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SUMMARY RECORD OF THE 49th MEETING

Chairman:

Mr. MAYCOCK

(Barbados)

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

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The meeting was called to order at 11.40 p.m.

AGENDA ITEM 118: PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

Integrated management information system project (continued)

1. The CHAIRMAN said that the Assistant Secretary-General for General Services had asked him to convey to the Committee additional information regarding the integrated management information system project (IMIS), in particular, with regard to the timetable for the internal design stage, which would begin in late February or early March 1991. According to the information provided, consultants assisting the United Nations in the preparation of an invitation to submit proposals for the final stages of the implementation of the project had, on 14 December 1990, strongly recommended that consulting firms should be given additional time to prepare their proposals and the Assistant Secretary-General had accepted their recommendations. That would allow the consulting firms invited to submit proposals sufficient time to examine the documentation prepared during the first stage in order to have an accurate idea of the scope and complexity of the work to be done. Curtailing the time allotted to those firms would have given an unfair advantage to the current consulting firm. In the mean time, work on the IMIS project would continue and the staff assigned to the project would proceed with a number of tasks necessary for its successful implementation. Some of those tasks had already begun, including the preparation and issuance of an invitation to submit proposals for the hardware and software necessary to run the IMIS applications at all duty stations; preparation for the difficult and time-consuming task of data conversion; and documentation of the accounting rules.

AGENDA ITEM 130: FINANCING OF THE UNITED NATIONS IRAN-IRAQ MILITARY OBSERVER GROUP (continued) (A/45/847)

2. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the report of the Secretary-General on the financing of the United Nations Iran-Iraq Military Observer Group (UNIIMOG) (A/45/847). During its consideration of the item, representatives of the Secretary-General had provided additional information to the Advisory Committee.

3. Section I of the Secretary-General's report summarized the history of UNIIMOG since its inception on 9 August 1988. As noted therein, as well as in the Advisory Committee's report (A/45/7), in April 1990, the Advisory Committee had given its concurrence to a level of commitments in the amount of \$29.8 million gross (\$29 million net) with regard to the mandate period from 1 April to 30 September 1990. The Advisory Committee had also concurred in the crediting of \$5 million to Member States against their assessments for that period, on the understanding that the \$5 million balance of the amount to be credited to Member States pursuant to General Assembly resolution 44/189 would be credited to Member States against the assessments in respect of the mandate period beginning 1 October 1990. As indicated in paragraph 32 (a) of the Secretary-General's

(Mr. Maelle)

report, the amount of \$29.8 million gross (\$29 million net), remained to be appropriated at the current session of the General Assembly.

4. As recalled in paragraph 4 of A/45/847, the Security Council, by its resolution 671 (1990) had extended the mandate of UNIIMOG for two months, from 1 October to 30 November 1990. In that connection, the Advisory Committee had given its concurrence to the Secretary-General to enter into commitments in an amount of \$9,823,000 gross (\$9,503,000 net) in respect of the projected cost of maintaining UNIIMOG for that period. The Advisory Committee had also concurred in the Secretary-General's proposal to finance that amount from the encumbered balance remaining from the resources made available to UNIIMOG since its inception. In that connection, the Advisory Committee had noted that because the cost for UNIIMOG for those two months would be met from the unencumbered balance, Member States would, in effect, be credited with an amount totalling \$9,823,000 gross (\$9,503,000 net). Accordingly, that amount subsumed the outstanding \$5 million required to be credited pursuant to General Assembly resolution 44/189. The action required by the General Assembly with regard to the amount of \$9,823,000 gross (\$9,503,000 net) was set forth in paragraph 32 (b) of the Secretary-General's report.

5. As indicated in paragraph 4 of the report, by Security Council resolution 676 (1990) the mandate of UNIIMOG had been further extended for an additional two months through 31 January 1991. On the basis of the tasks enumerated in paragraph 16, the Secretary-General projected the cost of UNIIMOG for the two-month period from 1 December 1990 to 31 January 1991 at \$7,274,000 gross (\$6,946,000 net). A breakdown of that amount by line item was provided in annex III to the Secretary-General's report, while supplementary information was contained in annex V. The Advisory Committee concurred in that estimate and in the Secretary-General's proposal to finance it from the unencumbered balance remaining from the appropriations and authorizations made available to UNIIMOG. The Advisory Committee noted that, should the General Assembly accept the Secretary-General's estimate, an appropriation of \$7,274,000 gross (\$6,946,000 net) would be required, as indicated in paragraph 32 (c) of the Secretary-General's report.

6. The Secretary-General estimated the costs of UNIIMOG to be \$3,475,000 gross (\$3,269,000 net) per month from 1 February 1991 onwards, assuming it continued its responsibilities at the current level. Should the Security Council extend the mandate of UNIIMOG beyond 31 January 1991, the General Assembly could authorize the Secretary-General to enter into commitments up to that level subject to the prior concurrence of the Advisory Committee.

7. In its resolution 34/9 C, the General Assembly had approved special arrangements for the United Nations Interim Force in Lebanon (UNIFIL), by which appropriations required in respect of obligations owed to Governments which provided contingents and/or logistic support to the operation, would be retained beyond the period stipulated under financial regulations 4.3 and 4.4 of article IV of the Financial Regulations of the United Nations. In paragraph 30 of his report, the Secretary-General proposed that the standing decision, as contained in that resolution, should be extended and applied to UNIIMOG. The Advisory Committee

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recommended acceptance of that proposal. In that connection, the Advisory Committee requested that the Secretary-General should formulate and submit to it proposed guidelines for setting limits to the period within which Governments were required to submit their claims.

AGENDA ITEM 131: FINANCING OF THE UNITED NATIONS ANGOLA VERIFICATION MISSION
(continued) (A/C.5/45/L.12)

8. Mr. CONMY (Ireland) introduced draft resolution A/C.5/45/L.12 on financing of the United Nations Angola Verification Mission and noted that it contained the figures which had been recommended by the Secretary-General, as amended and approved by the Advisory Committee. He recommended the draft resolution to the Committee for adoption by consensus.

9. Draft resolution A/C.5/45/L.12 was adopted without a vote.

AGENDA ITEM 127: UNITED NATIONS COMMON SYSTEM (continued)

Draft resolution A/C.5/45/L.16

10. Mr. DUHALT (Mexico) introduced draft resolution A/C.5/45/L.16, which had been the subject of intensive consultations and reflected a compromise on the issues dealt with in the 1990 report of the International Civil Service Commission. He wished to thank the members of the Fifth Committee for the spirit of co-operation and understanding which had prevailed during the consultations. The flexibility shown by many delegations during the complicated negotiations was greatly appreciated. He also wished to thank the Secretariat of the United Nations, the secretariat of ICSC and the Advisory Committee for their role in ensuring a successful outcome of the informal consultations.

11. Mr. CISS (Assistant Secretary-General for Human Resources Management) said that the Statute of ICSC and the Staff Regulations of the United Nations unambiguously conferred on the Secretary-General the authority to fix salary scales for General Service staff at the various locations. The Secretary-General exercised that authority after taking all factors into consideration, including a salary survey undertaken by ICSC.

12. Most recently, in July 1990, at the end of a long process, and having given the matter serious consideration in all respects, the Secretary-General had decided to adapt and promulgate scales for the General Service in New York based on those which had been recommended by ICSC, as provided for in its Statute. In so doing, he had exercised the judgement, responsibility and authority of his office.

13. In the preamble of section XIII the draft resolution expressed the Committee's appreciation of those managerial considerations. However, in the operative paragraphs of that section, the Committee was, in effect, invited to substitute its discretionary judgement for that of the Secretary-General. The Secretary-General believed that such a course of action would be unfortunate and could raise serious

(Mr. Ciss)

issues of principle. Certain issues could also lead to protracted and expensive litigation, whose outcome in the Administrative Tribunal could not be foreseen with any certainty.

14. Should the General Assembly decide to adopt section XIII of the draft resolution, the Secretary-General would give careful consideration to the requests made to him therein. None the less, he hoped that aspects of it would be reconsidered, even at such a late stage.

Draft resolution A/C.5/45/L.16 was adopted without a vote.

15. Mr. MERIFIELD (Canada) said that the Fifth Committee certainly had a responsibility to take such decisions, but his delegation hoped that, in any future review, greater communication would be maintained with the interested parties. That would be particularly appropriate in view of the fact that the draft resolution expressed satisfaction with the establishment of a more active dialogue between the Commission and representatives of organisations and staff.

16. Mr. HAMEDA (Libyan Arab Jamahiriya) said that although his delegation had joined in the consensus, it had certain reservations with respect to the basis on which the Commission recommended salary increases. Thus far, the Commission had failed to comply with a request to submit statistics or statements on cases of separation from service or rejection of offers of employment as a result of deteriorating conditions of service. On the contrary, many countries, including his own, had proposed competent candidates. If there were any shortcomings in the common system, they had less to do with the salary scale and conditions of service than with the manner in which vacancies were announced and appointments decided.

17. Mr. VISLYKH (Union of Soviet Socialist Republics) said that his delegation also had certain misgivings about appropriateness of adopting such a draft resolution. Although section XIII, paragraph 2 referred to attempts by Member States to realize savings, the representative of the Secretary-General had indicated that, on the contrary, the Organization might incur significant expenditures as a result of claims submitted by staff members to the Administrative Tribunal. In that connection, his delegation wondered why representatives of the Secretariat had not presented their views during informal consultations on the draft resolution. It was difficult to understand why the Office of Legal Affairs had not been notified of the possible legal consequences of such a decision.

18. Mr. Y. G. GUPTA (India), explaining his delegation's position on the draft resolution just adopted, said that despite having joined the consensus, he was disappointed that the Fifth Committee had not been able to agree to the recommendations made by the International Civil Service Commission (ICSC) with regard to the liberalization of the rental subsidy scheme and to reconsideration of the monitoring of the net remuneration margin. At a time when Member States attached great importance to the role of the Organization, the conditions of service and the scale of remuneration of the staff were not keeping pace with

(Mr. Y. G. Gupta, India)

market demands. It was to be hoped that at the next session, the Fifth Committee would be able to reconsider the monitoring of the net remuneration margin in a positive spirit.

19. Mr. MICHALSKI (United States of America), explaining his delegation's position on the draft resolution just adopted, said that he supported the comments made by the representatives of the Libyan Arab Jamahiriya and the Union of Soviet Socialist Republics and felt that the Fifth Committee had taken the right decision.

20. Mr. FONTAINE ORTIZ (Cuba), explaining his delegation's position on the draft resolution just adopted, said that at the current session the Fifth Committee had been working under difficult circumstances, which had led to decisions being taken under pressure. It was dissatisfying to note that the Fifth Committee had again failed to heed the recommendations of ICSC, a body with recognized competence in the matter under consideration. He had particular concerns with regard to section XIII of draft resolution A/C.5/45/L.16. The General Service staff was an extremely important part of the Secretariat; its members received the lowest remuneration, and the decision just adopted meant that their salaries would be frozen, which did not seem particularly wise. It was to be hoped that the decision taken would not prevent the General Assembly from reviewing the question at its next session and adopting any corrective measures which might be necessary.

AGENDA ITEM 120: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS (continued)

AGENDA ITEM 121: FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)

Draft resolution A/C.5/45/L.17

21. Mr. Y. G. GUPTA (India), introducing draft resolution A/C.5/45/L.17, drew attention to paragraphs 2 and 4 of section A, which dealt with the current financial crisis, and to paragraphs 4 and 6 of section B, which dealt with the financial emergency of the United Nations. During the informal consultations, some delegations had stated that the consideration of a single draft resolution on the two items did not prejudice any future positions which they might take in the matter. Other delegations had requested that more time should be made available in the future for the consideration of the two items. It was to be hoped that the draft resolution could be adopted without a vote.

22. Draft resolution A/C.5/45/L.17 was adopted without a vote.

AGENDA ITEM 118: PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

First performance report (A/C.5/45/45 and Add.1 and Add.1/Corr.1 and A/45/7/Add.14)

23. The CHAIRMAN suggested that, on the basis of the recommendations of the Advisory Committee, the Fifth Committee should recommend to the General Assembly that it should take note of the first programme performance report of the Secretary-General on the 1990-1991 programme budget and approve the recommendations of the Advisory Committee.

24. Mr. FONTAINE ORTIZ (Cuba) asked whether the Chairman could confirm his understanding that taking note of the report of the Secretary-General did not mean approving it.
25. The CHAIRMAN said that the Cuban representative's understanding was correct. If he heard no objection, he would take it that the Fifth Committee wished to adopt his suggestion.
26. It was so decided.
27. Mr. FONTAINE ORTIZ (Cuba), explaining his delegation's position on the decision just adopted, said that while he had not opposed the decision, he regretted the reference in paragraph 5 of document A/C.5/45/45 to the dispatch of a mission headed by a Personal Representative of the Secretary-General to seek clarification of assistance sought by the Government of Haiti from the United Nations in connection with the holding of free and fair elections. Many delegations, notably those belonging to the Group of Latin American and Caribbean States, did not share the view that such a mission would "contribute to the maintenance of peace and stability in the region". The Group had expressed that opinion directly to the Secretary-General, and it was regrettable that such a statement had been included in the report.
28. Ms. BERENQUER (Brasil), explaining her delegation's position on the decision just adopted, said that she had joined the consensus on the understanding that the Fifth Committee was not taking a position as to the merit of including in the budget any of the expenses referred to in the report.

AGENDA ITEM 11': REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

Proposed programme budget outline for the biennium 1992-1993 (A/45/369 and A/45/878)

29. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to document A/45/369 in which the Secretary-General proposed an outline of preliminary resources to accompany the proposed programme budget for 1992-1993 in the amount of \$1,996,100. In accordance with the methodology employed by the Secretary-General, the real rate of growth had been calculated at zero per cent. The Advisory Committee intended to submit in 1991, in the context of the first report on the programme budget for the biennium 1992-1993, detailed observations and proposals with regard to the methodology for preparing the outline. In the mean time, as reflected in paragraph 4 of document A/45/878, the Advisory Committee had sought additional information from the Secretariat on the impact on the proposed outline of decisions which had been or would be taken by the General Assembly.
30. The Advisory Committee had also re-costed the outline using the rates recommended by the Advisory Committee for the revised appropriations for 1990-1991. The effect of re-costing by the Advisory Committee was indicated in paragraph 7 of document A/45/878, which stated that the total preliminary estimate

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recommended by the Advisory Committee at 1992-1993 rates was \$2,462,400. That figure was approximately \$97 million lower than it would have been if the exchange rate originally proposed by the Secretary-General had been adopted for re-costing purposes. The Advisory Committee had instead recommended the use of the average rates of exchange in 1990.

31. Paragraph 8 of document A/45/878 dealt with the question of the contingency fund. The Advisory Committee recommended, on the basis of the percentage currently applied for the 1990-1991 budget, that the contingency fund for 1992-1993 should be set at \$19 million. The question of the size and operation of the contingency fund would be reviewed in 1991. In the mean time, as indicated in paragraph 8, a balance of \$3,218,700 would remain in the contingency fund for 1990-1991 after 31 December 1990.

32. Mr. INOMATA (Japan) said that he concurred with the comments made by the Chairman of the Advisory Committee with regard to the methodology used to calculate growth in real and nominal terms, a question which had been the subject of a lively discussion in many United Nations forums. In his view, a considerable amount of work would be needed in order to define real growth. He had disagreed with the Secretary-General's initial characterization of a one per cent growth rate, in constant dollar terms, as nominal growth; that was one more example of the confusion surrounding the concept of growth. He urged the Advisory Committee and the Secretariat to continue their study of the methodology employed for the programme budget and the outline, including the treatment of non-recurrent costs, so that the concept of growth would be sufficiently transparent to Member States.

33. With regard to paragraph 4 of document A/45/878, he had assumed that the estimate of \$15.6 million was a maximum guess.

34. Turning to the question of the size of the contingency fund, he concurred with the recommendation in paragraph 8 of document A/45/878, which provided a sufficient basis for a decision by the Fifth Committee.

35. Mr. LOPEZ (Venezuela) said that he agreed with the comments by the representative of Japan on the methodology for calculating the rate of growth. It was regrettable that the proposed programme budget outline and the comments of the Advisory Committee had been submitted so late in the session, when it was impossible to discuss them in any depth.

36. Mr. ETUKET (Uganda) said that he shared the concerns expressed by the two previous speakers and was dissatisfied with the lack of information concerning the impact of the preliminary estimate of resources on the implementation of all approved programmes and activities. He had hoped that the Secretary-General would be able to provide information on the impact of the zero growth rate. Before the conclusion of the discussion on such an important item, the Secretariat should endeavour to provide further details in that regard.

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37. He also agreed with the comments made concerning the question of methodology. The current methodology required further improvement in order to make it as objective as possible.

38. The CHAIRMAN said that he had requested the representative of Cuba to co-ordinate the preparation of a draft resolution on the item, which would be discussed at a later meeting.

ORGANIZATION OF WORK

39. The CHAIRMAN proposed that in view of the delay in receiving the reports of the Secretary-General and the Advisory Committee on the United Nations Transition Assistance Group (UNTAG), the Committee should defer its consideration of agenda item 132 to its resumed session in early 1991. If he heard no objection, he would take it that the Committee wished to endorse his proposal.

40. It was so decided.

The meeting rose at 1 a.m.