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at 10 a.m.  
New York

SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. AMNEUS (Sweden)

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

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Address by the Secretary-General

ORGANIZATION OF WORK

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The meeting was called to order at 10.05 a.m.

AGENDA ITEM 120: PATTERN OF CONFERENCES: REPORT OF THE COMMITTEE ON CONFERENCES  
(continued) (A/42/32)

1. Mr. EHMEGHA (Libyan Arab Jamahiriya) said that his delegation appreciated the difficulties faced by the Committee on Conferences in considering the possibility of changing its terms of reference but hoped that the Committee would be able to agree on a recommendation at its next session. It did not object to the Committee's becoming a permanent body, with responsibility for preparing the calendar of conferences and working towards the optimum utilization of conference-servicing resources. At the same time, the Committee should affirm the principle of equitable geographical distribution and ensure that its mandate did not overlap with those of other bodies such as the Advisory Committee on Administrative and Budgetary Questions (ACABQ). His delegation opposed the allocation of any budgetary role to the Committee.
2. With regard to the control and limitation of documentation, no limits should be imposed on communications from Member States intended for distribution as official documents because limitation would be inconsistent with the principles on which the Organization was based. Such a measure, moreover, did not fall within the mandate of the Committee. If the motive was to save money, consideration might be given to a reduction in the enormous number of staff, particularly at the higher levels.
3. His delegation supported the proposal that the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the United Nations Council for Namibia should be granted a general dispensation to meet during sessions of the General Assembly because the issues dealt with by those bodies were the most important to be considered by the United Nations since its inception and also because no administrative or financial implications were involved.
4. Mr. SEGUIS (Philippines) said that the new draft calendar proposed by the Committee on Conferences, which provided for a more even distribution of meetings and should in turn lead to a better utilization of conference facilities and resources and limit the use of temporary personnel, was indicative of the Committee's responsiveness to the recommendations of the Group of High-level Intergovernmental Experts (Group of 18). Had it been circulated earlier, however, Member States would have been able to contribute to its further rationalization. He hoped that in future the Committee would be able to make the calendar available earlier, in order to enable Member States to participate more effectively in its preparation.
5. Although there had been an overall improvement in the utilization rate of conference service facilities, it was disappointing that only half the bodies concerned had achieved a satisfactory rate. Clearly, there was room for improvement. Although the fact that those bodies had not made full use of the resources allocated to them was not a reflection on their performance, the bodies

(Mr. Sequis, Philippines)

themselves were in the best position to determine if requirements more precisely. Perhaps the allocation of excessive time to those bodies was one reason for under-utilization. Paragraph 27 of the Committee's report noted that bodies whose sessions had been curtailed by decision 40/472 had not been hampered in their work but seemed to have made better use of their resources than in previous years. Clearly, it was possible to work more effectively, even under constraints, given the proper motivation. Intensified consultations with the bodies concerned could result not only in a better allocation of available resources but also a reduction in the frequency and duration of meetings. The problem of overlapping meetings should also be addressed.

6. Significant progress had been made in the control and limitation of documentation. The Secretary-General's directive limiting documents originating in the Secretariat to 24 pages had been a positive step. The Committee should pursue its efforts in that direction and call upon all Member States to exercise restraint in their requests for the circulation of documents so that costs could be reduced.

7. It was encouraging that the Committee had been able to reach agreement regarding its terms of reference, in response to the recommendations of the Group of 18 and General Assembly resolutions 41/177 B and 41/213. Unfortunately, it had not achieved the same success in its efforts to settle the issues of its status, composition and mandate. His delegation understood the Committee's difficulties, but felt that it was essential for those issues to be resolved if the Committee was to be strengthened as the Group of 18 envisaged. The most practical course for the time being would be to give the Committee on Conferences a vote of confidence by supporting it during the transition period and endorsing the extension of its mandate for another year. His delegation, therefore, endorsed draft resolutions A and B as contained in the Committee's report (A/42/32). It hoped that when the matter was considered at the next session, the outstanding issues would have been resolved and a strengthened and more effective Committee would have evolved.

8. Mr. WYZNER (Under-Secretary-General for Conference Services and Special Assignments) expressed appreciation to the delegation of Morocco for its praise of the Interpretation Service. In response to the same delegation's question about the criteria employed in recruiting interpreters, he said that the Organization recruited only those free-lance interpreters who met the high standards of the Department of Conference Services (DCS) and the Office of Human Resources Management. The majority were former staff members who had been separated from service either through retirement or resignation, or at the expiration of fixed-term contracts. The others had passed examinations set by other organizations of the United Nations system and had proven experience in their field and had demonstrated their qualifications as international conference interpreters.

9. The Department of Conference Services was grateful for the support and guidance offered by the members of the Fifth Committee in their discussion of the pattern of conferences. The points that had been made would be carefully examined and taken into account. The recognition and appreciation expressed of the efforts and dedication of DCS staff, working in difficult circumstances throughout the

(Mr. Wyzner)

world, would be an incentive to work even harder and to provide the highest standards of efficiency in the most cost-effective manner. The support of the Committee would allow the Department to continue to fulfil its mandated responsibilities in a satisfactory manner.

10. Mr. MUDHO (Chairman of the Committee on Conferences) said that he was grateful for and heartened by the expressions of support received from all sides for the work of the Committee on Conferences. He assured the Advisory Committee and the members of the Fifth Committee that he took very seriously the obligation incumbent on the Committee on Conferences to succeed in the task outlined in General Assembly resolution 41/177 B, to devise a new and enhanced role for the Committee as recommended by the Group of 18 and endorsed in General Assembly resolution 41/213. The Committee on Conferences would undoubtedly devote considerable attention to that aspect in 1988 and would bear in mind the views expressed in the Fifth Committee, but it would also be continuing its consideration of more routine and technical matters. Further progress could be expected in the control and limitation of documentation and in the efficient utilization of conference resources.

11. He thanked the representative of Sri Lanka for his explanation of the situation in respect of the replies to the letters sent to the Chairmen of subsidiary bodies of the Assembly and noted the views expressed by the representative of Canada in that regard. In conclusion, he thanked the Bureau and members of the Committee on Conferences and the highly competent team of Secretariat staff, led by the Under-Secretary-General, who had assisted the Committee in its work. He looked forward to their continued support.

AGENDA ITEM 119: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT  
(continued) (A/41/34 and A/42/34 and Corr.1)

12. Mr. KASTOFT (Denmark), speaking on behalf of the twelve States members of the European Community, thanked the Chairman of the Joint Inspection Unit (JIU) for his candid and thoughtful presentation of the Unit's reports (A/41/34 and A/42/34). Two years had elapsed since the Fifth Committee last considered a JIU report and in the mean time some important things had happened. The General Assembly had acted upon the recommendations of the Group of 18 by adopting resolution 41/213. Furthermore, JIU itself, in response to General Assembly resolution 40/259, had undertaken an assessment of its own activities. Those developments should prompt all members of the Committee to give this item particular attention.

13. Turning to the Group of 18's recommendations regarding JIU (A/41/49, chap. V), as endorsed by the General Assembly, he said that recommendation 64, calling on Member States to give special emphasis to qualifications in selecting candidates for appointment as inspectors went to the core of the problem. It could hardly, as yet, have had an effect but it must be fully implemented in the future if JIU was to be in a position to perform the role assigned to it.

(Mr. Rasmussen, Denmark)

14. Recommendation 65 called on the General Assembly to give JIU greater guidance in its programme of work with respect to the United Nations. That was a sound principle. In preparing its work programme, JIU should pay careful attention to the comments of Member States and take care to gear its output to the agenda of forthcoming sessions of the General Assembly and meetings of governing bodies so that its reports would be as timely and relevant as possible. The members of the European Community, however, also attached importance to the independence and freedom of action of the Inspectors, as set out in the JIU statute. That independence should not be diluted by having to wait too long for guidance from the General Assembly or agreement on the work programme that might not be easily attained. JIU should combine an assessment of the concerns of Member States with its own assessment of the areas requiring priority attention.
15. The JIU work programme for 1987 and the nucleus of the work programme for 1988-1989 set out in document A/42/133 gave an idea of the studies under way and those that were planned. The work programme for 1987 had already been partly carried out, but the many titles it contained seemed to indicate that the work-load was too heavy to ensure in-depth studies and evaluations.
16. The presentation of the "nucleus" was timely, but the Fifth Committee needed more than the broad titles it contained to be able to give JIU its opinions or even its guidance on the programme. One of the studies appeared to be premature, since the planned restructuring was expected to be completed by 1990 and until then the Secretary-General would be reporting on it to the General Assembly. Consequently, there was no useful role for JIU during that period. In the case of the other studies, further information was needed about the content. The readership of JIU, both Member States and Secretariat, as well as JIU itself, would benefit if reports were fewer, pithier and more targeted.
17. Recommendation 66 said that the JIU reports, with summaries thereof, should be made available to all Member States, and that all United Nations organs and organizations should be invited to indicate their approval or non-approval of the recommendations.
18. Recommendation 67 said that there should be increased co-operation between the JIU and the External Auditors. Disappointingly, there was little of substance in the JIU reports regarding follow-up to that recommendation.
19. Turning to the assessment of the impact of chapter VI of its report (A/42/34), he expressed appreciation of the candid discussion of the problems facing the Unit. The difficulties of assessing its overall performance and impact were discussed in paragraph 19, which opened with a reference to the "impressive array of subjects" the JIU had dealt with. A greater concentration of effort might have made an assessment easier. Paragraph 24 said that, in some cases, both the subject-matter and the manner in which recommendations were framed held out little chance for their success. If that was the case, the wisdom of tackling such topics seemed somewhat questionable. An example of a lack of realism was the recommendation that the autonomous research institutes of the United Nations should

(Mr. Rastoft, Denmark)

set up a reserve fund equivalent to two and a half years' expenditure. Other examples of inappropriate recommendations were those in the report on publications of the International Court of Justice. It was admitted that their implementation would not generate savings but would substantially modify the manner in which judgements and opinions of the Court were published. While the proposal to revise current technical and financial arrangements might warrant further consideration by the Court itself, the other recommendations raised legal issues that could not be dealt with adequately in the Fifth Committee.

20. The thrust of the discussion in paragraphs 24 to 47 was encouraging. The intention to move from an individualistic to a more collective approach was to be welcomed. Greater selectivity in the subjects to be studied, as well as a more collegial approach, would enhance the value of JIU reports, and thereby the follow-up to those reports by organizations and Member States. A primary criterion in selecting studies should be their relevance to Member States in dealing with problem areas of serious concern. JIU should inform itself, through a consultative process, of those priority areas, without prejudice to its independence in formulating its final programme of work.

21. JIU was clearly frustrated by the lack of follow-up to its reports by Member States and organizations. In recent years, increased attention had been given to the reports of the Board of Auditors. The reasons for that increased attention were relevant in the case of JIU reports also. The States Members of the European Economic Community believed that JIU had an important role to play as a valuable instrument for enhancing the effectiveness of the United Nations. Its statute assured it of the necessary independence. That independence gave JIU a great deal of freedom of action and the potential to exercise considerable influence. At the same time, it brought an obligation to strive for effectiveness through work of indisputable quality.

22. Mr. GOUDIMA (Ukrainian Soviet Socialist Republic) said that the report of the Group of 18 had drawn attention to the serious role to be played by JIU, long since recognized by his delegation, in increasing the effectiveness of the United Nations. The Group's recommendations, as well as the meetings which had taken place between the Chairmen of JIU and the Group, had helped to produce the clear and self-critical assessment of the Unit's activities and the guidelines for its future work contained in document A/42/34. His delegation welcomed the Unit's intention to select topics for study in strict accordance with its mandate and to devote a substantially greater quantity of such studies to vital problems such as efficiency, the proper use of funds and management and methods improvement.

23. With a view to addressing questions of more current relevance to the Organization's activities, the Unit should take greater account, in the preparation of its annual programme of work, of requests and suggestions provided by United Nations bodies concerned with budgetary control, investigation, co-ordination and evaluation. Those bodies, as suggested in paragraph 33 of the Unit's report, should also volunteer suggestions on a regular basis. Topics of current relevance might include increased staff productivity, the prevention of overlapping between

(Mr. Goudima, Ukrainian SSR)

programmes, regulation of the salaries, pension and payments system, and the equitable geographical representation of Member States in United Nations bodies. One example of a useful report was the study of the problems of storage and its costs in organizations of the United Nations system; the JIU recommendations on that subject should be studied by the United Nations Secretariat with a view to practical implementation.

24. JIU should be authorized to monitor the implementation by United Nations bodies of those of its recommendations which had been approved by the General Assembly. It might be appropriate to commission repeat studies of individual topics with a view to assessing the degree to which recommendations had been effectively implemented.

25. Serious attention should also be devoted to the qualitative aspect of JIU reports, with a view to ensuring the provision of concrete recommendations for increased efficiency and productivity, as well as savings in costs. It was to be hoped that the Unit's own recommendations for improvements in that area would be put into practice.

26. While recognizing the Unit's ultimate freedom of choice in selecting topics for investigation, his delegation believed that the document setting out the Unit's programme of work should not only inform Member States and the secretariats of United Nations bodies of the approximate subject-matter of planned reports but also furnish documentary support for the inclusion of topics in its programme of work.

27. Mr. FONTAINE-ORTIZ (Cuba) said that the importance of JIU was dependent, on its recommendations being considered in depth and with the seriousness and interest that they deserved. As had already been noted by other delegations, if that was not done, the very existence of JIU would be brought into question.

28. In order to strengthen JIU, the General Assembly should give it more precise instructions, while at the same time respecting the independence established in its statute. It should also be borne in mind, in selecting inspectors, that, as in the case of other experts who served in their personal capacity, their qualifications were of prime importance. An inspector called upon to analyse some facet of the United Nations system must be thoroughly familiar with the structure, programme of work and functioning of the Organization. The way in which the reports were prepared and presented was also of great importance. The fact that reports were attributed to individual inspectors tended to identify them with the opinions of those individuals and with particular States or groups of States. In order to avoid that, it would be advisable for reports to be discussed first by all the inspectors and presented on behalf of the Unit as a whole. In his delegation's view, the adoption of such measures would enhance the Unit's impact.

29. Mr. HOH (United States of America) said that an independent inspection unit with broad authority to report to the highest levels of management was an important element of sound public administration in both the national and the international sphere, and it was for that reason that JIU had always enjoyed his Government's consistent support. Not all JIU reports had met the necessary professional standards or dealt with the most urgent managerial issues facing the United Nations system, but JIU had itself taken the lead in seeking to bring greater professionalism to its work programme and output. His delegation welcomed the steps proposed by the inspectors in their report and believed that they should receive the endorsement of the General Assembly. It was also ready to explore ways to achieve further improvement with other interested delegations.

30. JIU follow-up needed to be strengthened by the institution of a more systematic mechanism to enable the inspectors routinely to provide information which they deemed significant for the proper follow-up of their work. The devotion of a section in the Unit's main report to significant developments in the follow-up of its recommendations would highlight areas where progress had been held up and also provide an opportunity for the General Assembly to learn of instances where further consultation had revealed that a particular recommendation was no longer valid. Such a reporting requirement would help to ensure that the Unit's major recommendations were not ignored and should foster constructive dialogue between JIU and the secretariats of United Nations bodies. As suggested by other delegations, follow-up reports might ideally be produced jointly by the Unit and the secretariat concerned. His delegation endorsed the Unit's comments on follow-up reports, as contained in paragraph 44 of document A/42/34, being convinced that any strengthening of JIU follow-up capability would contribute to other improvements in the functioning of the Unit.

31. It was clear from the Unit's report that the inspectors had continued to give much thought to improving the professional quality of their work programme. His delegation believed that JIU should publish the guidelines and standards which it developed, not only in order to solicit suggestions from Member States but also to help explain the terms of reference of its activities to secretariats. It looked forward to receiving a progress report on the Unit's internal reform in the next report of JIU to the General Assembly. It also hoped that a consultative process between JIU and governing bodies would be built up, with a view to focusing the energies of the Unit on fewer, higher-priority areas. The process of soliciting views from Member States would be facilitated by the provision of brief notes explaining the objectives and focus of proposed studies, as well as by some codification of the desired consultative process and a clearer definition of the Unit's role vis-à-vis bodies such as the Board of Auditors. His delegation looked forward to a thorough exchange of ideas with other delegations on those subjects.

32. Since the current practice of planning the Unit's work programme on a year-by-year basis was unsatisfactory, the inspectors' provision of a nucleus of the work programme for 1988-1989 represented a commendable effort. Consideration should also be given to inspections and evaluations which were to be conducted in future years, with a view to developing a comprehensive and balanced work programme over an extended period of time. One possibility might be to develop the work programme in conjunction with the United Nations Medium-Term Plan.



(Mr. Hoh, United States)

33. With a view to ensuring that JIU reports were considered by the General Assembly under the agenda item to which they most directly pertained, it would be helpful if the annotated preliminary list always included reference to relevant JIU reports among the documents for individual agenda items. The fact that the annotated list was issued in June and the Unit's work programme finalized in February should ensure that it was not too difficult to comply with that request.

34. With regard to the report issued by JIU on cash management in the United Nations and four specialized agencies, his delegation supported the emphasis of that report on adherence to regulations, prudent management, modernization and inter-agency co-operation and supported the general conclusion that cash flow management was handled satisfactorily. Nevertheless, it could not accept recommendation 1 as worded because the report confused one type of surplus with another. The plans of OECD and ICAO applied only to surpluses which resulted directly from interest earned on assessed contributions paid early in the budget cycle, which were very different from those earned as a result of exchange rate gains, savings on obligations or windfall profits from investments, which obviously accrued from funds provided by all Member States. The return of any such surpluses should take place only in accordance with the agreed scale of assessments. The approach suggested in the report of JIU was tantamount to charging an interest penalty on contributions not received within an established period of time and would therefore have the practical effect of increasing assessments, contrary to established procedures. His delegation could not agree with the assertion in the report that it was difficult to differentiate between earnings from short-term interest and those from other sources.

35. With regard to the proposed work programme for 1988-1989, as contained in document A/42/133, his delegation welcomed the clear identification of evaluative studies and hoped to see more such evaluations included in future. However, it was difficult to make further comments when only the titles of the proposed studies were listed. It looked forward to receiving accompanying descriptions of the objectives and focus of each proposed study in the coming year's draft programme.

AGENDA ITEM 115: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 (continued)  
(A/42/6 and Corr.1; A/42/7)

AGENDA ITEM 116: PROGRAMME PLANNING (A/42/16 (Part I) and Add.1 and (Part II))

AGENDA ITEM 41: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS; REPORT OF THE SECRETARY-GENERAL

AGENDA ITEM 43: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS

Address by the Secretary-General

36. The SECRETARY-GENERAL, introducing the proposed programme budget for the biennium 1988-1989 (A/42/6) said that the continuing financial crisis which confronted the United Nations jeopardized the very concept of programme planning

(The Secretary-General)

and the orderly implementation of General Assembly resolution 41/213. It also undermined a soundly structured Secretariat and the morale of a dedicated and talented staff.

37. It was paradoxical that the crisis should persist when the role of the United Nations was becoming ever more vital, and was recognized as such. There could be no serious doubt that the great challenges which would face the world in the coming years would need a strong multilateral organization enjoying the authority that derived from the confidence and support of its Member States. In his report on the work of the Organization (A/42/1), he had referred to signs of greater solidarity among nations in addressing serious problems with global implications. The question was whether the Organization now had the means and the capacity to take advantage of the emerging trend.

38. His primary task as Secretary-General was to safeguard and increase the capability of the United Nations so that it can fulfil its historic duties. He was determined to carry through the essential changes now under way in order to ensure maximum operational efficiency and effectiveness. But continuing financial uncertainty rendered that task extremely difficult - even impossible - and in certain ways negated the efforts towards reform that were so vital for the future of the Organization.

39. Planning a budget to match a programme was largely meaningless when neither the amount nor the timing of contributions could be predicted. Uncertainty would soon destroy the Organization's ability to enter into commitments. The legal duty of Member States to pay their contributions might seem a dry truism, but its implications went to the very heart of Charter responsibilities.

40. Member States had the duty under the Financial Regulations to pay their assessed contributions to the programme budget each year within 30 days of receipt of notification of the amount. In 1987, 16 out of 159 Members had paid their full assessments by the end of January. He wished to place on record his deep appreciation for the practical support demonstrated by those States at a critical hour. To date, and taking into account the most important announcement made just the day before, 6 Members had paid amounts equivalent to their full 1987 regular budget assessments. Of the total payments due for the year, only 62.6 per cent had been received. Regular budget arrears for years prior to 1987 amounted to \$189 million: one Member was responsible for \$140 million of the shortfall, 50 others for the remaining \$49 million. Even at such a late stage, he did not know how much of the total which Members were obligated to pay would be received before the end of the year. As Chief Administrative Officer, he was profoundly troubled by the uncertainty with its inescapable consequences for the functioning of the Organization, including an atmosphere of perpetual crisis and the need for constant expedients to honour its mandate and the related expenses. Compliance by Governments with their Charter commitments provided the necessary underpinning for sound personnel and financial management and, indeed, the entire process of programme planning and budgeting.

(The Secretary-General)

41. In late 1985, having been apprised of the likelihood of a significant shortfall in the assessed contribution of one Member State, he had taken immediate remedial measures and suggested the reconvening of the General Assembly to seek approval for a further broad set of economy measures. Those had included a severe recruitment freeze, resulting in a vacancy rate of 10.8 per cent as of 31 August, and the deferment of cost-of-living allowance increases for staff in the General Service category. Two construction projects already approved had been postponed, and meetings and services curtailed. Those and other measures, including the reduction of maintenance levels of premises and equipment, had produced enough savings just to keep the Organization afloat, but the cost had been harsh. An overall vacancy rate of 10.8 per cent masked the reality of one regional commission with a Professional vacancy rate of 25.5 per cent. Staffing tables had become unbalanced. Grave discrepancies had arisen between available skills and programme needs. He had tried to minimize the adverse effects through a vacancy management programme and limited, but essential, exceptions to the recruitment freeze.

42. The budgetary proposals he now submitted (A/42/6) had been formulated - not without difficulty - with the purpose of proceeding immediately with the mandates flowing from General Assembly decisions, including resolution 41/213. Certain structural changes had been made, aimed at streamlining functions, simplifying reporting channels, increasing efficiency and effectiveness and reducing staff and other costs. Thus the proposed programme budget amounted to \$1.68 billion, \$30 million below the current appropriation. The proposals would be subject to revision in 1988 - and perhaps in 1989 - while the Organization moved towards the programme budget for 1990-1991 and the future medium-term plan.

43. The proposals included significant budgetary innovations in the treatment of perennial activities and resources for conference services. In structural terms, it reflected measures he had taken in the political area, including research and the collection of information, and in those of programme planning, budgeting and finance, human rights and social development.

44. He urged members to fix the content, scope and level of the budget on the basis of the broadest possible agreement, for such agreement would be of fundamental importance to the viability of the United Nations, representing a clear commitment to provide timely political and financial support throughout the next biennium, for action to carry out the programme which Member States had mandated.

45. The financial prospects for the Organization in 1988 depended upon the full payment of assessed contributions early in the year. Otherwise he might later have to discuss with the Committee means of coping with grossly inadequate funds. The process of orderly change, now under way, must not be jeopardized by continuing financial uncertainty.

46. He had been deeply impressed by the continued dedication of the staff during the crisis, and by their admirable performance in the face of adverse conditions and, at times, unwarranted criticism. Conditions of service had deteriorated to the point where many staff members faced financial hardship in serving the United

(The Secretary-General)

Nations. At the same time, certain Governments were offering inducements for their nationals to accept positions in the international civil service. Such a practice raised fundamental questions of principle and stood in ironic contrast to allegations by some Member States that salaries in the Secretariat were inflated. It was both appropriate and timely that that and related matters should be under consideration by the International Civil Service Commission.

47. The pride which staff members took in being associated with the United Nations, and their faith in its fairness as an employer, were being severely tested. Yet they were making extra efforts, not least because of the large number of vacant posts and the major restructuring in progress.

48. He voiced continuing anxiety over the arrest and detention of a number of staff members by certain Governments, often without charges. It was not only the humanitarian aspect of the problem that troubled him: it was his duty to ensure that the Organization was able to discharge its responsibilities, and it could not do so if its status and that of its staff members were not respected. In resolution 41/205, the General Assembly had also shown its serious concern. He had taken every possible opportunity to press the issue with those responsible, and a system-wide effort was being made to deal with the problem.

49. At a time of acute financial stringency, when increased demands were being made on the staff, it was especially necessary to look carefully at the efficiency and quality of internal administrative processes. There was much to do. For instance, the system of redress and appeals must be overhauled and streamlined. A just and speedy system of dealing with grievances was not only right and necessary in itself: it was also an indispensable aid to staff/management relations and the upgrading practices.

50. He and his colleagues were strongly committed to improving the status of women in the Secretariat. It had been one of his highest priorities. In 1985, he had appointed a Co-ordinator for the purpose, and a Steering Committee had produced successive reports pursuant to the Action Programme approved by the General Assembly in 1985. Achievements could have been undermined by the recruitment freeze, but he had been able to appoint three women as Under-Secretaries-General since the beginning of the year, and a number of women directors. The Administration would do all in its power to achieve the General Assembly's target figure of 30 per cent of female Professional staff by 1990, despite the present difficult circumstances.

51. He had mentioned the latter points even though 1987 was not a "personnel year", because he believed they were an important dimension of the crisis the Organization was undergoing and its capacity to meet the requirements of the future. If Member States understood the necessity of an assured and adequate financial basis for United Nations operations, they must also appreciate the need for working conditions that would attract staff of the highest quality and encourage their continued dedicated efforts.

52. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the first report of the Advisory Committee on the proposed programme budget (A/42/7) was different in structure and scope from its predecessors. To facilitate discussion, and to show how closely interrelated the subjects were, the report contained views and recommendations not only on the estimates themselves but on a number of other reports submitted by the Secretariat. It also made reference to the performance report on the programme budget for the biennium 1986-1987, and to the revised estimates which would be submitted with respect to the bienniums 1986-1987 and 1988-1989.

53. The Secretary-General's proposals showed, in monetary terms, the effects of initial action on some of the recommendations by the Group of 18: in particular, recommendations on reducing regular budget posts, including perennials in the initial estimates, and curtailing travel and consultancy costs. Because priority was being given to the implementation of resolution 41/213, further steps to improve the budget document had been suspended. The Advisory Committee had submitted a number of ideas to be taken into account when the Secretariat began revising and improving the budget document. In the future, the Committee would also devote more attention to the extrabudgetary side of United Nations expenditure, including the accuracy of forecasts of extrabudgetary funds, how such funds were controlled, and the precise role they played in the overall financial structure.

54. The Committee offered comments and recommendations in chapter I of its report on how the process of reform should proceed. It endorsed the Secretary-General's view that the present budget proposals were essentially transitional, but held that the estimates, read in conjunction with the progress report, were an indispensable step in the transition to the 1990s. It was absolutely necessary for the process of reform to proceed in an orderly, clear, coherent and timely manner, and for Member States to be kept fully informed of the progress of reform.

55. For the most part, the recommendations for reductions against individual sections made by the Committee in chapter II of its report were a consequence of the general recommendations made in chapter I. The Committee recommended reductions totalling \$51,430,800 in the expenditure estimates and a net reduction of \$5,939,100 in the estimates of income, for a total net reduction of \$45,491,700. The bulk of the reductions related to the recommendations on turnover rates for calculating staff costs and on underutilized budget balances.

56. In view of the vacancy rates prevailing in the Secretariat in recent months, the Advisory Committee had concluded that higher average vacancy rates could be achieved over 1988-1989, to facilitate attainment of the objectives set in General Assembly resolution 41/213, than were proposed by the Secretariat. It had accordingly recommended an increase of 2.5 per cent in the turnover deduction proposed on the Secretariat for both Professional and General Service posts. The further adjustment did allow for the fact that the pattern of vacancies during 1988-1989 would vary, especially in view of the need to continue judicious recruitment of new personnel, but if necessary, the Committee would review the situation in the context of revised estimates during the biennium.

(Mr. Maelle)

57. The objective of the Committee's recommendations on unobligated balances at the end of a biennium, and on savings on unliquidated obligations, was to correct a fortuitous phenomenon. The level of resources appropriated for one biennium naturally affected the level estimated for the next one: if the pattern of expenditure in one biennium was not taken fully into account, the estimates for the next biennium could be unrealistic. In the United Nations, initial estimates had always been based on the first revised appropriation of the previous biennium, leading to the kind of situation revealed in the Committee's report (paras. 32-34). While it should not be expected that actual expenditure would always equal the amount appropriated by the General Assembly, the Advisory Committee had concluded that future proposed programme budgets should take account of the persistent phenomenon of balances of unobligated funds and savings on unliquidated obligations. It therefore recommended that the current methodology should be refined, and \$10 million deleted from the initial estimates for 1988-1989.

58. Other adjustments recommended by the Advisory Committee affected several objects of expenditure. While the Committee appreciated the way the reductions in spending on travel and consultants recommended by the Group of 18 had been applied by the Secretariat, it felt that the overall outcome did not fully reflect the reductions called for by the Group of 18. On such items as rentals and supplies, the Committee believed that the eventual number of staff in the Secretariat was bound to affect requirements. It also recommended adjustments in the requirements for printing and temporary assistance for meetings, and had given detailed explanations of the rationale for those recommendations.

59. The effect of the Committee's recommendations on the initial estimates needed to be examined in conjunction with other recommendations in the Committee's report. For example, the across-the-board reductions under each section resulting from the increase in the turnover deduction were merely indicative: the actual reductions in each section might well be different, because the overall 15-per-cent reduction in posts should be applied with due regard for the relative programme requirements of different Secretariat units. Because of the transitional nature of the budget, and the numerous changes and studies now under way, full and complete revised estimates should be submitted to the General Assembly during 1988. He thus saw no useful purpose in printing the budget document before the end of the forty-third session of the General Assembly. The Committee also considered it inappropriate to decide at the present stage what the overall level of the budget for 1988-1989 should be. It recommended that the pattern of expenditure for 1986-1987 resulting from the economy measures should not prejudice the level of the 1988-1989 programme and related costs. And the Committee's recommendation on the question of inflation and currency, namely, that the current method of adjustment should continue, would not be in harmony with proposals to set the 1988-1989 overall level of the budget at the current session.

60. Extensive discussions had been held on the question of a contingency fund; the detailed views of the Committee were given in its first report and an additional document (A/42/640). The proposal to establish a contingency fund for the 1988-1989 programme budget, while welcomed by some members, had surprised other

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members of the Committee. The Committee noted that the proposal for a contingency fund would be considered in the context of the programme budget outline submitted by the Secretary-General at the forty-third session. In the absence of a decision by the General Assembly on whether the 1988-1989 budget should have a contingency fund, it had been difficult to settle the issue in the Advisory Committee. A number of fundamental questions about the fund must be settled before the programme budget outline was approved by the General Assembly at its forty-third session. The Advisory Committee had attempted to identify technical issues, and made recommendations on several aspects of the fund. For example, the contingency fund should provide additional resources to finance activities with programme budget implications. Revised estimates should be divided into three categories: one to be considered in the context of the contingency fund, another to be reviewed by the General Assembly on an ad hoc basis, and a third to be dealt with in the context of the procedures for inflation and currency to be examined at the forty-third session. Recourse to the fund for activities covering a biennium would be made over a three-year period; the Committee recommended that, pending experience, no pre-determined proportion for a given year should be set. The Committee strongly believed that the procedures for operating the fund should be simple, not complicated or cumbersome, and its recommendations attempted to achieve that objective.

61. As indicated in paragraph 118 of its report, the Advisory Committee intended to look closely into the matter of additional expenditure resulting from fluctuations in currency or inflation and from revisions in standard rates for salaries and common staff costs, with a view to making specific recommendations to the General Assembly at its forty-third session. If no satisfactory solution was found to the problem of inflation and currency fluctuations, the overall level of the budget would be a source of disagreement among Member States for the foreseeable future. Such disagreement should be avoided, if only to spare the United Nations further damage to its financial health. The Advisory Committee, in its consideration of the subject, would be guided by the experience it had gained over the years and its continuing exchange of views with the specialized agencies. A number of the small specialized agencies had devised new mechanisms to deal with currency fluctuation problems, including split assessments, budgeting in a currency other than the United States dollar, and devising incentives to induce early payments. The Committee would examine the utility of those and other methods, and would appreciate any suggestions from Member States.

62. Inevitably, delegations would find in the Committee's report recommendations they disagreed with. The Committee's recommendations were purely technical in nature, however, and close examination would reveal that they would not prejudge the level of future budgets. Nor could they be criticized on the grounds that the Committee had not paid full attention to the liquidity problem of the United Nations. A particular budgeting practice ought not to become a means of increasing the assessed contributions of countries which honoured their legal obligations, and to link budgeting and liquidity in such a way could cast doubt on the integrity of the costing process.

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63. Member States had a choice; they could either continue to cling to their respective positions on the size and scope of the budget, producing stalemate and all that that portended for the future, or they could break out of the established mould and begin to consider some middle course. He hoped that the spirit of give and take which characterized the Advisory Committee's deliberations, and had resulted in the recommendations now before the General Assembly, would carry over into the forthcoming debate.

64. Mr. CABRIC (Vice-Chairman of the Committee for Programme and Co-ordination), introducing the report of the Committee for Programme and Co-ordination (CPC) (A/42/16 and Add.1), said that the twenty-seventh session of CPC had assumed particular significance, as a result of the expanded role which had been given to CPC in budgetary matters under General Assembly resolution 41/213.

65. The session had been held during a transitional period, before the Committee's enhanced responsibilities in budgetary matters had become fully operational; moreover, the budget proposals for the biennium 1988-1989 had been termed "transitional" by the Secretary-General; the Committee had had to take up certain fundamental issues of the budgetary process, namely, consideration of the nature of the proposed contingency fund and the overall level of the budget; finally, given the prevailing political atmosphere, a successful outcome of the session had assumed a great deal of symbolic value. Notwithstanding severe time constraints resulting from its increased responsibilities, CPC had been able to complete consideration of all the items on its agenda.

66. The format of the report had undergone some changes in line with earlier CPC recommendations. There had been innovations in the consultation process for the adoption of recommendations. Instead of the traditional practice of the Chairman summing up verbally the Committee's discussions informal written summaries containing specific points for recommendations had been circulated; that procedure had provided the necessary focus for further informal consultations and had resulted in a high degree of precision in the Committee's report. That process should be further refined in future.

67. The Committee had considered the report of the Secretary-General on the implementation of his economy measures with particular attention to their programmatic implications but had decided to reserve judgement on the issue until the exact impact of those measures became known through the performance reports on the programme budget for 1986-1987. When programmatic adjustment appeared necessary, the Secretary-General should continue to seek the guidance of Member States through the appropriate intergovernmental bodies.

68. Bearing in mind the Secretary-General's characterization of the proposed programme budget for 1988-1989 as "transitional", the Committee had recognized the need to revise certain sections listed on page 8 of part I of document A/42/16 and had postponed its final decision until its resumed session in September by which time it had been provided with updated information on the implementation of resolution 41/213. The Committee had also emphasized the need to take an informed



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decision on priorities and, to that end, had recommended that henceforth each budget fascicle should contain a summary table listing programmes which had been accorded highest and lowest priority along with details in terms of the resource percentage allocation to each item. The priorities assigned by the Secretary-General to the issues of African economic recovery and the development and advancement of women had received general support. It had also been suggested that issues such as the external debt crisis, human rights, disarmament and development, and trade and development, should have received similar attention. The Committee had also expressed the view that the recruitment freeze should not be used as a policy instrument to achieve the target of 15 per cent reduction in staff, and a number of delegations had urged an early end to the freeze. The Committee had also carried out a detailed analysis of the various sections of the proposed programme budget and its recommendations in that connection were contained in its report.

69. On the issue of evaluation, the Committee had recommended that priorities be set in the programme on electronic data processing and information systems services. Emphasis had also been placed on the importance of training programmes and on the need for ensuring the compatibility of information systems and equipment system-wide. The Committee welcomed the action taken by both UNIDO and UNDP in response to its recommendations on joint technical activities. It had also recommended that the UNDP training programme be extended to more recipient countries and that the Economic Commission for Africa be selected as the representative regional commission for research and policy analysis and technical co-operation at the regional level in the context of in-depth evaluation of the programme on development issues and policies. The Committee had also recommended that the entire human rights programme be evaluated in depth with the aim of identifying duplication and recommending measures to enhance effective programme planning and delivery and that greater inputs from non-governmental end-users should be obtained.

70. The Committee had considered the Secretary-General's report (A/42/232) on co-ordination in the United Nations and the United Nations system and had reached the conclusion that co-ordination should be pursued on a continuous basis. Some concern had been expressed on the proliferation of co-ordination mechanisms, with particular reference to the cost aspect. The role of the Economic and Social Council in that field had become a focus of attention and it had been considered important that the Council should pursue continuous dialogue with the specialized agencies and develop more interaction and mutual feedback between its three Committees in the consideration of substantive issues. At the same time, the Director-General for Development and International Co-operation should exercise more effective leadership in ensuring co-ordination and the efficient management of all activities in the economic and social fields. The Committee had agreed that the biennialization of work programmes needed to be pursued further. A need to improve co-operation and co-ordination between Headquarters and the regional economic commissions had also been felt, particularly in connection with the co-ordination of operational activities for development; the role of the Resident Co-ordinators in that regard had been stressed.

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71. At the inter-secretariat level, the Committee had found that the ACC machinery was in need of further streamlining and, in particular, that its reports should be more analytical and substantive, rather than merely descriptive. The joint meetings of CPC and ACC were currently of marginal use and it was important that in future such meetings should produce action-oriented recommendations that could be followed up by the relevant bodies. The selection of agenda items and the quality of inputs must be further improved.

72. The Committee had expressed its disappointment that the Intergovernmental Committee on Science and Technology for Development had been unable to fulfil its co-ordinating role more than eight years after the adoption of the Vienna Programme of Action. It therefore recommended that the activities of the United Nations system in that area should be focused on the need to promote practical co-operation in specific areas, giving special attention to the strengthening of the scientific and technological capabilities of developing countries. The Committee had had a lengthy debate on the ACC report on the proposed system-wide Medium Term Plan for Women and Development. As the issue was complex and involved the whole system, further reflection was necessary.

73. The importance of cross-organizational programme analysis as a policy tool for monitoring co-ordination had been stressed but the Committee had found it premature to institutionalize a system-wide medium-term plan. It did not believe that there should be an automatic link between cross-organizational programme analysis and system-wide medium-term plans.

74. The Committee had noted the "sense of determination and vigour" on the part of the Secretary-General in implementing General Assembly resolution 41/213 and had noted his intention to pursue reforms in the Secretariat without waiting for the outcome of the in-depth study of the United Nations intergovernmental structure and functions in the economic and social fields which was being undertaken by the Special Commission of the Economic and Social Council. The final shape of the Secretariat's structure in those fields should, however, be determined only after the completion of the Special Commission's study. The Committee wished to emphasize that, while the Secretary-General should continue with his reform process in an effective and orderly manner, that process should not have adverse effects on programme delivery. The Committee had also requested that the recommendations made by it at its twenty-sixth session following a detailed examination of its method of work should be made available to the Special Commission of the Economic and Social Council.

75. As to the timing of submission of budget proposals, the Committee provisionally accepted the date of 31 October for final approval of the outline of the proposed programme budget, noting that 15 April would be the date for submission of the outline. The Committee had decided to revert to the matter at its twenty-eighth session.

76. The resumed twenty-seventh session had become necessary as a consequence of the enhanced responsibility of CPC under the provisions of General Assembly resolution 41/213 and had thus been an important precedent which was likely to

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become a regular feature in the future. In addition to considering revisions of individual budget sections necessitated by various reform measures, the Committee had discussed the agenda item on the contingency fund in depth.

77. The recommendations of the Committee on the medium-term plan, including the Secretary-General's perspective on the work of the United Nations in the 1990s, were of great importance for both the substantive involvement of Member States in the programme budget process for the biennium 1990-1991 and the initiation of a process for qualitative improvement in the future formulation and implementation of the medium-term plans.

78. CPC felt strongly that, in following up its report, Member States should constantly bear in mind the political imperatives which surrounded the adoption by the General Assembly of its resolution 41/213.

#### ORGANIZATION OF WORK

79. Ms. FANG Ping (China) inquired when the Committee would start its consideration of agenda items 41 and 43.

80. The CHAIRMAN said that, in his address, the Secretary-General had referred not only to agenda item 115, on the proposed programme budget for the biennium 1988-1989, but also to item 116 on programme planning. The Secretary-General had also touched on agenda item 41, on the review of the efficiency of the administrative and financial functioning of the United Nations, when he had discussed the implementation of General Assembly resolution 41/213, and also on item 43 concerning the current financial crisis of the United Nations. The Secretary-General had therefore in effect introduced all four items.

The meeting rose at 1.15 p.m.