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Chairman: Mr. Chowdhury (Bangladesh)
*Chairman of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Mselle

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The meeting was called to order at 10.15 a.m.

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (*continued*)

Report of the Secretary-General on the reduction and refocusing of non-programme costs (*continued*)
(A/52/7/Add.10 and A/52/758)

1. **Mr. Dvinyanin** (Russian Federation) said that his delegation agreed with those who felt that the issue of non-programme costs was related to that of increasing the efficiency and effectiveness of the United Nations. His delegation welcomed the Secretariat's initiative in that regard and endorsed many of the comments made by the Advisory Committee. It pointed out that initiatives aimed at increasing efficiency should also be applied in the regional commissions and field offices of the United Nations.

2. While efforts to simplify and streamline the various regulations and rules of the Organization were always welcome, it was also important to ensure compliance with those procedures in practice. The same considerations applied with respect to the reallocation of funds to the development account. A clear distinction needed to be drawn between the various types of savings in full conformity with the existing Financial Regulations and Rules. Surplus funds arising from exchange rate fluctuations and inflation should be credited back to Member States, as should any savings that might arise under the 1998-1999 budget; provision had already been made in the programme budget for the funding of the development account.

3. It would be premature to discuss the practicalities of the future operation of the development account without a comprehensive report by the Secretary-General. Accordingly, his delegation believed that the matter should be deferred pending receipt of the necessary information from the Secretariat.

4. **Ms. Silot Bravo** (Cuba) said that it was to be regretted that the report of the Secretary-General on the reduction and refocusing of non-programme costs (A/52/758) had not followed the guidelines approved by the General Assembly in its resolution 52/220. Her delegation was particularly concerned at the absence of any hard facts to back up the assumptions made in the report regarding the possibility of reducing administrative costs. In its resolution 52/12 B, the Assembly had referred to possible reductions in administration costs, but had not mentioned any particular percentage. She hoped that the report requested by the Group of 77 and China would provide realistic figures regarding potential reductions as well as information on the number of

posts to be cut and the areas of work to be affected. The report should also include an assessment of the likely impact of such reductions on programmes and services, possible measures to rationalize the work of the Secretariat in the political field, given the duplication in the work of the Department of Political Affairs and the Department of Peacekeeping Operations and the decrease in peacekeeping activities, and possible corrective measures to be implemented in the light of Assembly resolution 52/220.

5. She pointed out that any cost-cutting exercise must take into account the need to maintain and improve the level of services provided to Member States. It would be regrettable if attempts to achieve specific goals were to result in irremediable damage to the Organization's capacity to respond to the mandates of Member States. Moreover, her delegation did not view the exercise as a means of reducing the number of established staff.

6. Her delegation looked forward with particular interest to hearing the Secretary-General's proposals on how the development account would be replenished. Any decision on the matter should be deferred until the requested reports had been received.

7. **Mr. Sulaiman** (Syrian Arab Republic) expressed deep concern at the application of the concept of "non-programme" to United Nations programmes and activities, adding that his delegation had relied on the medium-term plan for the period 1998-2001 in order to establish the programmatic nature of United Nations activities. It agreed with the opinion expressed by the Advisory Committee in its report as to there being no difference between programme and non-programme costs.

8. Referring to the report of the Secretary-General (A/52/758), he said that the activities of the Office of Communications and Public Information, as stated in paragraph 14, were not consonant with its basic role. Moreover, the report – and in particular paragraph 40, which referred to the redeployment of Office resources towards substantive programmes – was unclear. His delegation was surprised by the statement in paragraph 40 to the effect that the share of the Office included under non-programme costs showed a decrease from 100 per cent to 50 per cent for 2000-2001 and from 50 per cent to 33 per cent as at 1 January 2002, in order to achieve economies for each biennium of \$6.9 and \$5 million respectively. Such measures would have a negative impact on the activities of the Office.

9. His delegation found it strange that the Secretary-General, should consider Conference Services as non-programme costs since the administrative, technical and documentation work undertaken by, *inter alia*, the Fifth

Committee, the General Assembly, the Security Council and the Economic and Social Council, was absolutely dependent on Conference Services. Furthermore, to do so ran counter to the resolution adopted by the Fifth Committee on the programme budget for the biennium 1998-1999, in which the Committee had expressed its concern about the abolishment of 30 translation, editorial and interpreting posts.

10. In conclusion, referring to General Assembly resolution 52/12 A, which called upon the Secretary-General to take full account of the views of Member States, he said that Member States had made it clear that reform measures should not affect the mandates of the various United Nations bodies. Despite its vagueness, the report revealed a new trend towards marginalization of the role of Member States which was incompatible with the political nature of the Organization.

11. **Mr. Farid** (Saudi Arabia) supported the view of ACABQ that no distinction should be made between programme and non-programme costs and found it hard to believe that Conference Services would be reduced. He did not agree with the Secretary-General's conclusion that Conference Services were non-programme costs. The 25 per cent reduction in documentation which the Secretariat expected to achieve by the end of 1998 would not directly translate into major savings in Conference Services. He reiterated the need for the early implementation of a cost accounting system and hoped that work was under way on the report on Conference Services, which was due on 31 July.

Report of the Secretary-General on office accommodation at the Palais Wilson (*continued*)

(A/52/7/Add.4; A/C.5/19 and Add.1 and Add.1/Corr.1)

12. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on A/52/7/Add.4, said that the Committee had considered the report of the Secretary-General contained in documents A/C.5/52/19/Add.1 which provided details regarding the proposal of the Swiss Federation Council to place at the disposal of the United Nations office accommodation at the Palais Wilson in Geneva. The Swiss authorities had offered the accommodation on a rent-free basis for an initial two-year period (1998-2000) and in due time would recommend to the Swiss Parliament that the rent-free arrangement should be continued thereafter. The Swiss offer also included \$54 million of expenditures relating to one-time renovation and refurbishment of the premises and maintenance costs for the 1998-1999 biennium.

13. The Swiss offer would assist the United Nations units currently housed in the Petit Saconnex annex, since the latter would shortly have to be vacated; without the offer of the Palais Wilson, the Organization would be forced to rent additional office space at an annual cost of \$1 to \$1.8 million.

14. The Secretary-General had conducted an analysis of the office space required by the Office of the High Commissioner for Human Rights in relation to the overall office space at the Palais Wilson, and there were also plans to house the secretariat of the International Decade for Natural Disaster Reduction (IDNDR) there. A total of 550 square metres of conference room space would be required for the programme of meetings of the Office of the High Commissioner.

15. Should the General Assembly approve the offer by the Swiss authorities, the Palais Wilson would be occupied by 1 July 1998, i.e. for 18 and not 20 months of the 1998-1999 biennium as had been originally anticipated. Accordingly, the revised total cost estimates of the move to the Palais Wilson would amount to \$5,805,000, of which the Swiss contribution would amount to \$3,846,000 and the balance of \$1,959,000 would be covered from existing resources of the Organization. No additional resources would therefore be required for the 1998-1999 biennium.

16. The Advisory Committee agreed with the Secretary-General that it was unlikely that the Organization would be able to locate comparable space close to the Palais des Nations at a more favourable cost, and hence it had recommended that the General Assembly should approve the Secretary-General's proposal to accept the Swiss authorities' offer.

17. **Ms. Silot Bravo** (Cuba) welcomed the offer of the Swiss authorities. However, after carefully reviewing the report of ACABQ on the subject, her delegation could find no justification for the proposal to increase the space allotted to the Office of the High Commissioner for Human Rights; she would welcome clarification from the Secretariat in that regard.

18. With regard to the additional conference rooms proposed for the Palais Wilson, her delegation regretted the continued failure to produce a cost-benefit analysis of the proposal. The construction of the conference rooms should be placed on hold pending the submission of such an analysis.

19. Her delegation would also welcome clarification of the claim in paragraph 16 of the Secretary-General's report (A/C.5/52/19/Add.1) that the balance of the costs of the proposed move to the Palais Wilson not covered by the Swiss contribution would be from existing or projected resources of the Organization. Lastly, Cuba was still awaiting the text

of the agreement proposed by the Swiss Government on the arrangements for the use of the Palais Wilson by the United Nations.

20. **Ms. Shearouse** (United States of America) welcomed the offer by the Swiss authorities and believed that it would be both reasonable and prudent to relocate the Centre for Human Rights and the offices of the International Decade for Natural Disaster Reduction to the Palais Wilson. While she was sure that it would be difficult to obtain suitable accommodations at comparable rents in Geneva, the Secretary-General should nevertheless continue discussions with the Swiss authorities to ensure that costs were minimized.

21. **Ms. Powles** (New Zealand) said that the offer by the Swiss authorities would result in savings for the Organization. Without that offer, between \$1 million and \$1.8 million would have had to be spent on accommodation for the Office of the High Commissioner for Human Rights and the secretariat of the International Decade for Natural Disaster Reduction.

22. **Mr. Hanson** (Canada) said that, following the clarifications by the Secretariat and the recommendation of ACABQ, the Committee was now in a position to move expeditiously towards a decision on the matter.

23. **Mr. Zhang Wanhai** (China) said that his delegation shared some of the concerns expressed by the representative of Cuba, particularly with regard to the statement that the residual of \$1,959,000 would be absorbed from existing resources of the Organization (A/C.5/52/19/Add.1/Corr.1, para. 14). He would welcome clarification as to whether the Secretary-General was referring to the entire Organization or to a specific department.

24. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union and the associate countries of Hungary, Poland, Romania and Slovakia, welcomed the agreement between the Secretariat and the Swiss authorities on arrangements for the transfer of the Palais Wilson. The European Union had considered the proposal on its administrative and financial merits and in the light of the current circumstances in Geneva and the alternative options, and it concurred with the recommendation of ACABQ that the Secretary-General's proposal should be approved.

25. **Mr. Darwish** (Egypt) said that his delegation of Egypt supported the move by the Centre for Human Rights to Palais Wilson, and thanked the Government of Switzerland for providing the Palais rent-free for an initial period to the year 2000.

26. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation welcomed the Secretary-General's intention to

establish a "human rights house" in Geneva and hoped that the Swiss Government would allow the existing rent-free arrangement to continue after the year 2000. However, he shared the concern expressed by the representative of China and requested the Secretariat to explain to the Committee exactly where the residual of US\$ 1,959,000 would be coming from.

27. **Mr. Anderegg** (Observer for Switzerland) said that he was more than confident that Parliament would approve extension of the rent-free arrangement beyond the year 2000.

28. **Mr. Halbwachs** (Controller) said that the additional 9-10 offices which would be allocated to the Office of the High Commissioner were needed as a result of significant staff increases between 1991 and 1992.

29. The need for additional conference rooms was explained in paragraphs 10-13 of the report of the Secretary-General (A/C.5/52/19/Add.1), and his office had provided the Advisory Committee with additional information. The number of meetings held at the Palais des Nations had increased by 35 per cent between 1997 and 1998. If that trend continued, there would be an additional 900 meetings over the next four years. Moreover, the greatest number of meetings at Geneva were held during June and July, and the additional space would eliminate the need to refuse the requests of bodies wishing to meet during that period.

30. Responding to the question raised by the representatives of Cuba and China, he said that the \$1,959,000 required for the move would come not from resources allocated to other activities, but from the reallocation of funds currently used for maintenance of the Petit Saconnex premises. The Swiss Government had agreed to cover all the costs associated with renovation of the Palais Wilson. The agreement had not been circulated because the Committee had not requested it, but the draft was available for consultation.

31. **Ms. Silot Bravo** (Cuba) requested more complete information on the number of people and the space involved in the transfer of the Office of the High Commissioner to the Palais Wilson. It would have been more logical to move a permanent body to the Palais Wilson rather than the secretariat of the International Decade for Natural Disaster Reduction since the Decade was scheduled to end in 1999. Furthermore, it was not clear why only part of the IDNDR secretariat was scheduled for transfer to the Palais Wilson. While she appreciated the additional information on meeting requirements provided by the Controller, she did not think that construction of new conferences services facilities should proceed without a cost-benefit analysis.

32. The Controller had said that the cost of the move would be financed from the resources currently allocated to the Petit Saconnex annex. According to the ACABQ report the amount to be transferred in that regard would be US\$ 705,000 (A/52/7/Add.4, para. 9) whereas the cost of the move, according to the report of the Secretary-General, would be US\$ 1,959,000 (A/C.5/52/19/Add.1, para. 14 and A/C.5/52/19/Add.1/Corr.1). She asked for an explanation of that disparity.

33. **Mr. Halbwachs** (Controller) replied that the shortfall between the funds made available by the closure of the Petit Saconnex annex and those required for the move to the Palais Wilson would be covered by the fact that the extrabudgetary entities scheduled for transfer would finance the cost of their move from their own resources. The decision to move the Office of the High Commissioner for Human Rights to the Palais Wilson had been motivated in part by the fact that the Office's needs corresponded to the space available at the new facility. The move involved roughly 140 regular budget and 50 extrabudgetary posts.

34. Annex I to the report of the Secretary-General (A/C.5/52/19/Add.1) erroneously suggested that part of the IDNDR secretariat would be relocated to the Palais des Nations. In fact, the entire secretariat would be allocated space at the Palais Wilson.

35. Lastly, of the three conference rooms proposed for the Palais Wilson, the first was currently operational and the second was already in place; construction of the third would be financed by the Swiss Government.

36. **Ms. Silot Bravo** (Cuba) said that the report of the Advisory Committee (A/52/7/Add.4, para. 5) clearly stated that two additional conference rooms were proposed for the Palais Wilson. In view of the fact that one of the principal human rights bodies, the Commission for Human Rights, would continue to meet at the Palais des Nations, she did not see the need for additional conference rooms at the Palais Wilson. She also wondered how the extra space at the Palais Wilson would be used once the IDNDR secretariat vacated the premises in 1999. The current proposal did not reflect the General Assembly's desire to make the most economical use of the new facility.

37. **Mr. Halbwachs** (Controller) pointed out that, as stated in paragraph 10 of the report of the Secretary-General (A/C.5/52/19/Add.1), the smaller of the proposed two additional conference rooms would not involve construction or structural changes to the current space. As stated in paragraphs 11-13 of the report of the Secretary-General, numerous meetings, including those of treaty bodies, working groups and boards of trustees, would be held at the Palais

Wilson. Moreover, having conference rooms at the Palais Wilson would make it possible to accommodate the increasing number of requests by other bodies wishing to meet at the Palais des Nations, many of which were currently being refused during the summer months.

38. The IDNDR secretariat had been selected to move to the Palais Wilson because it was of a size appropriate to the remainder of the space available.

39. **The Chairman** said that he would draw up a text recommending that the General Assembly should approve the Secretary-General's proposal to accept the offer of the Swiss authorities and noting that the cost of the move to the Palais Wilson would be \$5.8 million, of which \$3.8 million would be contributed by the Swiss Government and the balance of \$1.9 million would be covered from existing resources of the Organization. The Committee had also noted that no funds for the move would be diverted from other budget sections. The Swiss Government would be requested to continue the rent-free arrangements after the year 2000, and the Committee should be kept abreast of all developments regarding space requirements.

40. **Mr. Odaga-Jalomayo** (Uganda) said that instead of the formulation "existing resources", the text drawn up by the Chairman should reflect the fact that the move would be paid for out of funds originally earmarked for the Petit Saconnex annex.

41. **Ms. Silot Bravo** (Cuba) reiterated her call for a cost-benefit analysis of the proposals relating to the conference rooms.

42. **The Chairman** said that he would submit a draft text for the Committee's approval at the following meeting.

43. *It was so decided.*

The meeting rose at 11.50 a.m.