



Chairman: Mr. E. Olu SANU (Nigeria).

**ADMINISTRATIVE AND FINANCIAL IMPLICATIONS
OF DRAFT RESOLUTIONS I AND II SUBMITTED BY
THE FOURTH COMMITTEE IN DOCUMENT A/8618
CONCERNING AGENDA ITEM 66* (A/C.5/1422,
A/C.5/1423)**

Implications of draft resolution I (A/C.5/1422)

1. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the statement by the Secretary-General (A/C.5/1422) on the administrative and financial implications of draft resolution I submitted by the Fourth Committee in its report (A/8618, para. 25), said that the Advisory Committee concurred with the statement, in which the Secretary-General indicated that adoption of the draft by the General Assembly would necessitate an additional appropriation of \$71,600 in the budget estimates for 1972.

2. The CHAIRMAN suggested that the Committee should request the Rapporteur to report directly to the General Assembly that if it adopted the Fourth Committee's draft resolution, an additional amount of \$71,600 would need to be appropriated under the budget estimates for the financial year 1972.

It was so decided.

3. Mr. STEWARD (South Africa) said that, in the view of his delegation, there was no legal basis for the creation of the United Nations Council for South West Africa, which therefore was not empowered to undertake any representational or other functions on behalf of South West Africa. For that reason it was illegal to use funds from the United Nations regular budget to finance the Council's activities; his delegation wished to emphasize very strongly its opposition to such a procedure.

4. Furthermore, the travel programme proposed for the Council, whose full membership was intending to visit Africa and Europe, at an estimated cost of \$37,400, was administratively inappropriate and financially unsound. The South African delegation was opposed in principle to expensive trips abroad for United Nations bodies, which

* Question of Namibia:

- (a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
- (b) Report of the United Nations Council for Namibia;
- (c) United Nations Fund for Namibia: report of the Secretary-General;
- (d) Appointment of the United Nations Commissioner for Namibia.

accomplished very little, particularly in the current case when their aims were illegal. Those comments applied also to the proposal to intensify publicity, to produce a film and to issue a series of commemorative postage stamps. His delegation was convinced that the publication of the magazine *Objective: Justice*, which was activist in trend, did not come within the purview of the Office of Public Information's mandate.

Implications of draft resolution II (A/C.5/1423)

5. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the statement by the Secretary-General (A/C.5/1423) on the administrative and financial implications of draft resolution II submitted by the Fourth Committee in its report (A/8618, para. 25), said that the Advisory Committee concurred with the statement, in which the Secretary-General indicated that adoption of the draft by the General Assembly would necessitate additional appropriations in the amounts of \$50,000 under section 12 and \$2,900 under section 17, chapter V, of the budget estimates for 1972. The Advisory Committee had noted that the programme was a transitional measure and that the additional appropriation requested for section 12 was the same as the one for 1971.

6. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation was unable to support paragraph 3 of the draft resolution in question, under which the General Assembly would decide to allocate to the United Nations Fund for Namibia the sum of \$50,000 from the regular budget of the United Nations for 1972. He recalled that the Soviet Union delegation had always maintained the principle that contributions to that Fund and other funds of the same kind by States Members should always be voluntary. He asked to have the financial implications of that draft resolution put to the vote.

The Committee decided, by 58 votes to 5, with 4 abstentions, to inform the General Assembly that should draft resolution II of the Fourth Committee be adopted, additional appropriations amounting to \$50,000 under section 12 and \$2,900 under section 17, chapter V, of the budget estimates for the financial year 1972 would be required.

**ADMINISTRATIVE AND FINANCIAL IMPLICATIONS
OF THE DRAFT RESOLUTION SUBMITTED BY THE
FOURTH COMMITTEE IN DOCUMENT A/8621 CON-
CERNING AGENDA ITEM 72** (A/C.5/1424)**

7. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the

** United Nations Educational and Training Programme for Southern Africa: report of the Secretary-General.

statement by the Secretary-General (A/C.5/1424) on the administrative and financial implications of the draft resolution submitted by the Fourth Committee in its report (A/8621, para. 9), said that the Advisory Committee concurred with the statement, in which the Secretary-General indicated that adoption of the draft by the General Assembly would necessitate an additional appropriation of \$100,000 under section 12 of the budget estimates for 1972, as a further transitional measure.

8. The CHAIRMAN suggested that the Committee should request the Rapporteur to report directly to the General Assembly that if it adopted the draft resolution of the Fourth Committee, an additional appropriation in the amount of \$100,000 would be required under section 12 of the budget estimates for the financial year 1972.

It was so decided.

9. Mr. STEWARD (South Africa) recalled that provision had been made as long ago as 1967 for the partial financing of the United Nations Educational and Training Programme for Southern Africa from the regular budget "as a transitional measure". Although that was to have been an interim measure, it appeared to have become an annual habit, despite the fact that funds of that nature should be financed only from voluntary contributions.

10. In the view of the South African delegation, that annual contribution should be discontinued. If the Programme received no support from Member States, that was not surprising since in the case of South Africa and South West Africa, at least, there was no need for such a programme; the education and training facilities provided there were more than adequate. If the Educational and Training Programme was not successful, the logical deduction should be drawn. The Advisory Committee would no doubt give consideration to the financing of the Programme from the regular budget at a time of financial crisis.

ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF THE DRAFT RESOLUTION CONTAINED IN DOCUMENT A/L.653 CONCERNING AGENDA ITEM 100* (A/C.5/1427)

11. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee endorsed the Secretary-General's view (see A/C.5/1427) that should the General Assembly adopt the draft resolution contained in document A/L.653 and should the Security Council decide to hold meetings in an African capital, the estimated costs would be between \$150,000 and \$250,000. It was impossible to make more precise estimates for the time being. He emphasized that there was no request for any additional appropriation; it was merely a tentative estimate of the costs that would be entailed if the Security Council decided to hold those meetings, which would be covered under the General Assembly resolution on unforeseen and extraordinary expenses for the financial year.

12. The CHAIRMAN suggested that the Committee should request the Rapporteur to inform the General

Assembly directly that, should it adopt draft resolution A/L.653, and should the Security Council decide to hold meetings in an African capital, costs of between \$150,000 and \$250,000 would be incurred; furthermore, should such expenditure arise, it would be dealt with under the resolution on unforeseen and extraordinary expenses, with the prior concurrence of the Advisory Committee.

It was so decided.

FINANCIAL SITUATION OF THE ORGANIZATION (continued)**

13. Mr. TURNER (Controller) wished to reply to the representative of New Zealand, who had asked (1480th meeting) for a detailed and explicit statement of the precise manner in which the Secretary-General planned to meet the cash situation during the balance of 1971 and in 1972, and to other representatives who had raised the question. At the time of preparation of the Secretary-General's introduction (A/8401/Add.1 and Corr.1) to his report on the work of the Organization and in his statement to the Fifth Committee (A/C.5/1376), the Secretary-General had stressed that the United Nations was living from hand to mouth and that meeting the payroll had become increasingly difficult. In that connexion, he read out paragraphs 120 and 121 of the Secretary-General's introduction to his report.

14. Elaborating on the points made by the Secretary-General which related to the liquidity situation, he stated that unpaid assessments to the regular budget were continuing to rise. Estimates of the situation could be made starting with the fact that on 31 December 1970 unpaid assessments to the regular budget had totalled \$55.2 million, of which amount only \$13.3 million had been considered as collectable in due course. By 31 December 1971, it was estimated that unpaid assessments would have increased to \$65.2 million with no assurance that more than \$13.4 million would be paid. By 31 December 1972, it was estimated that arrears would have reached almost \$70 million, of which it was expected that no more than \$14 million would be collected.

15. The Secretary-General had been forced to utilize balances in funds and accounts in his custody beyond the clear intent of the authorizing resolutions. With regard to that point, the Secretary-General was authorized under the annual General Assembly resolution on the Working Capital Fund to have recourse to the use of cash in special funds and accounts in his custody "in the event of urgent need" during the financial period; that special accounts were to be drawn upon only as a last resort; that such funds were to be used only if they were not immediately required for the normal programmes for which they had been designed and without prejudice to those programmes; that repayment of any such advances was to be a first charge on contributions received. For a considerable time, and especially during the current year, such borrowing had been frequent and virtually continuous, owing to the fact that the Working Capital Fund of \$40 million had been fully depleted and the net amount of \$25.2 million received as voluntary contributions from certain Members to help restore United Nations solvency had been fully expended. Currently, more

* Co-operation between the United Nations and the Organization of African Unity: holding of meetings of the Security Council in an African capital.

** Resumed from the 1480th meeting.

than \$9 million was due to certain special purpose accounts which were funded from regular budgetary receipts, mainly the Tax Equalization Fund and the several United Nations building construction accounts.

16. Even after those depletions, utilizations and borrowings, payrolls and other necessary expenditures could not have been met during October and November except for the fact that some \$15 million in contributions which had been due and payable had been received from Members earlier than expected, as a result of special pleas. There could be no certainty of year-end obligations being met unless Members who normally paid their contributions in the last half of December, did so. On 16 December the Organization's cash and net liquid assets had totalled \$5.7 million. For the balance of December interorganization transfers and remittances, mainly for services rendered, together with income from revenue-producing activities, among other factors, were anticipated to yield approximately \$5 million and expected governmental contributions would provide a further \$14 million, which would give a total cash availability of approximately \$25 million against which estimated disbursements were calculated at \$13.5 million.

17. With reference to the cash position through 1972, a table had been prepared, based on the following assumptions: that programme and other expenditures decided upon by the General Assembly were to be carried out; that contributions likely to be received for the financial year 1972 and in respect of arrears for prior years would reflect past payment patterns; that remittances received for services rendered and disbursements made on a month-to-month basis would generally conform to the experience of the previous year or so; that borrowing from certain United Nations accounts under the Secretary-General's jurisdiction would average some \$9 million throughout 1972. On the basis of those assumptions and with all the necessary reservations that must be made, it would appear that the Organization might have barely sufficient cash resources to meet commitments through the months of January and February but would be in trouble by the end of March, worse trouble in May and would be in a very serious liquidity situation by the end of June, perhaps to the extent of some \$23 to \$24 million. The situation from a liquidity viewpoint would be at least serious and difficult throughout the last quarter of 1972.

18. If Governments were to pay the full amounts owed on the regular budget "on time", the cash liquidity problem would disappear. Under regulation 5.4 of the Financial Regulations of the United Nations, "contributions and advances shall be considered as due and payable in full within thirty days" after notification by the Secretary-General of the amounts due; that meant that all regular budget assessments were due and payable by about 15 February of each year.

19. Even after having expended a total of \$74.2 million from the Working Capital Fund, from voluntary contributions towards the solvency of the United Nations and from "permanent" borrowing, the Secretary-General would be forced to borrow additional funds from accounts in his custody during 1972, if authorized programmes were to move forward and if essential administrative and meeting

services were to continue to be provided. It should be noted that apart from possible borrowing from UNDP, few of the trust funds for which the Secretary-General was responsible were in a position to make meaningful loans to the United Nations. Some of those funds were inadequate even to meet the on-going operating needs of the relevant programmes. The conclusion clearly emerged that the Organization could no longer proceed with deficit financing. It must begin to order its affairs so as to live within its actual income.

20. In his statement at the 1427th meeting of the Fifth Committee (A/C.5/1376), the Secretary-General had indicated that in constructing his estimates he had been proceeding on the assumption that it was generally agreed that a necessary minimum of resources should be made available for the sound and orderly fulfilment of the Organization's continuing responsibilities. To achieve that objective, he had felt strongly that the various recommendations which had been made or would be made to the General Assembly in that context should be considered strictly on their individual merits. At the same time, the Secretary-General had been persuaded that some measure of budgetary restraint was unavoidable. Therefore his main endeavour had been and would be to maintain as stable a rate of increase over the level of requirements for the current year as possible, preferably of the order of no more than 10 per cent. On the basis of all decisions taken by the Fifth Committee to date, as well as certain outstanding items which remained to be submitted to it for its consideration, it was now clear that the total level of the appropriations for 1972 was likely to be of the order of \$213.3 million. Compared with the revised appropriations for 1971, that represented an increase of \$18.6 million or 9.6 per cent, of which \$3.2 million, or approximately 1.5 per cent, related to the effect of the variations in rates of exchange which had occurred since the beginning of 1971. Net requirements for 1972 would be approximately \$177.4 million, representing an increase of \$15 million, or 15.6 per cent compared with the corresponding figure for 1971. The corresponding percentage increases for 1971 compared with 1970 had been 15.6 per cent and 18.25 per cent respectively. All parties to the budget-making process were entitled to their share of the credit for that favourable outcome.

21. The Secretary-General had not lost sight of the vital distinction between his authority to spend in terms of the appropriations as approved and his ability to spend in terms of cash resources at his disposal in the form of contributions received. In the Secretary-General's statement to the Committee, as well as in that by Mr. Hambro at the 1436th meeting of the Committee, the steadily increasing dimension of that purely practical problem had been underlined in no uncertain terms. In that regard, the Secretary-General had affirmed that cuts in the level of the appropriations would not in themselves contribute to the restoration of solvency. That could be achieved only by voluntary contributions to settle the current deficit and, as indicated by Mr. Hambro, by solving the problems connected with those provisions in the regular budget which had been the source of the deficit that had been accumulating annually. The Secretary-General had therefore ventured to believe that a policy of budgetary constraint for 1972 would make it easier for many Governments, especially the larger contributors, to lend the kind of voluntary financial support which was so sorely needed. In the absence of such

support in sufficient measure, he had further stated that he would see no alternative to proposing to the Fifth Committee at the current session a series of restrictive measures designed to arrest any further increase in the deficit by ensuring that expenditures were henceforth circumscribed by the resources actually placed at his disposal, with statutory and contractual obligations receiving first priority. The Secretary-General had added that if such measures were to serve the stated purpose, the General Assembly would need to take the complementary decision that any unexpended balances which might be achieved by those means should not be returned to Member States, but should be retained in some special account or added to the Working Capital Fund. The possibility of similar treatment being accorded to income from revenue-producing activities had also been raised. In effect, the endeavour would not be only to offset by means of savings in 1972 and future years the anticipated shortfall of some \$4 million in the payment of assessed contributions, but progressively to reduce the accumulated deficit by using those savings for the repayment of loans or the replenishment of the Working Capital Fund.

22. Since the Secretary-General and Mr. Hambro had last spoken to the Committee (1436th meeting) and despite the various possibilities which had been brought to the attention of the Member States, there had regrettably been no appreciable progress towards arriving at an early solution to the twin problems of the cumulative deficit and the steadily deteriorating cash position.

23. The time had come to consider in all earnestness what steps could be taken at least to alleviate the very real practical difficulties which would confront the Secretariat in the months ahead.

24. In the first instance, the Secretary-General continued to believe that, pending a final solution, the least that should be done was to take steps to arrest any further increase in the deficit in 1972. Based on past experience, the shortfall in assessed contributions for that year would again be approximately \$3.9 million. That situation could be alleviated to the extent of \$1.8 million if, as the Secretary-General had suggested at an earlier stage, the General Assembly were to authorize him to credit to a special account or to the Working Capital Fund the net surplus which had arisen in 1970 and prior years and which would, in the normal course of events, have been available for credit to Member States against their assessed contributions for 1972. In order to cover the balance of the shortfall, and on the understanding that the appropriations would be approved in full, the Secretary-General would undertake to administer them in such a way as to aim at an unexpended balance of \$2.1 million, or approximately 1 per cent under the budget as a whole. Such a reduction, if applied evenly and fairly in respect of all purposes and activities which lent themselves to a measure of control, would be unlikely to result in appreciable detriment to any one of them. In making that proposal, the Secretary-General was aware of the fact that he would thereby be adding to the administrative problems he already faced as the result of certain decisions taken by the Fifth Committee which he had not challenged but in respect of which he had certain reservations. He would, for instance, be required to reduce substantially the costs of documentation

of the Organization, without any real assurance that his efforts would not be diminished by extraneous factors over which he had no control. Not to be overlooked, moreover, were the many instances in which particular activities had been approved, but for which no additional funds had been provided on the grounds that it should be possible for the Secretariat to absorb the costs involved. In the circumstances, it must be stressed that the undertaking to attempt to achieve further reductions related solely to the anticipated appropriations as matters currently stood. Excluded would be any additional needs which might arise in due course as a result of unusual circumstances, such as a further realignment of international currencies.

25. In conclusion, he stated that the Secretariat stood ready to do its share to alleviate the problems which were expected to arise. Much depended on the willingness of Member States to assist in that task. Clearly, it would be irresponsible, if not illegal, for any Executive Head to enter into commitments which could not be honoured. A very careful eye would therefore have to be kept on the situation from month to month if not from day to day. In general, priority would need to be given at all times to the fulfilment of statutory or contractual obligations. Any further measures which might be called for would depend entirely on the circumstances. The Committee would no doubt concede that further speculation on that score would be both premature and essentially unproductive. The main endeavour should be to take early action in order that the necessity for any extreme measures might be avoided. He hoped that action would be taken to improve the cash situation and that Member States would pay their contributions in good time. The Secretary-General had noted with interest, in the report by Mr. Hambro, the proposal to establish an *ad hoc* working group which would continue the work of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and Specialized Agencies constituted in 1965 and 1966. If such an initiative were taken, the Member States could count on the full co-operation of the Secretariat.

26. The CHAIRMAN suggested that the Controller's statement should be issued as a press release.

27. Mr. MERIGO AZA (Mexico) thanked the Controller and requested that the statement should also be issued in Spanish.

28. The CHAIRMAN suggested that, in that case, the Controller's statement should be issued as a conference room paper in all the working languages, but drew the Committee's attention to the financial implications of such a decision.

*It was so decided.*¹

ADMINISTRATIVE AND FINANCIAL IMPLICATIONS OF DRAFT RESOLUTION II SUBMITTED BY THE SECOND COMMITTEE IN DOCUMENT A/8577 CONCERNING AGENDA ITEM 47 (concluded) (A/8408/Add.26, A/C.5/1416 and Corr.1)

29. Mr. TARASOV (Union of Soviet Socialist Republics) asked that a vote be taken on the recommendation in

¹ Text subsequently circulated as document A/C.5/XXVI/CRP.56.

paragraph 12 of the report of the Advisory Committee (A/8408/Add.26).

The recommendation was adopted by 53 votes to 6, with 8 abstentions.

30. The CHAIRMAN said that the Committee would, therefore, inform the General Assembly that, should it adopt draft resolution II submitted by the Second Committee (A/8577, para. 26), an additional appropriation of \$300,000 would be required for 1972 under section 2, chapter X (United Nations Conference on the Human Environment), and that the amount would be partly offset by income from staff assessment (Income section 1), estimated at \$27,000.

AGENDA ITEM 83

Publications and documentation of the United Nations (concluded) (A/8362, A/8540, A/8624, A/C.5/XXVI/CRP.51):

- (b) Reports of the Joint Inspection Unit (concluded) (A/8362);
- (c) Reports of the Advisory Committee on Administrative and Budgetary Questions (concluded) (A/8624)

Recurrent publications of the United Nations (A/8362, A/8540, A/8624, A/C.5/XXVI/CRP.51)

31. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Advisory Committee (A/8624) was an interim report. The Committee had considered that it was not in a position to judge the merits of most of the publications referred to in the recommendations contained in paragraphs 11 and 12 of the report of Mr. Macy, a member of the Joint Inspection Unit (see A/8362). He referred in particular to those recommendations relating to technical subjects. It therefore endorsed the Secretary-General's suggestion (see A/8540, para. 12) that recommendations concerning publications in the economic and social fields and the field of human rights should be referred to the appropriate inter-governmental bodies. In the view of the Advisory Committee, the recommendations of the Joint Inspection Unit should be considered all together when the appropriate bodies had submitted their observations on Mr. Macy's findings.

32. The CHAIRMAN suggested that, in the light of the Advisory Committee's report (A/8624), the Committee should propose adoption of the following draft resolution by the General Assembly:

"The General Assembly

"1. Takes note of the report of the Joint Inspection Unit on the programme of recurrent publications of the United Nations (see A/8362), and of the preliminary observations thereon by the Secretary-General (see A/8540) and the Advisory Committee on Administrative and Budgetary Questions (A/8624);

"2. Requests those intergovernmental bodies concerned to consider the specific recommendations contained in the report of the Joint Inspection Unit and to

transmit their observations, through the Economic and Social Council where appropriate, to the General Assembly in time for consideration at its twenty-seventh session;

"3. Further requests the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions to submit their observations and recommendations to the General Assembly at its twenty-seventh session."

It was so decided.

AGENDA ITEM 76

Budget estimates for the financial year 1972 (continued)
(for the documentation, see the 1486th meeting)

Progress made by the Administrative Management Service in conducting the manpower utilization survey of the Secretariat and revised estimates resulting from the survey (A/8408/Add.14, A/8408/Add.27, A/C.5/1385 and Corr.1 and 2, A/C.5/1406)

33. Mr. RHODES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Advisory Committee (A/8408/Add.27) contained the Committee's recommendations concerning the revised estimates for appropriations submitted by the Secretary-General (A/C.5/1406) resulting from decisions he had taken based on the manpower utilization survey carried out by the Administrative Management Service. In his revised estimates, the Secretary-General had reinstated, in sections 3 and 4 of the budget estimates, certain amounts that the Advisory Committee, in its first report (A/8408 and Corr.1 and 2) on the budget estimates for the financial year 1972, had recommended for exclusion, pending completion of the surveys of manpower utilization. The amounts were referred to in sections A (i) and (ii) in paragraph 2 of the Advisory Committee's report (A/8408/Add.27). In paragraph 9 of the same report, the Advisory Committee recommended that the three data processing posts requested for the United Nations Office at Geneva should not be provided as established posts at that stage and that, in 1972, those requirements should be met from the temporary assistance funds available to the Geneva Office, with a consequential reduction of \$32,700 in the appropriation requested under section 3, chapter I, and \$6,500 under section 4. In paragraph 10, the Committee recommended the deletion of the provision of \$15,000 requested under section 3, chapter III for the engagement of an expert to assist in the reorganization of the Registry, since it believed that, in the interests of uniformity in the United Nations registry operations, the expert should be loaned by the Registry at Headquarters. In paragraph 12, the Committee pointed out that, since the proposals for the information centres had been formulated, the Fifth Committee had adopted a draft resolution on the subject (A/8531/Add.1, para. 151, draft resolution IX). The Advisory Committee therefore recommended deferment of action on the Secretary-General's proposals, so as to enable him to study the question and submit his conclusions to the General Assembly at its twenty-seventh session. If that recommendation was adopted, it would entail a reduction

of \$73,000. The total amount of the reductions recommended by the Advisory Committee thus was \$128,100.

34. Introducing the Advisory Committee's other report (A/8408/Add.14), he drew attention to paragraph 6, in which that Committee noted the continuation of the tendency towards an increase in the number of high-level posts, and to paragraph 10, in which it stated that improved management techniques should have a direct impact on staff productivity. Finally in paragraph 11, it affirmed that the work done by the Administrative Management Service in the preceding 12 months had confirmed the Advisory Committee's view that the Service was a useful internal management tool.

35. Mr. MATTHEWS (Under-Secretary-General for Administration and Management) said that the Secretary-General had accepted the reasoning and recommendations of the Advisory Committee (see A/8408/Add.27).

36. With regard to the scope of the manpower utilization survey, he recalled that many of the recommendations of the Administrative Management Service were of a long-term nature, and that the full impact of the current survey would only be felt over a longer period of time. Realistic recommendations could only be made if the Service had an informed understanding of the work of the Secretariat and the problems confronting those who were responsible for that work, and that was an enormous task. Thus far, the Service had surveyed 75 per cent of the permanent posts in the Secretariat and it intended to terminate the survey by the end of the second quarter of 1972. Like the Advisory Committee, the Secretary-General attached great importance to the implementation of the recommendations resulting from the survey. In fact, the work of the Administrative Management Service would not cease with the completion of the manpower survey; it should assist the departments and services concerned in implementing the recommendations it made.

37. The purpose of the manpower utilization survey was to assess as objectively as possible how staff resources could be used most effectively. It had not been the intention to reduce staff; while increases or decreases in various areas might be a factor in the better use of staff, that was only one way among many, as the Advisory Committee pointed out in its first report on the budget estimates for the financial year 1972.

38. The staff of the Administrative Management Service, consisting of only 15 Professionals, assisted when necessary by staff loaned from within the Secretariat or by special consultants comprised of persons of 11 different nationalities with specialized experience in a number of fields. There was no need to mention their dedication, competence and impartiality.

39. The Administrative Management Service had to a large extent accomplished the purposes of the manpower utilization survey. First, it had been able to diagnose the causes of inefficient use and deployment of manpower and had recommended ways to bring about improvements. It had developed useful experience and a growing reservoir of knowledge in its own field. Through the manpower survey, high-level Secretariat officials had acquired a better under-

standing of the importance of flexibility in deploying staff and of the need to improve organization, planning and evaluation of work. Largely as a result of the survey, it had been possible to redeploy staff to meet new and changing programme requirements. It was now possible to put the physical resources of the Secretariat to better use and a new base had been developed to facilitate future budgetary and manpower requirement reviews.

40. As was stated in paragraph 73 and annex IV of the report of the Secretary-General (A/C.5/1385 and Corr.1 and 2), the recommendations of the Administrative Management Service in regard to the manpower requirements of 13 of the units surveyed since November 1970 called for 44 new Professional and 78 new General Service posts, or a total of 122 additional posts; but in its report (A/8408/Add.27) the Advisory Committee had recommended some reductions.

41. The question of productivity had been raised more than once in the Fifth Committee. It was obvious that productivity was difficult to measure in an international organization and that in any case a quantitative measurement of productivity within the Secretariat did not always indicate efficiency. Several of the major recommendations of the Administrative Management Service dealt squarely with productivity, with the establishment of management control systems and standards for assessing productivity.

42. It was expected that when the manpower utilization survey had been completed, the primary role of the Administrative Management Service would be oriented much more towards action than towards surveys and recommendations. It would be called upon to assist departments and offices to put into effect better and more economical ways of carrying out their tasks and utilizing their resources.

43. Mr. STOTTLEMYER (United States of America) was pleased to note that the work done to date by the Administrative Management Service had made distinct progress in improving the management capacity of the Organization. He expressed the hope that the Service would not slacken its efforts in that regard. Greater attention should now be paid to the implementation of the recommendations of the Service and it was to be hoped that it would henceforth concern itself more with helping the departments and offices concerned to make the recommended changes.

44. His delegation was pleased to note from paragraph 9 of the Secretary-General's report that there had been meetings and consultations with the Administrative Management Service and other bodies inside and outside the Secretariat. In that regard, it would be appropriate for the Service to hold a dialogue with similar bodies in other United Nations agencies, as that would be in everyone's interest.

45. In conclusion, he emphasized the objectivity of the work accomplished by the Administrative Management Service.

46. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that, during its two-year lifetime, the

Administrative Management Service had surveyed 75 per cent of the Secretariat staff at a cost of \$2 million, which had gone mainly on wages and salaries of its staff, special consultants' fees and travel costs. The time had come to ask whether the Service had been successful, that was to say, whether the departments studied were now in a position to organize their work in such a way as to discharge their functions more effectively and with fewer staff. For its part, the Soviet Union delegation considered that the Service had not lived up to expectations. Everyone knew that in view of the unequal distribution of work between the various departments, overlapping and the saturation of manning tables, a survey of the utilization of Secretariat staff had been decided upon in the hope that it would reveal superfluous staff in certain units and would make it possible to define what steps should be taken to make the work more efficient, which would release some staff or at least prevent any increases. It was therefore a surprise to note that the results of the survey had been the opposite of what had been hoped: far from reducing or even stabilizing staff requirements, the Service had recommended considerable staff increases. The wages and salaries of the new officials, and those of the Service's own personnel, would amount to a total of \$7 million. It was therefore questionable whether it was desirable to prolong the existence of the service, to say nothing of retaining it permanently, as was envisaged in the Secretary-General's report.

47. His delegation considered that the Service's staff should be cut by half when the manpower survey was finished. Then, after it had prepared a synthesis of the conclusions it had reached, it should be dissolved completely. A very small group of three or four persons, under the authority of the Office of the Controller could then be responsible for the management control functions. Further, the Administrative Management Service did not have the requisite competence to undertake certain technical studies requested of it and was obliged to engage outside consultants. Consequently, the Soviet Union delegation could not approve the Service's recommendations regarding additional posts and would vote against them.

48. Mr. NAUDY (France) supported the conclusions formulated in the report of the Advisory Committee, particularly in view of the cuts recommended, because, out of the amount involved, \$734,000 corresponded to the reinstatement of credits for provisional posts which had been temporarily excluded from the budget estimates. His delegation was concerned, however, about the increases in the number of staff and the corresponding budgetary increase. It hoped that the Administrative Management Service would examine the matter in the minutest detail in its surveys.

49. Mr. REFSHAL (Norway) said that three of the reports before the Committee (A/C.5/1378 and Corr.1, A/C.5/1380 and Corr.1 and A/C.5/1385 and Corr.1 and 2) gave a clear indication of the scope of the work done by the Administrative Management Service and confirmed the fact that it was dealing with the question of manpower utilization methodically and energetically. The Service was entering its second stage, the implementation of its recommendations. It was encouraging to note from the report of

the Secretary-General (A/C.5/1385 and Corr.1 and 2, para. 10) that increasing emphasis was already being placed on the implementation of recommendations, as requested by the Advisory Committee and the Fifth Committee. In that regard, the progress outlined in paragraph 12 of the Secretary-General's report was encouraging, and it was to be hoped that it would continue and that the departments concerned, with assistance and advice from the Under-Secretary-General for Administration and Management and the Administrative Management Service, would apply the Service's recommendations most diligently.

50. Paragraph 7 of the Secretary-General's report stated that by mid-1972, the Administrative Management Service would have completed the bulk of its survey and that it could then prepare a synthesis of the conclusions reached for the major units, which would enable the Secretary-General to draw conclusions on basic questions of management and organization of the Secretariat. Although the Service had already devoted a large part of its efforts to the questions of implementation and management, it was clear that it would not have the necessary capacity in that field until the survey was finished. It was interesting to note from paragraph 19 of the Secretary-General's report that the management improvement programme would be developed with the active participation and collaboration of the heads of the departments and offices concerned, and the programme deserved the full support of the General Assembly.

51. The question of productivity was most important and was, in fact, the *raison d'être* of the manpower utilization survey. However, productivity in an international organization was difficult to measure, and the survey could not be expected to produce immediate results since it involved a long-term process. Each department should, however, put greater emphasis on the application of productivity recommendations, with the assistance of the Under-Secretary-General for Administration and Management and the Administrative Management Service; the entire staff of the Secretariat should participate fully in the efforts to increase production. It was the hope of his delegation that the relevant measures would be developed within the framework of the management improvement programme planned by the Secretary-General.

52. In view of the increased responsibilities of the Secretariat, it was evident that substantive redeployment of staff was required to meet new and changing requirements. The staffing increases recommended by the Service actually amounted only to 1 per cent per year. Hence they were not excessive and, in all probability, would have been much greater without the survey.

53. In conclusion, the Norwegian delegation agreed with the Advisory Committee (see A/8408/Add.14), that the Administrative Management Service had proved itself a useful internal management tool.

54. Mr. STOTTEMYER (United States of America) endorsed the views on productivity expressed by the representative of Norway.

The meeting rose at 5.45 p.m.