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SUMMARY RECORD OF THE 17th MEETING

Chairman: Mr. AMNEUS (Sweden)

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

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The meeting was called to order at 10.10 a.m.

AGEND. ITEM 122: PERSONNEL QUESTIONS (A/42/636; A/C.5/42/7 and 14)

1. Mr. FLEISCHHAUER (Under-Secretary-General for Legal Affairs, Legal Counsel), introducing the report of the Secretary-General on respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations for the period 1 July 1986 to 30 June 1987 (A/C.5/42/14), said that the Secretary-General of the United Nations and the Executive Heads of the other organizations had continued to give priority to the reporting and follow-up of cases of arrest and detention of officials. In addition, the Secretary-General had intervened personally at the highest levels of Governments in regard to unresolved cases which had been reported before (some several years before). The report of the Secretary-General was submitted on behalf of the Administrative Committee on Co-ordination (ACC), which was still concerned at the relatively high incidence of arrests and detentions of officials of international organizations and the risks to which many locally recruited staff members were exposed in certain regions or countries. Paragraph 9 of the report showed that 123 cases of arrest or detention had been reported to the United Nations Security Co-ordinator during the reporting period. In the great majority of those cases, problems relating to the privileges of the officials concerned had been clarified fairly swiftly, but 13 cases, affecting 12 locally recruited UNRWA staff and 1 UNIFIL local contractor, were still unresolved. The legal implications of those cases apart, the Secretary-General was required to consider the administrative implications deriving from the contractual status of those officials.

2. In paragraphs 9 to 14 of the report, the Secretary-General provided information on cases of arrest and detention during the reporting period and developments in previously reported cases. In paragraph 15 he referred to the case of Mr. Liviu Bota, which had been reported to the General Assembly in 1986. Despite many approaches by the Secretary-General to the Romanian authorities no satisfactory solution had yet been found, and contacts with the authorities were continuing. Paragraph 16 of the report indicated that restrictions still applied to official travel by a number of UNRWA staff on the West Bank and in the Gaza Strip, and that in the United States private travel by officials of certain nationalities required prior notification and approval. The Secretary-General regretted that arrangements for the issue of seasonal permits to certain recreational areas had been rescinded by the host country.

3. An ad hoc inter-agency meeting on security matters had been held in July 1987 to consider existing security arrangements, recommend revisions to the United Nations Security Handbook, discuss improvements in communications systems, and recommend measures to enhance inter-agency co-operation in cases of unlawful arrest and detention. Those measures had recently been approved by ACC.

4. Mr. ANNAN (Assistant Secretary-General for Human Resources Management) said that his new functions were especially challenging because he was required to look after the Organization's most valuable asset, its human resources, during a period

(Mr. Annan)

of major reappraisal of the role and function of the Secretariat. The crucial question was how to strengthen the Organization and enable it both to set the right targets and to find the most efficient means of attaining them. He welcomed the co-operation he had received from all parties concerned: delegations, programme managers, staff representatives and the staff at large, and paid particular tribute to the staff of the Office of Human Resources Management.

5. In the long term, the programme of reforms mandated by the General Assembly would assuredly result in a leaner, better administered, healthier Secretariat; in the short term, it meant a painful process of reorganization and retrenchment, aggravated by financial difficulties, which naturally led to feelings of anxiety and insecurity among the staff and a decline in morale which was becoming pervasive. One of the essential tasks of the Office of Human Resources Management was to ease the tensions inherent in the situation through sensible, organized management of the change with an eye to the psychological as well as structural aspects of the process. As the Secretary-General had indicated, the staff had been active in looking for the best means of implementing the reforms, and their participation could help to alleviate their entirely understandable fears and anxieties.

6. The programme of reforms should not be regarded as a simple cost-cutting exercise, for it might well require substantial investment in training and retraining staff, systematically introducing new technologies and office automation, offering competitive salaries and working conditions, and helping staff to cope with problems in the work place. The Secretariat would make specific proposals in the revised estimates to be submitted in 1988 and the proposed programme budget for 1990-1991. That was the price that must be paid if the Organization was to attract, train and retain the efficient and highly motivated staff it needed to carry out the new, challenging tasks that awaited it when it emerged from the current crisis. The international staff of the Secretariat must be mobile, versatile and willing to serve in a variety of duty stations around the world.

7. It was not enough to look for clarity in management and organization; relationships, attitudes and organizational psychology must also be changed. That could not be done by fiat. It would require a fundamental change in the rules governing relations between the various substantive, technical and regional management groups in order to establish voluntary collaboration and correct unsatisfactory practices which had become entrenched over time. The Secretariat should not interfere in the legislative process, and delegations should refrain from interfering in the details of secretariat management. The staff associations should respect the prerogatives of managers and not seek to co-manage. Conversely, managers should respect the independence of staff associations and consult them in good faith before taking important decisions which would affect the welfare of staff. The change would be a long undertaking, and the Office of Human Resources Management was ready to help to make it a reality. It had, indeed, taken a number of specific steps to that end.

(Mr. Annan)

8. A comprehensive plan had been drawn up for addressing the problems created by the uneven distribution of vacant posts following the recruitment freeze and to pave the way for a coherent career development scheme covering the entire Secretariat. Its immediate purpose was to make best use of staff in the light of the severe economy measures which the Secretary-General had been forced to introduce, while taking care to disrupt programmes requested by the General Assembly as little as possible. The coming cuts would make it more necessary than ever to do away with certain static career patterns which tended to stunt creativity and initiative. The immediate consequence of the greater variety of tasks staff members would have to tackle would be a need for intensive career-related training. Then, it was imperative to establish the best possible working conditions and, in particular, to enhance career opportunities. The Secretariat was currently developing ways to relate promotions to the career development plan.

9. It was also giving urgent consideration to the task of implementing the recommendations of the Group of 18 on a wide range of personnel issues. While proceeding, in co-operation with the Office of Financial Services, to strengthen control over the administration of entitlements, the Office of Human Resources Management was also broadening its focus to include all areas relating to human resources, a task that was all the more necessary because financial and human resources were in short supply and because of the crying need for administrative reform.

10. He paid tribute to the substantial contribution made by the Co-ordinator for the Improvement of the Status of Women and said that he was endeavouring to translate her various recommendations into concrete measures. In that connection, the Office of Human Resources Management had submitted new guidelines to the appointment and promotion bodies, which recast the seniority criteria for women and constituted an innovative step towards the promotion of women.

11. The detention without charge of members of the United Nations staff or without the Secretary-General being given details of their cases continued to be of central concern to the Secretary-General and a cause of concern to all. The Secretary-General must bear in mind not only the plight of those staff members but also the need to ensure that the Organization continued to be in a position to discharge its responsibilities without fearing for the safety and even the lives of any of its officials. The Secretary-General was committed to continuing his efforts to find a solution to the problem and, as security co-ordinator, he himself (Mr. Annan) was closely associated with those efforts on a day-to-day basis.

12. Turning to the report on the composition of the Secretariat (A/42/636), he said that the main purpose of the report was to present the Assembly with an accurate picture of the distribution of staff in the Secretariat. In conformity with the Assembly's expressed concern, special attention had been paid to the distribution by nationality and gender of staff in geographic posts and to the composition of the senior levels. Unlike previous reports, it did not contain a further review of recruitment activities, as such activities had been suspended

(Mr. Annan)

since March 1986. The few appointments which had been made since then had been designed to alleviate the situation of some departments and offices. As to the report on the system of desirable ranges for the geographical distribution of staff in the Professional category and above (A/C.5/42/7), the system, which had been developed and refined over the past 40 years, followed the general guidelines which the General Assembly had given the Secretary-General with regard to the appointment of staff under Article 101 of the Charter. The system was of particular relevance to Article 101 (3), which stated that due regard should be paid to the importance of recruiting on as wide a geographical basis as possible. He expressed the hope that the discussion of the item would lead to consensus so that the Secretary-General would have clear guidelines to follow in future years.

13. Mr. MURIN (Czechoslovakia), speaking on behalf of the States of the Eastern European Group and Mongolia, said that the Charter requirement concerning recruitment on as wide a geographical base as possible of persons of the highest standards of competence and integrity should remain the core of the United Nations personnel policy. It was hard to find any period, during the Organization's more than 40 years, when those Charter principles had been fully implemented. It was particularly true of the principle of equitable geographical distribution. That was all the more disturbing since the situation had deteriorated further in recent years. The United Nations and all its organs, including the Secretariat, must truly reflect the rapidly changing nature of the present world and its growing interdependence.

14. It was clear from the reports of the Secretary-General on the composition of the Secretariat (A/42/636) and on the system of desirable ranges for the geographical distribution of staff (A/C.5/42/7) that with the new base figure of 2,700 posts subject to geographical distribution and bearing in mind the suspension of recruitment as from 21 March 1986, the overall number of Member States within the desirable range had gone down from 94 to 90. The number of States of the Eastern European Group within the range had increased from 6 to 8 but that was due mainly to the new base figure. In real terms, their representation had gone down. It could be argued that the financial crisis was not a proper environment for maintaining a business-as-usual approach to the rest of personnel policies. It was therefore hard to comprehend why four nationals (8 per cent of exceptions) had been recruited from over-represented countries during the recruitment freeze while nationals from underrepresented countries had not been replaced. It was even harder to comprehend the financial and managerial reasons for lifting, at a time of financial crisis, the suspension of the special post allowances and for the continued refusal to extend the freeze to promotions and the granting of permanent contracts. The members of the Eastern European Group and Mongolia were formally requesting the Secretariat to submit to the Committee a cost-benefit analysis on the lifting of the special post allowances suspension and information regarding the potential savings to be effected by freezing promotions and the granting of permanent contracts and the potential cost involved in replacing nationals from countries using primarily fixed-term contracts.

(Mr. Murin, Czechoslovakia)

15. In their view, the principles agreed upon and approved by the General Assembly over the years for the recruitment and distribution of staff should be strictly adhered to, irrespective of any recruitment freeze. Strict implementation of the principle of equitable geographical distribution must remain the guiding principle of any rationalization measure, including the post reduction recommended by the Group of 18. In order to maintain the geographical balance it should be possible, notwithstanding the recruitment freeze, to replace staff members on fixed-term contracts from Member States whose nationals served primarily on such contracts. Measures should be taken without delay to prevent an increase in the number of unrepresented or underrepresented States. That could be done by elaborating special procedures to permit, notwithstanding the freeze, recruitment of qualified candidates from such Member States. In the redeployment and promotion system priority should be given to nationals from underrepresented countries; nationals from over-represented States should not be recruited, awarded permanent contracts or, as a rule, promoted during the freeze. The legitimate rights of Member States to second their nationals on fixed-term basis should be respected. The Secretary-General should extend the practice of consulting with regional groups on personnel matters. In addition, the present system of rotation of personnel so as to ensure equitable geographical distribution should be continued, particularly with respect to high-level posts. In that connection, the members of the Eastern European Group and Mongolia stressed the need to ensure that the socialist countries were represented among the executive heads of the specialized agencies. They stressed, once again, that the temporary suspension of external recruitment resulted in discrimination against them and must be lifted without delay.

AGENDA ITEM 115: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 (continued)

AGENDA ITEM 116: PROGRAMME PLANNING (continued)

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

AGENDA ITEM 43: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS (continued)
(A/42/3, A/42/6 and Corr.1 and Corr.2 (French only), A/42/7 and Add.2, A/42/16 (Part I) and Add.1 and A/42/16 (Part II) and Corr.1 (French only), A/42/214, A/42/225 and Add.1, A/42/234 and Corr.1, A/42/283, A/42/512, A/42/532 and A/42/640; A/C.5/42/2/Rev.1)

16. Mr. VAHER (Canada) said that as the financial crisis of the United Nations continued, the situation of the Organization was becoming increasingly precarious. In fact, the financial situation of the United Nations had deteriorated dramatically, as the timing and amount of payments to the regular budget had become unpredictable for the third year in a row. At the end of September, outstanding contributions totalled \$522 million, almost 100 countries were in arrears and the largest contributor owed some \$353 million. It followed that the General Assembly and the Secretariat had been forced to devote a great deal of time and energy to ensuring that the Organization could survive for another 12 months. There had been steady progress in the implementation of resolution 41/213, but reform had raised a number of important practical issues which were complex and, to a certain degree,

(Mr. Vaheer, Canada)

political. Furthermore, the continuation of the recruitment freeze into 1987 and the implementation of other economy measures in 1986 and 1987 had enabled the Organization to remain solvent for the current year, but at a considerable price. The delivery of certain programmes was threatened and the distortions in staffing patterns and staff remuneration were hardening and seemed to be taking on an air of permanence. Paradoxically, as the Secretary-General himself had said, at a time when the role of the United Nations was becoming even more vital and recognized as such in a wide range of fields, the financial situation was far from satisfactory. Moreover, the proposed programme budget before the Fifth Committee was only "transitional" in nature. Although programme managers had received their instructions prior to the adoption of resolution 41/213 - which explained the lack of precision in the proposed programme budget - his delegation agreed with the Advisory Committee that the budget proposal was an indispensable first step for the development of a proper programme budget for the biennium 1988-1989.

17. With proposed expenditures some \$30 million below the \$1.71 billion appropriated for the current biennium, it was the first time that at that stage in the consideration of the budget, the Fifth Committee was witnessing a decline in expenditures from one biennium to the next. However, despite the significant reduction proposed by the Secretary-General, the final level of the budget remained uncertain. The Committee must still consider the Advisory Committee's proposals to reduce that amount by \$51.4 million, and possible increases stemming from recommendations in the reports of the International Civil Service Commission and the United Nations Staff Pension Board. A decision must also be taken on the establishment of a contingency fund to accommodate resolutions with financial implications which the General Assembly might adopt in the course of its forty-second session, and the total budget would have to be recalculated in December in order to take into account recent fluctuations in exchange rates. In the absence of an agreement by the Committee for Programme and Co-ordination (CPC) on an overall level of resources for 1988-1989, the final budget figure would not be available until the end of the current session.

18. It was encouraging that the Secretary-General had been able to reflect the implementation of resolution 41/213 in his programme budget proposal, for example, by including for the first time, estimates of expenditures for certain political activities of a perennial character and conference-servicing costs.

19. His delegation concurred with the Advisory Committee's recommendations for reductions in consultant services and official travel, in the unobligated balance of appropriations and the balance of unliquidated obligations, and in certain other expenditures. It did, however, reserve its position on the recommendation to increase turnover rates by another 2.5 per cent for both Professional and General Service categories. It was, however, disturbing that the majority of economies had come from the recruitment freeze and other staff-related measures, measures which had introduced a number of distortions. Therefore, his delegation was prepared to endorse the Advisory Committee's proposal to save \$31.7 million by increasing the rate of staff turnover only if the Secretary-General could give some assurance that that measure would not affect programme delivery and would not prevent him from hiring and retaining top-quality personnel for the United Nations.

(Mr. Vaheer, Canada)

20. Referring to the programmatic aspects of the proposed programme budget, he said that the Secretary-General had correctly interpreted the concerns of Member States in focusing priorities for the biennium on the advancement of women and African economic recovery and development.
21. With respect to the broader issues associated with the reform of the United Nations, the way in which the Secretary-General had implemented resolution 41/213 was commendable. The Secretary-General's report on that subject and the updates he had already issued were extremely useful.
22. Canada was pleased with the restructuring already undertaken in the political sector, the important steps taken in the economic and social sectors and the proposed restructuring of the Department of Public Information. It was pleased at the appointment of three women Under-Secretaries-General and with the number of women appointed to management positions.
23. His delegation welcomed the analysis and contents of the reports of the Secretary-General and the Advisory Committee on the inclusion of a contingency fund in the programme budget for the biennium 1988-1989. The amount in the fund could represent 0.75 per cent of the regular budget, as the Secretary-General had proposed, or even 1 per cent. In any case, whatever decision would be taken for the biennium 1988-1989 on the scope and operation of the fund should not prejudice the final decision which would be taken for 1990 and beyond.
24. The overall level of resources should be established at the earliest stages of the budget planning cycle. As a result of resolution 41/213, the Security Council would launch preparations for the biennium 1990-1991 by submitting a programme budget outline in April 1988. The Committee for Programme and Co-ordination (CPC) would then examine the outline and determine the level of financial resources required, and at that point, Member States should come to an agreement on a figure expressed in real terms. The budget ceiling for the 1988-1989 biennium should be based on the Secretary-General's proposals and the ACABQ recommendations.
25. His delegation recognized the difficulties which the Committee for Programme and Co-ordination had encountered and was generally satisfied with the manner in which it had worked, while at the same time hoping that it would in future be able to agree on more issues related to the priorities, orientation, planning and co-ordination of programmes.
26. With regard to the medium-term plan, the proposed roll-over of the current plan for an additional two years appeared the best solution so as to enable the Secretary-General to carry out a lengthy sequence of consultations prior to preparation of the next plan. It was extremely important that Member States should have an opportunity at all levels to discuss, and ultimately set, priorities and to establish direction in the United Nations system as a whole. Moreover, such a roll-over would provide the Secretary-General with an opportunity to produce the necessary flexible and comprehensive outline of directions and priorities for the 1990s.

(Mr. Vaheer, Canada,)

27. Lastly, his delegation fully shared the concern of the Secretary-General and several other delegations regarding the severity of the financial crisis. Actions which denied the Organization its assessed contributions were contrary to the Charter and penalized those Member States which paid their contributions on time. His delegation could not accept any linkage between the implementation of resolution 41/213 and the payment of assessed contributions, and it regarded the implications of such a linkage as damaging to the reform process. Accordingly, it welcomed the recent announcement by the Soviet Union that it would pay all its arrears to the United Nations regular budget and to peace-keeping activities. It also saluted the decision by Japan, which was not in arrears, to make an emergency special contribution of \$20 million. It was encouraging to note the willingness of Member States to discuss new options and alternatives which had been considered inappropriate as little as six months earlier in order to solve the Organization's financial crisis. The crisis threatened to become one of unprecedented severity demanding an active and immediate response, since, if the current pattern of contributions continued, the United Nations would face insolvency by August 1988.

28. Mr. MOHIUDDIN (Bangladesh) expressed the hope that the resolve that Member States had demonstrated in reaching a consensus on resolution 41/213, which called for far-reaching administrative and financial reforms, would provide the necessary impetus to allow the Organization to emerge from its current state of uncertainty. That transition could not take place unless the Organization was allowed to regain financial solvency. In that connection, his delegation shared the concern of the Secretary-General, who had been placed in a very difficult position.

29. At its twenty-seventh session, the Committee for Programme and Co-ordination had made appreciable progress in its review of the proposed programme budget for the biennium 1988-1989 and in other areas, but its deliberations on the contingency fund and the overall level of the budget had not been very productive. However, it was encouraging to note that the participating delegations had considered that the wealth of technical data emanating from the deliberations would serve as a useful input to the work of the Fifth Committee. His delegation was committed to continuing to make its modest contribution to the process of reform currently under way. The time had come for Member States to demonstrate statesmanship and to allow the implementation of resolution 41/213 to proceed smoothly. Member States must continue to encourage and support the laudable endeavours of the Secretary-General.

30. Since the budget for the biennium 1988-1989 was a transitional one, it should represent a judicious balance between the elements of continuity and those of change. With regard to continuity, he cited two aspects. First, it was heartening that the volume of outputs had not been scaled down in proportion to the resource reductions in each programme. It was important, however, that there should be no departure from full implementation of the programme of activities; any adverse effect on programmes brought about by the reform measures should be brought to the notice of Member States so that they could give the Secretary-General guidance. The second element concerned the rules and regulations regarding priority-setting, scrupulous adherence to which took on renewed significance in the context of resolution 41/213. In that connection, his delegation agreed with the Nordic

(Mr. Mohiuddin, Bangladesh)

delegations that the modification in the budgetary process envisaged in the resolution was aimed at a more focused discussion of priorities rather than an exercise in reducing estimates. To facilitate such a discussion of priorities, the Committee for Programme and Co-ordination had made an important recommendation to the Secretary-General in paragraph 37 of its report (A/42/16 (Part I)). In paragraph 35 of the same report, CPC had recommended that efforts should be made to reduce the share of executive direction and management as well as support costs of the programme budget so that maximum resources would become available for substantive activities.

31. With regard to the elements of change in the proposed programme budget, he said that the budget proposed by the Secretary-General showed a negative real growth of 1.5 per cent as compared to the revised appropriations for the current biennium. That negative growth should be regarded as an exception deriving from the special circumstances brought about by resolution 41/213. Since the Organization was dynamic by nature its budget should reflect that dynamism in terms of positive growth and that trend should resume under normal conditions. Secondly, since staff costs represented 75 to 80 per cent of the budget, implementation of recommendation 15 of the Group of 18 would inevitably add to the uncertainty regarding the overall level of resources. With regard to the 15 per cent post reduction called for in resolution 41/213, his delegation shared the concern expressed by CPC at the use of the recruitment freeze to achieve that target. Such a measure could have undesirable consequences for the distribution of expertise among programmes and for the efforts to recruit staff on as wide a geographical basis as possible. While accepting the Advisory Committee's recommendation for an upward adjustment of 2.5 per cent in the turnover reduction for both Professional and General Service posts, his delegation considered that the matter should be kept under review by the Advisory Committee and the Fifth Committee on the basis of information to be provided by the Secretary-General.

32. The third element of change was the contingency fund to cover supplementary expenditures. In the light of the relevant reports of CPC and the Advisory Committee, his delegation felt that, for a comprehensive treatment of all aspects of the matter, further substantive deliberations were required. It would be flexible, however, with regard to the possibility of utilizing the contingency fund on an experimental basis during the biennium 1988-1989.

33. Lastly, with regard to the overall level of the budget, it was desirable to ensure a certain amount of predictability in the resource requirements so that there could be an orderly planning of the programme of activities. The budgetary process envisaged in resolution 41/213 provided for a structured approach in that respect. However, bearing in mind the transitional nature of the budget, his delegation shared the view of the Advisory Committee that it would not be appropriate, at that point, to decide what the overall level of the budget for 1988-1989 should be.

The meeting rose at 11.40 a.m.