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New York

SUMMARY RECORD OF THE 73rd MEETING

Chairman: Mr. TOMMO MONTHE (Cameroon)

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

CONTENTS

AGENDA ITEM 150: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS (continued)

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The meeting was called to order at 5.10 p.m.

AGENDA ITEM 150: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS (continued)
(A/40/1102 and Corr.1-3, A/40/1102/Add.1 and Add.1/Corr.1, A/40/1102/Add.2 and Add.2/Corr.1, A/40/1102/Add.3, A/40/1106 and Corr.1 and 2, A/40/1107 and Corr.1; A/C.5/40/CRP.4)

1. Mr. MOHAMED (Sudan) said that, unfortunately, the replies which the Committee had been given did not include any figures for the savings which would result from the postponement of meetings of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories. He would also have welcomed further details on the expected savings in respect of the Economic Commission for Europe. Another potential source of savings to which the Secretary-General's attention should be drawn was communications, whether telephone or telex, the costs of which amounted to several million dollars each year. If there were no regulations governing the use of such communications facilities, it would be a good idea to draw them up. Parallel to the schedule of meetings published in the Journal of the United Nations, consideration might be given to publishing a schedule of meetings not held or postponed. Lastly, since both the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions had emphasized in their respective reports the political dimension of the financial crisis, his delegation would like to know to what extent political considerations had influenced the Secretary-General's proposals.

2. Mr. FONTAINE-ORTIZ (Cuba) asked what savings would be achieved by holding the second session of the Economic and Social Council at Headquarters (New York) instead of Geneva. Contrary to what had been stated in the replies, substantial savings could be achieved, in his view, if, instead of shortening the forty-first session of the General Assembly, the start of the work of the Main Committees was delayed. If that was done, the Secretariat would not need temporary assistance from the very beginning of the Assembly, but rather two weeks later. Of course, that measure presupposed greater self-discipline on the part of delegations so that meetings could begin at the scheduled time and that each Committee would fully utilize the meeting time made available to it.

3. Mr. KHALEVINSKIY (Union of Soviet Socialist Republics) said that the replies concerning the freeze on recruitment touched only on the administrative aspect of the measure and dodged all its political implications. The freeze was clearly detrimental to the countries which were underrepresented in the Secretariat, since it would delay the time when they would be brought within their desirable ranges. It was, therefore, contrary to the principle of equitable geographical distribution. A recruitment freeze had, moreover, already been applied in 1980-1981 and the results had been sharply criticized by many countries. Apart from constituting discrimination against staff members recruited on a fixed-term or short-term basis, the freeze could hardly be reconciled with the often proclaimed desire to enhance the effectiveness of the Organization, since it would affect such essential areas as the language and stenographic services, and would entail additional constraints, particularly as far as interpreters were concerned. Since the Secretariat had indicated that there were many vacancies in various units, a first step might have been to abolish the posts in question. In addition, most new

(Mr. Khalevinskiy, USSR)

contracts should be for a fixed or short term so as to afford greater flexibility in the event that programmes were postponed or curtailed. His delegation regretted that the Secretariat had not put forward any concrete proposals to that effect and wondered what considerations might have prompted such a debatable measure as a recruitment freeze, which jeopardized the implementation of numerous programmes.

4. Mr. GRECU (Romania) said that, while some of the Secretariat's replies were satisfactory, others were far less so and reinforced the doubts which delegations had about the Secretary-General's proposals. There was a tendency to regard the proposals as a "package", but his delegation could hardly accept it in toto. In his view, it would be premature at the current stage to consider making provision for losses which might result from the depreciation of the dollar, as envisaged by the Secretary-General. It was impossible to take a decision at the current stage, given the uncertainties involved. It was likewise not possible, in the view of his delegation, to curtail or postpone such essential activities as the sessions of the General Assembly, of the Economic and Social Council and of certain other bodies, since that would have an adverse impact on issues of interest to the majority of States, while such a major area as administration and personnel would be untouched. The measures proposed by the Secretary-General were not the only options available and his delegation hoped that others would be explored. Curtailing essential activities was not the way to strengthen the role of the United Nations; other solutions had to be sought. The proposed shortening of the forty-first session of the General Assembly was not desirable. Indeed, the General Assembly would be called upon at that session to take decisions on the extremely important report of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations. If the Secretariat had wished to put forward a package of measures, solutions could have been sought first through discussion and negotiation, and consideration could have been given to the potential for savings in all areas, not just in essential sectors.

5. Mr. RUEDAS (Under-Secretary-General for Administration and Management), replying to various points raised by delegations, said he wished to emphasize first and foremost that the measures proposed, albeit imperfect, had been dictated by the immediate nature and the seriousness of the financial crisis. He also stressed the necessity of giving the Secretary-General the flexibility he needed to deal with a situation which would inevitably be evolving. In that connection, it would be useful, as two delegations had proposed, for the Secretary-General to report to the General Assembly at its forty-first session on the implementation of the measures and the savings achieved.

6. Replying to the question asked by the delegation of the Syrian Arab Republic, he said that, with regard to the submission of reports to the General Assembly by organs whose meetings would be postponed, as indicated in paragraph 7 of annex IV to document A/40/1102, the situation was as follows: the Ad Hoc Committee on the Implementation of the Collective Security Provisions of the Charter of the United Nations, which had, as yet, not actually been set up, would not be submitting a report before the following year; the Ad Hoc Committee on the Drafting of an International Convention against the Recruitment, Use, Financing and Training of Mercenaries would not be submitting a report to the forty-first session; in the case of the Special Committee to Investigate Israeli Practices Affecting the Human

(Mr. Ruedas)

Rights of the Population of the Occupied Territories, which had already held two of its three scheduled meetings, it would be a matter of postponing the meeting originally planned for September, but consultations with the Secretary-General would be pursued with a view to shortening, not cancelling, that meeting; lastly, the expert groups established to study the consequences of the arms race and the potential physical effects of nuclear war, respectively, would not be submitting interim reports to the forty-first session, but rather only final reports in 1987.

7. Replying to the question asked by the representative of Pakistan, he said that half of the savings identified in the area of administration related to staff costs and half to physical plant (rent, heating and so on). Of course, staff costs could have been cut further - and potential areas had been identified - but such reductions would entail actual terminations and the costs involved (payment of termination indemnities, repatriation, and so on) would, for the most part, outweigh the expected savings. Such a measure would not, therefore, be economical in the short term and would run counter to the Secretary-General's objective of achieving immediate savings, it being understood that it was for the General Assembly, at its forty-first session, to consider long-term measures affecting the Secretariat and intergovernmental organs.

8. Replying to the question asked by the representative of Trinidad and Tobago, he said that the Secretary-General's proposals had been the subject of informal consultations with some members of CPC. Given the political dimension of the problem, they considered that at the current stage the proposals were not within the province of CPC, but rather should be dealt with by the General Assembly in plenary meeting.

9. A system for controlling telephone communications did exist in the United Nations, but it must be emphasized that it was essential for an international organization to be able to communicate as quickly as possible and as often as was necessary with its offices elsewhere. Lastly, the recruitment freeze was essentially a temporary measure, which, it was to be hoped, would not delay by more than a few months the time when underrepresented countries would be brought within their desirable ranges. In any event, the decision had not been influenced by any political motives. It had already been indicated that an exception would be made for interpreters, translators and typists, and that it would be possible to recruit, on a fixed-term or short-term basis, the essential staff needed to service meetings of the General Assembly or of bodies whose meetings had been approved. In conclusion, he reaffirmed that the Secretary-General had done his utmost to put forward a package of measures which was as coherent as possible and free from the influence of political considerations of any kind.

10. Mr. FORAN (Controller) pointed out that Brazil had paid its assessed contribution in full. An updated document on the status of contributions to the regular budget of the United Nations as at 30 April 1986 was to be issued shortly.

11. With regard to the question asked by the representatives of Indonesia, Qatar and the Sudan about how the proposed cost-cutting measures relating to the regional economic commissions had been arrived at, he said that the procedures followed were explained in paragraph 25 of document A/40/1102. The proposals had been drawn up in a very short time and were based on the suggestions of programme managers, who

(Mr. Foran)

had been asked to identify activities which might, in their opinion, be deferred, up to a level of 10 per cent of the total output. The anticipated savings in respect of the regional commissions were part of the overall savings, i.e. they would be added to those expected as a result of the measures specified in paragraphs 16 and 17 of document A/40/1102 and in bulletins ST/SGB/215 and 217. The combined cost-cutting measures would yield savings, expressed as a percentage of the appropriations for 1986, of 4.8 per cent for the Economic Commission for Europe, 7.9 per cent for the Economic and Social Commission for Asia and the Pacific, 7.6 per cent for the Economic Commission for Latin America and the Caribbean, 6.2 per cent for the Economic Commission for Africa, and 6.7 per cent for the Economic and Social Commission for Western Asia. In the case of the Economic Commission for Europe, the savings relating to the reduction in the number of meetings was not reflected in the percentage stated: they had been included under the programme "Conference Services (Geneva)". If they had been included, the projected savings for ECE would have been substantially higher.

12. In reply to a question asked by the representative of Indonesia, he said that the programme deferments envisaged in document A/C.5/40/CRP.4 under section 15 of the programme budget, "United Nations Conference on Trade and Development", would not affect the preparations for the seventh session of the United Nations Conference on Trade and Development, scheduled for 1987.

13. Replying to the representative of Qatar, he said that the planned 20 per cent reduction in costs relating to the hiring of consultants would certainly affect the sections of the programme budget under which appropriations had been made for consultants' services. Programmes which made extensive use of those services, such as the United Nations Centre on Transnational Corporations, would be the most seriously affected.

14. The Secretariat was currently reviewing revenue-producing activities such as guided tours, to which the representative of Indonesia had referred, and hoped to make some recommendations in that connection in the near future.

15. With regard to the question put by the representatives of Qatar and the Sudan concerning the reduction in the number of meetings of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and of the number of languages in which conference services would be provided to that Committee, he said that the savings which would result from the reduction in services provided to the bodies listed in the appendix to document A/40/1102 could be assessed only in retrospect. The Committee on the Exercise of the Inalienable Rights of the Palestinian People had decided to defer the regional symposium for Latin America until 1987 and to combine the regional symposium for Europe with the meeting of non-governmental organizations. The total costs for those two meetings, as reported at the first part of the fortieth session, were \$375,000 for the regional symposium for Latin America and \$155,600 for the regional symposium for Europe. However, it was not possible at the current stage to give an exact figure for the anticipated savings.

16. It was difficult to determine the savings which might be achieved by deferring the meeting of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories (measures proposed in

(Mr. Foran)

paragraph 7 (i) of annex IV to document A/40/1102), since the Committee had not yet taken a final decision on the matter. It had nevertheless decided on a number of measures, particularly with regard to its missions to the field, which should permit savings of the order of \$20,000.

17. With regard to the saving envisaged in document A/C.5/40/CRP.4 under element 2.15 of section 27 of the programme budget, namely the reduction in the number of languages in which certain publications were produced, two of the publications, "Basic Facts about the United Nations" and "United Nations Image and Reality", were already published in six languages, and it was simply proposed that an updated version should be produced in three languages. It was therefore not a case of a publication being available in one language but not in another. It was the practice of the Department of Public Information to publish the introduction to the report on the work of the Organization submitted each year by the Secretary-General to the General Assembly, in the form of a special brochure. It was proposed that the publication of that brochure in some languages, and perhaps even in all languages, should be deferred or cancelled. Naturally, the full text of the report of the Secretary-General on the work of the Organization would be distributed in all languages, as usual, as an official document of the General Assembly. With regard to the radio programmes produced in Geneva, it was not proposed that they should be cancelled but simply that the Arabic radio programmes should be suspended, as a result of the freeze on recruitment and of the fact that several radio staff posts remained vacant in Geneva.

18. Expenditure on the item "Communications", to which the representative of the Sudan had referred, was being closely scrutinized. At its two previous sessions, the General Assembly had approved measures designed to make the United Nations communication system more efficient and cost-effective. Changes would also be made to the telephone system at Headquarters, with a view to achieving savings.

19. With respect to the question asked by the representative of the Sudan on the extent to which the Secretariat had been influenced by political considerations in arriving at its proposals for economy measures, he said that the Secretariat had displayed objectivity and that the proposals were the result of a process described in paragraph 25 of document A/40/1102.

20. He was not in a position to inform the representative of Cuba exactly what saving would be achieved by holding the second regular session of the Economic and Social Council in New York instead of Geneva. The Economic and Social Council did not deal only with issues concerning the United Nations but also with questions which were of more particular concern for the specialized agencies, and a number of representatives of specialized agencies participated in its work. For the United Nations alone, the measure would entail savings of some \$121,300 in conference-servicing costs and of some \$270,000 in travel expenses; those savings related only to members of the United Nations staff. Such a meeting could be held at Headquarters only between 14 July and 8 August, in view of the constraints of the conference calendar.

21. Mr. SCHLAFF (Director, Programme Planning and Evaluation Branch), referring to the proposal of the representative of Cuba that the Main Committees of the General Assembly should begin their work at a later date, linked the proposal to the

(Mr. Schlaff)

Secretary-General's suggestion in paragraph 23 (a) of document A/40/1102 that the forty-first session of the General Assembly should be shortened by three weeks and recalled that the Secretary-General had at the same time suggested that the work of the Assembly should be streamlined. It appeared that the proposal of the representative of Cuba did not envisage a streamlining of the work of the Main Committees, which would continue to perform their tasks as usual, giving rise to problems of an administrative and financial nature: the Main Committees would, in effect, run the risk of no longer having sufficient time available to report to the plenary Assembly through the Fifth Committee, and night and week-end meetings might become necessary. One might consider a similar arrangement, whereby the Main Committees would begin their work on the normal date but would finish it three weeks earlier, allowing sufficient time for the General Assembly to consider their reports. That measure should allow the achievement of substantial savings, which could be estimated roughly at \$800,000 (a curtailment by three weeks of the forty-first session of the entire Assembly resulting in savings of the order of \$1.1 million). The achievement of the anticipated savings would, of course, depend on prior planning and streamlining of the work of the Main Committees.

22. In reply to a question put by the representative of Pakistan, he said that the conference-servicing costs were calculated on the basis of standards adopted several years earlier, which had been re-examined by ACABQ at its thirty-fifth session. The representative of Pakistan had also advanced certain data according to which the curtailment of a session would not necessarily bring about savings. That was true when one meeting was replaced by another, the only point of such a step being to make use, for example, of staff resources in order to ensure the servicing of meetings of an intergovernmental body in preference to another type of body. Savings could be achieved only when the curtailment of sessions was agreed in advance, making it possible to avoid the recruitment of temporary staff. In that connection, a number of intergovernmental bodies, although making little use of the services which were provided to them, insisted that full services should continue to be made available for their sessions: the curtailment of those bodies' sessions would allow substantial savings to be made.

23. Mr. GLAIEL (Syrian Arab Republic), referring to paragraph 7 (i) of annex IV to the Secretary-General's report (A/40/1102), said that, as he had understood it, there had been a proposal to defer until 1987 the third meeting of the Special Committee, scheduled for 1986. Since the consideration of the Special Committee's report was an item on the preliminary list of items to be included in the provisional agenda of the forty-first regular session of the General Assembly, he wondered whether the Committee would report to the Assembly on the two meetings which it had already held in 1986.

24. With regard to the proposal to reduce from six to three the number of languages in which the publications mentioned on page 20 of document A/C.5/40/CRP.4 would be issued, he wished to know which languages would be dispensed with. In that connection, he emphasized that the needs of the peoples of third-world countries should be met on a priority basis. Moreover, according to the explanations provided by the Secretariat, it appeared that item 2.17 (c) on page 21 of that document required correction, since it had been suggested that the production of teaching guides and of the Arabic radio magazine produced in Geneva should be deferred, not terminated.

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25. Mr. BIRUMA-SEBULIME (Uganda) pointed out that some countries had only recently paid their assessments, and he asked how that affected the proposals contained in paragraphs 21 and 25 of the Secretary-General's report.

26. Mr. FORAN (Controller), referring to the statement made by the representative of Syria, said that the word "termination" should be replaced by "deferment" in paragraph 2.17 (c) on page 21 of A/C.5/40/CRP.4. He did not know in which languages the updated versions of the publications mentioned on page 20 of that document would be issued, but he believed that delegations would have no objection to deferring the publication of updated versions in all six languages.

27. Replying to the representative of Uganda, he said that the Secretariat was revising annex II (Status of contributions) of the Secretary-General's report. However, the payments which certain Member States had recently made simply affected the timing of the receipts forecast in annex III of that report. The \$14 million in arrears which had been received and the contribution of \$10 million to the Special Account announced by the Soviet Union were the only additional funds on which the Organization could rely at the current stage. The financial situation remained essentially unchanged, and the analysis contained in the Secretary-General's report was still valid.

28. Mr. RUEDAS (Under-Secretary-General for Administration and Management) said that he could not speak on behalf of the Special Committee mentioned in paragraph 7 (i) of annex IV to the Secretary-General's report, but he could inform the representative of Syria that the Special Committee did intend to submit a report to the General Assembly.

29. The CHAIRMAN said he intended to read out to the members of the Committee a summary of the debate, which would be the basis for the report to be drawn up by the Rapporteur for submission to the General Assembly.

30. Mr. VAN DEN HOUT (Netherlands) wished to inform the Committee of the position of the 12 States members of the European Economic Community (EEC). He noted that, the General Assembly, at its 127th plenary meeting, had decided without objection to reconvene the Fifth Committee in order to obtain clarification of technical questions regarding the Secretary-General's proposals. Before that, the General Assembly had adopted a recommendation of the General Committee that the current financial crisis of the Organization should be considered in detail in plenary meeting. It was regrettable that, during the debate, some delegations had made statements which had gone far beyond the limited mandate of the Fifth Committee. Although the members of EEC, too, had many reasons to make substantive statements, they had refrained from doing so. They believed that a consensus should be reached in plenary meeting.

31. The States members of EEC would not be able to associate themselves with the Committee's decision if, in the recommendations, the report or the conclusions to be submitted to the General Assembly, the Secretary-General's proposals contained in document A/40/1102 were misrepresented or made dependent on certain conditions. However, they were convinced that the summary of the debate which the Chairman was about to give was in complete conformity with the Committee's mandate.

32. The CHAIRMAN said that the text he intended to read out was indeed in conformity with the wishes of the States members of EEC, since it referred only to the technical aspects of the matter under consideration.
33. At its 71st, 72nd and 73rd meetings, the Fifth Committee had considered the Secretary-General's proposals contained in document A/40/1102 on the current financial crisis of the United Nations, in order to provide clarifications of a technical nature. To that end, the Committee had made a comprehensive but exhaustive study of the Secretary-General's report and of the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ).
34. The Fifth Committee had then conducted a broad and detailed exchange of views resulting from the questions, observations and comments of the members of the Committee, and the supplementary clarifications provided by members of the Secretariat and the Chairman of ACABQ.
35. The Fifth Committee had noted that, since the beginning of the year, the financial situation of the United Nations had continued to evolve. It had acknowledged that the financial estimates on which the Secretary-General had based the proposals in his report were, on the whole, correct.
36. The Committee believed that, if the favourable hypotheses on which the Secretary-General had based his projections for the rest of the year failed to materialize, the cash situation of the Organization would remain a cause for concern.
37. The Committee considered that the measures proposed by the Secretary-General could have been based on more refined, more diversified and more precise methods and criteria.
38. If the measures proposed by the Secretary-General were adopted, it would not be necessary to revise the appropriations which had already been approved for the biennium 1986-1987.
39. The Committee had emphasized the detrimental effect which the proposed measures would have on the approved programme if the financial situation of the Organization did not improve in 1986. In that connection, in the programme-budget performance report to be submitted to the forty-first session, the Secretary-General should provide a detailed account of the impact of the measures, taking account of any changes in the financial situation.
40. The Committee had noted that the Chairman of ACABQ had proposed that, in order to end the crisis, any savings resulting from the measures should not revert to Member States.
41. With regard to maintenance and construction work, the Committee had noted that the proposed deferrals might entail additional costs.
42. The Committee considered that the measures relating to staff outlined in paragraph 17 (c), (e) and (f) of the Secretary-General's report should not be applied retroactively.

(The Chairman)

43. The Committee had also conducted a detailed exchange of views on other questions contained in the Secretary-General's report but had considered that, since the technical and political aspects of those questions were linked, the General Assembly should take a decision on those issues in plenary meeting.

44. Mr. ORTEGA (Mexico) said that the text proposed by the Chairman should make it clear that the proposed measures were of an emergency and temporary nature, as had been underscored by ACABQ. It would perhaps be advisable to add, in the paragraph which stated that it would not be necessary to revise the appropriations for the biennium, a comment similar to the one which ACABQ had made on that subject in paragraph 6 of its report.

45. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to adopt the text which he had read out, as orally amended by the representative of Mexico.

46. It was so decided.

The meeting rose at 6.45 p.m.