20 million and \$5 million respectively. In recent years, the number of refugees had increased and the costs of UNHCR had risen rapidly. However, it was hoped that the refugee situation would improve and that the Office would contract. His delegation could not support the proposed reclassification of the post of Deputy High Commissioner from D-2 to the Assistant Secretary-General level since, as pointed out by ACABQ, that proposal was inconsistent with the principle that deputies should be at the level immediately below ASG (A/32/8, para. 76).

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55. Mr. PIRSON (Belgium) said that his delegation attached considerable importance to UNHCR and was therefore prepared to accept the transfer of some posts to the regular budget under section 16. However, the increasingly widespread practice of transferring posts to the regular budget gave cause for concern, since it was not clear what the medium-term or long-term effects of that practice would be. There was a danger that all posts currently financed from extrabudgetary sources would eventually be transferred to the regular budget. The Committee should be provided with further information on the effect of the transfer of posts to the regular budget before taking a decision on section 16.

56. Mr. KHAMIS (Algeria) said that his delegation attached great importance to UNHCR and supported the recommendation of ACABQ to transfer 12 posts to the regular budget.

57. Mr. von HARPE (Federal Republic of Germany) said that his delegation supported UNHCR and endorsed the recommendations of ACABQ under section 16. He agreed with the representative of Belgium that further information should be provided on the effect of the trend to transfer posts to the regular budget.

58. Mr. MILLS (Budget Division), referring to the effect of the transfer of posts to the regular budget, said that during the period 1974-1977 43 posts had been added to the UNHCR regular manning table and those posts had been funded entirely from voluntary funds. In the opinion of the Secretary-General and the High Commissioner, 23 of those posts should be charged to the regular budget, and the Secretary-General had therefore recommended that 12 posts should be transferred to the regular budget in the biennium 1978-1979 and the remaining 11 posts in 1980-1981. At the end of the period 1978-1981, during which time the budget of UNHCR would remain constant in real terms, the entire situation would be reviewed again.

59. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the need to transfer posts to the regular budget under section 16 depended on the refugee situation. If that situation improved, there would be no need to transfer posts. However, experience had shown that the number of refugees was increasing. The situation would be reviewed at the end of the period 1978-1981 and, if requests were then submitted for the transfer of additional posts to the regular budget, the Fifth Committee would consider those requests in the light of the reasons given at that time.

60. Mr. SIBAHI (Syrian Arab Republic) said that, in view of its familiarity with the refugee problem, his country attached considerable importance to UNHCR. Many people were forced to flee their homes as a result of natural disasters or political events, and the United Nations had an important role to play in providing humanitarian aid in such cases. His delegation supported the Secretary-General's proposals for the transfer of posts to the regular budget.

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Administrative and financial implications of the draft resolutions in documents A/32/L.4-L.11 concerning agenda item 91 (A/C.5/32/30/Add.1, A/32/8/Add.4)

61. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to the recommendations of the Advisory Committee contained in its fifth report (A/32/8/Add.4) and particularly to the section which dealt with draft resolution A/32/L.11. Although the Secretary-General had not requested any additional appropriations at that stage, the Advisory Committee had indicated in paragraph 29 that a vote on the resolution to hold a special session of the General Assembly on the question of Namibia would not satisfy the requirements of rule 153 of the rules of procedure. If such a special session were to be held before the thirty-third session, the date would have to be decided as soon as possible and a decision taken at the current session on the necessary appropriations. The Advisory Committee had therefore recommended that final action on the draft resolution should be deferred until the consultations referred to in the operative paragraph had taken place and a date had been decided upon. That would enable the Secretary-General to prepare a statement of the financial implications of holding the special session on Namibia.

62. Having studied the figures in document A/C.5/32/30/Add.1, the Advisory Committee was recommending a figure of \$100,000 instead of \$106,500 for travel and subsistence in connexion with the series of plenary meetings of the United Nations Council for Namibia to be held in Africa. The Advisory Committee accepted the figure of \$20,000 for air freight costs under section 23B, but it felt that some slight reduction could be made in the estimated figure of \$321,200 for conference services. The Committee recommended that conference servicing requirements under that item should not exceed \$300,000.

63. Mr. IYER (India), referring to the administrative and financial implications of draft resolution A/32/L.11, asked if it had been past practice for the Secretary-General to give precise details of the duration of a special session, number of committees, and so on, before the Advisory Committee and the Fifth Committee made their observations. He wondered whether the same criteria were being applied in the case of the proposed special session on the question of Namibia as had been applied to the resumed thirty-first session of the General Assembly and the special session devoted to disarmament.

64. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) pointed out that paragraph 28 of the Advisory Committee's report (A/32/8/Add.4) indicated that there would be a very heavy schedule of meetings in the first eight months of 1978. It was therefore imperative that the date of the proposed special session should be fixed before the end of the thirty-second session, otherwise it would be impossible for the Secretary-General to determine the requirements. Such a special session could not be regarded as an unforeseen item. At the same time as it voted on the proposal to hold such a session, the General Assembly would need to appropriate funds, but no such appropriations could be made until it was known whether or not the special session would be convened.

65. Mr. IYER (India) said that, while he understood the remarks made by the Chairman of ACABQ, he believed that deferment of a decision on draft resolution A/32/L.11 would not facilitate a decision on the financial implications. The draft

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(Mr. Iyer, India)

resolution instructed the Secretary-General to determine the date of the special session after consultations. In the opinion of his delegation, such consultations should take place immediately and he suggested that ACABQ should propose an amendment to that effect. The previous year, when it had been necessary to decide on the special session devoted to disarmament, no dates had been given and the Secretary-General had merely provided sample figures with a number of alternatives, depending on the duration of the session. The actual dates had not been decided until much later. He could not understand therefore why a new procedure was being instituted in the present case. There did not appear to be any bar on the General Assembly taking a decision on the draft resolution; if that were adopted, there would then be provision for consultations about the date. The holding of the proposed special session was not only a question of conference services, it was a political matter.

66. He proposed a vote be taken in plenary and that, following consultations to fix the date of the special session, the Secretary-General should submit proposals for the consideration of the Fifth Committee at a later stage. His delegation therefore rejected the Advisory Committee's recommendation. As a sponsor of all eight draft resolutions under consideration, it had strong feelings on the matter. It saw those draft resolutions as complementary.

67. Mr. SIKAULU (Zambia) said that his delegation fully associated itself with the comments made by the representative of India. It questioned the logic of the Advisory Committee's recommendation. It was understandable that ACABQ might have problems because of the unknown duration of the special session, but he could not understand why it had given the very heavy schedule of meetings as the reason for not taking a decision on the financial implications. The General Assembly was the policy-making body of the United Nations and any other decisions, including financial matters, had first to take into account the policies of the United Nations; they could not be subordinated to administrative considerations. To accept the Advisory Committee's recommendation would be out of the question and would set a dangerous precedent. As the representative of India had pointed out, there was no way in which consultations on the date could take place until the draft resolution had been adopted. He appealed to members of the Committee to do everything they could to advance the cause of the people of Namibia to which all were committed. It was a question of liberating a people and a Territory.

68. Mr. PAVICEVIC (Yugoslavia) said that it might be wise for an estimate of maximum costs to be submitted to the Committee, on the assumption that the special session would take place at the least favourable date. Nothing would be lost if the expenditure finally proved to be less. He understood that the Advisory Committee was in difficulty, since it was bound by rule 153 of the rules of procedure. However, that rule applied not to the General Assembly itself but to resolutions submitted to it by a committee. The question of Namibia had been discussed directly in plenary meetings and therefore came under the direct competence of the General Assembly. If for some reason it proved impossible to interpret rule 153 in that way, then perhaps the rule could be waived. He believed that there were political reasons why the Committee should act in accordance with the suggestions made by the representatives of India and Zambia. Everyone was aware of the reasons why the date for the special session could not be fixed immediately.

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69. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said he hoped that there was no doubt about his awareness of the political importance of the matter under discussion. It was the position of the Advisory Committee that the holding of the special session in 1978, as recommended in the draft resolution, could not be regarded as an unforeseen item. He recognized the point made by the representative of India. But, in his view, consultations could take place before or after the adoption of the draft resolution. He did not believe that the mere adoption of the draft resolution would of itself facilitate that consultation. If the consultations were to take place after the adoption of the draft resolution and if the financial implications were then to be submitted to the current session of the General Assembly, the Assembly would not have voted on the draft resolution in accordance with rule 153 of the rules of procedure. If the Committee wanted the General Assembly to vote on the draft resolution immediately, the best it could do would be to recommend suspension of that rule. The General Assembly was master of its own procedure and could therefore so decide.

70. Mr. GOONERATNE (Sri Lanka) pointed out that there was an interrelationship between the draft resolutions under consideration which had to be taken into account. There was particular significance in the wording of the operative paragraph of draft resolution A/32/L.11, which spoke of the situation being kept under continuous review. That reference should undoubtedly be viewed in the context of certain political negotiations that were in progress. The sponsors had not insisted on the special session, but had wanted to provide leeway for observing the situation and then taking a decision with regard to the special session. His delegation did not agree that it would be a good idea to take that one draft resolution out of the package, as had been suggested in the Advisory Committee's report. The debate so far had shown that it would be possible to adopt draft resolution A/32/L.11 together with the others and submit it to the plenary at the same time, together with any other recommendations the Committee might adopt in that regard.

71. The CHAIRMAN reminded the Committee that the substance of the draft resolution was not under discussion; the point at issue was purely a technical problem. The interrelationship between the draft resolutions had been recognized.

72. Mr. OLAITAN (Nigeria) noted that rule 153 of the rules of procedure comprised two elements. Any resolution recommended by a committee for approval by the General Assembly had to be accompanied by an estimate of expenditure and any resolution entailing expenditure had first to be considered by the Fifth Committee in the light of the budget estimates. Some tentative estimates had been prepared by the Secretary-General and should have been taken as a basis for the Advisory Committee's deliberations. The representative of Yugoslavia had made a good suggestion that estimates of maximum expenditure should be prepared. The cost factors had been itemized in document A/C.5/32/30 and it should be possible to compute the costs of the special session on that basis. Special sessions had been held in the past and there should be no difficulty therefore in estimating the duration. In the opinion of his delegation, there was no question of suspending rule 153 of the rules of procedure.

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73. Mr. CUNNINGHAM (United States of America) said that it would be desirable to find some other solution rather than waiving a rule of procedure. He asked whether it was possible from a procedural standpoint to defer action until the following morning, so that figures could be drawn up in the meantime and a way found to avoid any suspension of a rule of procedure.

74. The CHAIRMAN explained that it would not be possible to defer action until the next day, because the item was to be considered the following morning in plenary.

75. Mr. PIRSON (Belgium) said that the problem was a purely technical one. Rule 153 of the rules of procedure stated that an estimate of expenditures had to be prepared by the Secretary-General. Paragraph 28 of document A/C.5/32/30 gave approximate figures which could be considered as satisfying the requirements of rule 153. Moreover, that rule only called for the Fifth Committee to state "the effect of the proposal upon the budget estimates". There was no reason why the Committee should not state that the effect could not be fully determined at that stage because it depended on the date of the special session, the number of committees, and so on. His delegation believed that the Chairman of the Advisory Committee should be able to find a satisfactory formula based on the second part of rule 153. The Advisory Committee could state that it would be responsible for determining the precise figures at a later stage. The Committee was not being asked to vote on specific appropriations.

76. Mr. IYER (India) expressed the view that the constructive suggestion made by the representative of Belgium had greatly simplified the matter. As the representative of Nigeria had said, there were indications of approximate costs of which the Committee could take note, and document A/C.5/32/30 contained the Secretary-General's estimates of the cost of travel and of the cost per week for conference servicing. He was not sure that it was essential to mention any waiver of rule 153 in the Committee's report to the plenary. If such a mention had to be made, then his delegation would accept it, otherwise it would stand by its previous proposal. All the Committee could do at the current stage was to take note of the figures submitted by the Secretary-General, as it had done with regard to the special session devoted to disarmament.

77. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) said that, in order not to delay the adoption of the draft resolution in the plenary, the Committee should take a decision immediately. Only the plenary General Assembly could suspend a rule of procedure. The proposal made by the representative of India that the Fifth Committee should take a decision on the financial implications of draft resolution A/32/L.11 once the General Assembly had taken a decision on the holding of the special session and the necessary information was available to the Committee was a flexible one.

78. The CHAIRMAN suggested that the Committee should proceed to take a decision on the other draft resolutions and then revert to the one on which there appeared to be a difficulty (A/32/L.11).

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79. Mr. SEKYEI (Ghana) expressed the opinion that the waiver of a rule of procedure was out of the question. Rule 153 asked only for estimates, not precise figures. Draft resolution A/32/L.11 was part of a package and could not be taken separately.

80. The CHAIRMAN suggested that the meeting should be suspended for consultations.

The meeting was suspended at 6.50 p.m. and resumed at 7.10 p.m.

81. The CHAIRMAN suggested that the Committee should request the Rapporteur to report directly to the General Assembly that, should it adopt the draft resolutions contained in documents A/32/L.4-A/32/L.10, the following additional appropriations would be required: \$500,000 under section 3 (draft resolution A/32/L.5); \$191,800 under sections 3 and 21 (draft resolution A/32/L.6); \$363,500 under sections 3, 22 and 23 (draft resolution A/32/L.9/Rev.1); \$69,400 under section 3 (draft resolution A/32/L.10). In addition, conference servicing costs relating to draft resolution A/32/L.9/Rev.1 would be included in an over-all estimate which would be presented to the General Assembly at a later stage and would not exceed \$300,000.

82. With regard to the draft resolution in document A/32/L.11, the financial implications would be in the order of \$272,000 for travel of representatives and \$312,000 for the cost of 10 meetings per week each of the plenary and one main committee. There might be other administrative and financial implications with respect to the relocation of currently scheduled meetings which, until the determination of the date of the proposed special session, could not be estimated.

83. It was so decided.

84. Mr. PAVICEVIC (Yugoslavia), referring to the statement by the Secretary-General on the administrative and financial implications of the draft resolution in document A/32/L.6 (A/C.5/32/30), asked how the programme described therein had been determined without consultation with the United Nations Council for Namibia. In its report, the Council had asked for the sum to be allocated without specifying individual items of expenditure. He proposed that all the estimates referred to in that connexion should be allocated under section 3 C and that the breakdown shown in paragraph 7 of the statement should not be placed before the General Assembly, because it was only after the adoption of the draft resolution by the General Assembly that the programme of work would be decided.

85. Mr. ANVAR (Secretary of the Committee) said that the Secretary-General had the power to reallocate funds in any particular section of the budget and he believed that there would be no problem therefore once the Council for Namibia had decided on its programme of work.

86. Mr. CUNNINGHAM (United States of America) said that, although his delegation had participated in the consensus decision, it had reservations with regard to draft resolution A/32/L.5. The United Nations Fund for Namibia should be supported by voluntary contributions. His country had made such a contribution and believed that the Fund should not be supported from the assessed budget of the United Nations.

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87. Mr. PAVICEVIC (Yugoslavia) said that he had not received a reply to his previous question.

88. The CHAIRMAN said that he had been informed by the Under-Secretary-General that an answer would be available the next day; he hoped that the representative of Yugoslavia would accept that.

89. Mr. IYER (India) said his delegation very much regretted that it had not been possible for delegations to make their views known on the administrative and financial implications of the draft resolutions in documents A/32/L.4-L.10.

90. Mr. VON HARPE (Federal Republic of Germany) and Mr. AKASHI (Japan) associated themselves with the reservation expressed by the United States representative with regard to the draft resolution in document A/32/L.5.

The meeting rose at 7.20 p.m.