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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 113: Financial reports and audited financial statements, and reports of the Board of Auditors (continued) (A/52/727, A/52/753 and A/52/755)

1. **Mr. Kabir** (Bangladesh) said that he welcomed the proposals of the Board of Auditors for improving the implementation of its recommendations (A/52/753), particularly those concerning the specification of timetables for implementation in all cases, the concept of individual accountability and the establishment of incentives and sanctions. The establishment of a focal point to oversee the implementation of audit recommendations was an interesting idea. The proposals, which would enhance accountability and streamline operational efficiency, could also be used to improve the Fifth Committee's working methods. The Board's report on its audit of the Integrated Management Information System (IMIS) project (A/52/755) was important because it had revealed instances of mismanagement and of insufficient transparency and accountability.

2. **Mr. Gjesdal** (Norway) said that his delegation wished to align itself with the statement made previously by the representative of the United Kingdom, on behalf of the European Union and other countries, with respect to the Board's proposals for improving the implementation of its recommendations.

3. **Mr. Nath** (Chairman of the Audit Operations Committee) said that the Board of Auditors appreciated the support which a number of delegations had expressed for the content of its reports. It agreed with the representative of India that efforts for the early completion of the IMIS project should be monitored, and agreed with the representative of Bangladesh on the need for accountability in that regard. With respect to its report on improving the implementation of its recommendations, the Board agreed with the representative of the United Kingdom, who had spoken on behalf of the European Union and a number of other countries, that the proposal concerning individual accountability should apply only to programme managers and not to individuals at relatively junior levels, and that the proposed special committees should not duplicate any existing mechanism.

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (continued) (A/51/804; A/52/7/Add.3, A/52/338, A/52/534 and Corr.1 and A/52/813)

4. **Mr. Herawan** (Indonesia), speaking on behalf of the Group of 77 and China, said that the procurement process

must be reformed in order to enhance its efficiency, cost-effectiveness, transparency, competitiveness and responsiveness to the Organization's needs. He regretted that the revised procurement manual had not yet been issued, despite repeated requests by the General Assembly. The Secretary-General should submit specific proposals for revising and amending the Financial Regulations and Rules as soon as possible, and the detailed guidelines on methods of invitation to bid should be finalized by the end of March 1998.

5. With respect to the supplier roster, he was concerned to note that relatively few suppliers from developing countries were registered or provisionally registered with the Procurement Division. Further efforts must be made to correct that situation. In particular, in the award of contracts for the procurement of goods and services, preference should be given to qualified vendors from developing countries. In addition, invitations to bid should be published simultaneously in printed and electronic form and should be sent to all permanent missions, consulates and trade commissions in New York and disseminated through the United Nations Information Centres on a priority basis. He was concerned to note that budgetary constraints prevented Procurement Division staff from travelling away from Headquarters. It was very important to allocate budgetary resources to enable such staff to attend seminars and exhibitions so as to ensure equal opportunity for vendors from all Member States, particularly developing ones.

6. In connection with the need to maintain proper inventory records for all United Nations assets, he emphasized the necessity of strict adherence to financial rules 110.25 and 110.26.

7. The approval of contracts on an *ex post facto* basis should be further reduced through better procurement planning. He looked forward to receiving the Secretary-General's list of exigency situations by the end of March 1998. With respect to statistics, he recalled the request contained in paragraph 5 of General Assembly resolution 51/231.

8. The phasing out of gratis personnel in the Procurement Division should not be delayed beyond July 1998. He asked for information on the status of implementation of paragraphs 18 and 37 of General Assembly resolution 51/231. The Procurement Division should comply with the recommendation of the Board of Auditors that all major procurement bids should be publicly opened and that the time

and place should be specified in the invitation to bid. Lastly, he emphasized the need to define a policy on outsourcing, as well as norms and regulations, to avoid undermining the role of international civil servants in implementing the Organization's activities. The Secretary-General should submit a roster of contractors, along with an evaluation of their performance, to Member States so as to enhance the transparency of outsourcing practices.

9. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union and the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, said he trusted that the revised procurement manual, which should have been issued by July 1996, would be completed by the end of March 1998. Likewise, the list of exigency situations, which had been called for in 1997, should be issued by the same deadline. In view of the urgent need for specific proposals on revisions to the Financial Regulations and Rules, which also should have been available by July 1996, he hoped that they would be submitted shortly.

10. He was not convinced that the supplier roster had become an active and viable instrument that reflected a reasonable geographical distribution of registered suppliers. He shared the concerns of developing countries in that regard, and emphasized the need for transparent and even-handed procedures. Member States should have access to the objective criteria used in preparing a short list of suppliers. A comprehensive supplier roster should be accompanied by a standard procedure for the preparation of performance evaluation reports on suppliers, and modern quality standards should be applied wherever appropriate.

11. He was disappointed that the consolidation, within the Procurement Division, of the functions of the Contracts and Procurement Office of the former Department for Development Support and Management Services had been delayed. He asked for an explanation and for an estimate of when the consolidation, which should also include the procurement functions of the Department of Peacekeeping Operations, would be completed.

12. He would welcome imaginative proposals for increasing the representation of developing countries and of countries with economies in transition on the supplier roster, and for helping companies from such countries to increase their share of United Nations procurement. He asked what progress had been made on the previous year's proposal concerning the provision of regular and comprehensive information on the contracts awarded on a country-by-country basis. He reiterated the European Union's proposal, put forward the previous year, that preference should be given, in the award

of contracts, to suppliers from Member States that were current in the payment of their assessed contributions.

13. The Secretary-General's assurance with respect to the staff of the Procurement Division (A/52/534, para. 42) was difficult to reconcile with the Division's continuing failure to tackle long-standing problems. Since the Division was more than adequately staffed, and since some of its responsibilities had been transferred elsewhere, more progress should have been made. The process should be managed by a suitably qualified senior staff member recruited specifically for that task.

14. Procurement reform had made so little progress that the European Union's comments of the previous year were still applicable. The members of the Task Force on Common Services should address the Committee in relation not only to the issues he had raised, but also to matters such as system-wide cooperation and the delegation of greater authority to the field in the case of peacekeeping operations. He wondered why no action had been taken on most of the excellent proposals contained in the 1994 report of the High-level Group of Experts on Procurement. Lastly, he feared that the Organization's reputation was suffering as a result of its all too public inability to deal effectively with some of the mundane tasks involved in running a large bureaucracy. It was incumbent on all Member States to find ways to correct that situation immediately.

15. **Mr. Sial** (Pakistan) said that he associated himself with the statement made by the representative of Indonesia on behalf of the Group of 77 and China.

16. The useful reports of the Joint Inspection Unit (JIU) and of the Office of Internal Oversight Services (OIOS) identified a number of shortcomings in the existing ad hoc outsourcing system and made substantive recommendations to correct serious deficiencies. The reform of outsourcing practices should not lag behind the reform of the Organization as a whole. With reference to paragraph 9 of the JIU report (A/52/338), he asked why the United Nations had not provided the Unit with the information it required.

17. Paragraph 52 of the OIOS report on procurement reform (A/52/813) contained valuable recommendations. However, that paragraph also should have contained the recommendations put forward in paragraphs 12, 46 and 50, as well as the other views expressed by OIOS to the effect that ceasing public bid openings would affect the transparency of the procurement process; that the role of an independent complaint bureau/ombudsman should be defined and procedures developed; and that a procurement policy document, a procurement procedural document and a standard operating manual should be incorporated into the

procurement manual. Lastly, he asked what action the Office had taken on the request contained in paragraph 18 of General Assembly resolution 51/231.

18. With respect to procurement, he was concerned about the delays in the submission of proposed revisions to the Financial Regulations and Rules. Further efforts should be made to broaden the geographical base of the supplier roster. In that connection, invitations to bid should be posted on the Procurement Division's Internet home page. *Ex post facto* cases could be further reduced through better procurement planning and annual consolidated procurement plans. He hoped that the list of exigency situations would be submitted shortly, as indicated in paragraph 24 of the Secretary-General's report (A/52/534). He welcomed the assurance that gratis personnel would be phased out of the Procurement Division by July 1998, and hoped that other departments would follow suit. The Procurement Division should inform the Committee of the action taken on the amendment of the Staff Regulations and Rules to address conflicts of interest and on the request contained in paragraph 37 of General Assembly resolution 51/231.

19. He recalled that General Assembly resolution 52/214 B requested the Secretary-General to direct all departments to include in reports originating in the Secretariat a summary of the report, consolidated conclusions, recommendations and other proposed actions and relevant background information. The Assembly had also decided that all documents submitted to legislative bodies for consideration and action should have conclusions and recommendations in bold print. He wished to request the secretariat of the Committee to bring the above-mentioned provisions to the attention of bodies that submitted reports to the Fifth Committee.

20. **The Chairman** said that he would instruct the secretariat accordingly.

21. **Mr. Kabir** (Bangladesh) welcomed the strengthening of the Procurement Division including the phasing out of gratis personnel and the training of procurement officers, as helping to streamline procurement-related activities in the Organization. Access to the procurement process, however, was still limited to a certain number of Member States. Free competition was meaningless without the participation of all interested Members of the Organization. Similarly, elements of cost-competitiveness and efficiency alone could not address the existing imbalance in procurement and outsourcing practices. It was therefore essential to clearly define the utility of outsourcing, identify areas of application and modes of implementation and ensure balanced access by developing countries to the process. In addition to according some preference in the award of contracts to Member States which

had paid their dues in full, a certain degree of preferential treatment should also be given to vendors and contractors from developing countries, especially the least developed among them.

22. Lastly, his delegation encouraged continued coordination between the Office of Internal Oversight Services and the Joint Inspection Unit, which could help to bring about system-wide improvement in the procurement and outsourcing activities of the United Nations.

23. **Mr. Riva** (Argentina) said that his Government attached great importance to the efficiency and transparency of the procurement process and had taken a number of initiatives to promote increased registration of national businesses on the United Nations suppliers roster. The United Nations Information Centre in Buenos Aires could play an important role in disseminating relevant information. It was important for all Member States to be able to participate in the bidding process and the supplier roster should be expanded to ensure the widest possible geographic coverage. The broad participation of businesses from a large number of Member States, all competing in an atmosphere of transparency, would enhance the Organization's procurement process.

24. **Mr. Saha** (India) hoped that the new procurement manual, the list of exigencies, the revised guidelines for the administration of letters of assist and the development of a single format for the provision of data and a common reporting system for procurement would all be completed by March 1998, as the Secretary-General had promised in his report on procurement reform (A/52/534).

25. The number of *ex post facto* cases appeared to suggest that the authorities concerned interpreted exigency provisions to mean that contracts could be concluded without the approval of the appropriate body. Exigency needs should not be used to bypass normal procurement approval procedures.

26. On the subject of procurement statistics, the data provided by the Secretariat pertained mainly to procurement by the Procurement Division at Headquarters. Data at the field and regional levels should also be made available, as should an indication of procurement at all levels from each Member State and observer. His delegation looked forward to receiving 1997 procurement data disaggregated by commodity.

27. Regarding the Secretariat's efforts to expand and update the vendor roster, it was important that the criteria for approving vendors should be regularly reviewed. The practice of requisitioning departments recommending particular suppliers was unethical and tended to favour a few suppliers;

it should be ended immediately. Permanent Missions to the United Nations should be informed of proposals for all major procurements, which should also be disseminated through United Nations Information Centres and through the Internet.

28. In addition, in order to establish transparent criteria for the registration of vendors from all regions of the world and to make the supplier roster more geographically representative, funds should be allocated to enable United Nations staff to travel to developing countries to attend seminars and exhibitions.

29. On the subject of outsourcing, there was need for a clearly defined policy incorporating adequate checks and balances to be submitted to the Committee for its consideration. Finally, an arrangement should be formulated to give preferential treatment to suppliers from Member States which had paid their assessed contributions in full.

30. **Mr. Zhang Wanhai** (China) noted that, despite the Secretary-General's efforts to establish a supplier roster on as wide a geographical basis as possible, only 6.9 per cent of suppliers were from developing countries. He hoped that no effort would be spared to increase that percentage. He also noted the progress made in reducing the number of *ex post facto* cases and hoped that their number could be reduced still further. He would welcome clarification of the meaning of partial *ex post facto*, as used in paragraph 34 of the report of the Secretary-General (A/52/534).

31. **Mr. Thorne** (United Kingdom) said that he was encouraged by the commonality of views on the subject of procurement reform. The Committee would benefit greatly from the presence of the new Assistant Secretary-General for Central Support Services when the issue came up for discussion in informal consultations.

32. **Mr. Kuznetsov** (Russian Federation) said that his delegation shared many of the concerns expressed by the representative of the United Kingdom on the subject of procurement reform. More specifically, it regretted the absence from the report of the Secretary-General (A/52/534) of information on and analysis of movement towards the ultimate goal of enhancing efficiency in that area. Even though the enhanced efficiency of the procurement process was one of the primary objectives set by Member States, many of the requisite evaluation criteria had not been covered in the report. He hoped that the following report of the Secretary-General would remedy those shortcomings.

33. The absence from the report of information on arbitration claims was also regrettable. Arbitration claims in 1995 had totalled more than \$110 million and, in the absence of appropriate machinery, the United Nations stood a good

chance of losing large amounts of money. He wondered whether any budgetary provisions had been made for the payment of arbitral awards and for legal counsel for the Organization. He also wondered whether any measures had been adopted regarding personal accountability in arbitral claims arising from the procurement of goods and services. His delegation was disappointed that the report of OIOS, whose evaluation was important to Member States, had largely overlooked the question of arbitration.

34. **Ms. Powles** (New Zealand) said that she shared the view of the United Kingdom, speaking on behalf of the European Union, that the most modern management techniques must be used in the Procurement Division. Nothing less than the reputation of the Organization was at stake.

35. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services) said that procurement was an area in which oversight was very much needed and it would continue to be a priority for OIOS. He had taken due note of the satisfaction expressed by delegations over the cooperation between OIOS and JIU. The Organization stood to benefit from the synergies between the two bodies.

36. Addressing some of the specific questions raised by members, he said that, if properly managed, outsourcing could be a means of enhancing efficiency and reducing costs. It could also enable programme managers to focus on their core functions. The proof of the success of outsourcing would be obtained through vigilant and ongoing monitoring and evaluation of each outsourcing exercise.

37. Reports relating to paragraphs 16 and 17 of General Assembly resolution 51/231 were being prepared and would be issued very shortly. Not all the findings of the Office of Internal Oversight Services had been reflected in its recommendations because it had been necessary to give priority to the most important areas. The Committee should bear in mind, however, that in its ongoing dialogue with management his Office was in the habit of making additional recommendations at the operational level. Moreover, OIOS did not wish to repeat recommendations that had been made by other bodies in the United Nations system.

38. Comments had been made about the failure of the OIOS report to mention certain points relating to arbitration. Since the report dealt with procurement reform, arbitration was outside its scope and has not been considered a reform issue. If Member States were interested, OIOS would be glad to conduct a review and analysis of that topic.

39. **Mr. Robertson** (Chief, Procurement Division) said that competitive bidding guidelines had been used for many years

and had recently been revised. His Division intended to publish the guidelines on the Internet so that prospective suppliers would be aware of the Organization's requirements. There were currently 3,500 suppliers on the supplier roster, very few of which were from developing countries. The Division hoped to attract more suppliers from developing countries by participating in special outreach seminars. Such events would enable the Secretariat to identify prospective candidates and encourage them to register. There was no obvious explanation why suppliers from developing countries were reluctant to bid for United Nations contracts.

40. It would not be feasible to disseminate invitations to tender through Member States' Missions via the Internet. Requisitions were typically characterized by a very short lead time, sometimes just a few days. It would take many weeks to advertise an invitation to tender and then assess and short list the replies. However, it was planned to advertise via the Internet and the media whenever possible, for example in the case of tenders over \$200,000 – in any event all contracts over \$25,000 had to be awarded on the basis of open tender.

41. The Division was cooperating with field agencies in the compilation of more comprehensive procurement statistics, and such information would naturally be made available to Member States. An exigency was defined as immediate procurement authorized by the head of a mission or office. The power to authorize exigencies was tightly circumscribed and exercised on very rare occasions. A Task Force was currently working on a revision of the Financial Regulations and Rules of the United Nations with a view to facilitating the work of the Procurement Division. Suppliers had to comply with minimum commercial and financial standards before being allowed to bid for United Nations contracts. A common system-wide approach to performance rating was also being adopted, which it was hoped would become standard procedure.

42. The Secretariat was disappointed that its efforts in the area of procurement reform had not been appreciated by some delegations. Much progress had been made within the framework of the High-level Expert Procurement Group. Reform was an ongoing and consultative process and it took some time for results to bear fruit. Member States should be specific in stating where the Secretariat's performance had been inadequate.

43. Partial *ex post facto* procurements were those in which there had been some delay in submitting the contract to headquarters for final approval, and hence the procurement had been regularized while it was being carried out. Full *ex post facto* procurements were those regularized long after the operation had taken place. Finally, the Procurement

Division would be very willing to pilot any Code of Conduct that emerged from Member States' deliberations on that topic.

44. **Mr. Abraszewski** (Vice-Chairman, Joint Inspection Unit) said that he was pleased that the thrust of the JIU report on outsourcing (A/52/338) had met with the Committee's approval, and he was glad that the synergy between the Unit and OIOS had produced valuable results. The Unit hoped that its recommendations on outsourcing would prove useful to officials in the Department of Management and support services who had to deal with outsourcing on a day-to-day basis.

45. Paragraph 9 of the JIU report had not been meant as a criticism; despite the fragmentary nature of the data supplied, officials had provided much valuable material. The comments on outsourcing to be found in that paragraph could equally well be applied to other aspects of the Organization's finances, for example the total amount spent annually on travel or information technology. The Unit hoped that the introduction of the Integrated Management Information System (IMIS) would make it possible to track the Organization's finances in a more comprehensive manner. The Unit had mainly been concerned that the lack of reliable information on outsourcing might prejudice the Secretary-General's reform programme.

46. As far as paragraph 52 of the report was concerned, the Unit was aware of the concerns that had been raised by staff representatives and Member States alike regarding the use of ex-staff members as potential vendors/providers for the Organization's outsourcing contracts. The Unit's principal objective in raising the issue had been to avoid or minimize the negative impact which such a practice would have on staff members.

47. **Mr. Moktefi** (Algeria) said that his delegation had been disappointed to hear the Chief of the Procurement Division imply that the under-representation of suppliers from developing countries was a problem for the developing countries themselves. Not all developing countries were equipped to focus on United Nations markets and help their suppliers to win contracts. The supplier roster should be expanded, and suppliers from developing countries should receive preferential treatment to redress the current imbalance. The Procurement Division should issue an updated list of suppliers broken down by nationality, market share, and goods and services supplied. The Secretariat should also comment on the fact that one company registered in a certain principality occupied a prime position in all procurement markets. Finally, with regard to paragraph 9 of the JIU report, his delegation had expected a somewhat fuller commentary.

48. **Mr. Farid** (Saudi Arabia) said that his delegation associated itself with the statement made on behalf of the Group of 77 and China. While some progress had certainly been made on procurement reform, his delegation had been concerned to read among the OIOS recommendations that vendor registration procedures should be enhanced to ensure that the vendor roster was reliable, a statement which seemed to imply that the present roster was not reliable. The Secretariat should also indicate precisely when it intended to issue the procurement manual and when it planned to start placing invitations to tender on the Internet. Generally speaking, his delegation was concerned that the General Assembly resolution on procurement reform had not been implemented. The Secretariat officials responsible for monitoring the implementation of resolutions should be more responsive in reporting non-implementation to the Committee.

49. **Mr. Sial** (Pakistan) noted that the Chief of the Procurement Division had said that public tendering was United Nations practice; moreover, the Board of Auditors had recommended that contracting for major procurements should be by open tender. However, it appeared that such was rarely the case. He wondered why the recommendations of the High-level Group of Experts on Procurement, made over three years previously, had not yet been implemented. The representative of the United Kingdom, speaking on behalf of the European Union, had rightly stated that there had been so little progress in procurement reform during the past year that it was scarcely worthwhile preparing a new statement on the matter. His delegation was concerned at the repeated delays in issuance of the procurement manual and supported the requests for a firm deadline in that regard. The proposal for a comprehensive review of the Financial Regulations and Rules as they pertained to procurement should be implemented on a priority basis.

50. The OIOS comment on recommendation no. 16 of the High-level Group of Experts (A/52/813, annex) that ceasing public bids openings, as suggested by the Group of Experts, would affect the transparency of the procurement process, was extremely useful and should have taken the form of a recommendation. The OIOS comment on recommendation no. 27 regarding the need to define the function of ombudsman assumed by the Office of the Assistant Secretary-General for Central Support Services was also very important. Lastly, he requested further explanation of the statement in the JIU report (A/52/338, para. 9) regarding the lack of coherent, comprehensive information on outsourcing for the United Nations as a whole.

51. **Mr. Herrera** (Mexico) said that his delegation had received no reply to its questions regarding the phasing out

of gratis personnel and the introduction of the incentive mentioned in paragraph 11 of General Assembly resolution 51/231. He also wondered whether it would be useful for representatives of Mexican trade associations to meet with Procurement Division officials in New York.

52. **Mr. Saha** (India), speaking with regard to his delegation's request for 1997 procurement data, broken down by commodity, noted that the Customs Cooperation Council Nomenclature (CCCN) or its British equivalent was in operation throughout the world and that, while the preparation of documents could take time, statistics on commodities and countries involved in procurement could easily be posted on the Internet. His delegation offered to discuss bilaterally the possibility of establishing an appropriate format for such posting so that the relevant data could be made available to all Member States.

53. **Mr. Robertson** (Chief, Procurement Division), replying to the representative of the Russian Federation's question on arbitration, said that the Office of Legal Affairs was currently handling eight arbitration cases and that outside counsel with special expertise in that area had been engaged. The sum of US\$ 110 million had been mentioned but was merely a proposal by the companies which had requested arbitration; moreover, a portion of that sum involved invoices for which payment had been withheld pending the receipt of proof that the money in question was actually owed. He hoped to provide the Committee with additional information after consulting with the Office of Legal Affairs.

54. In reply to a question by the representative of the United Kingdom, speaking on behalf of the European Union, he explained that the delay in consolidation, within the Procurement Division, of the relevant functions of the Contracts and Procurement Office of the Department for Development Support and Management Services had been the result of negotiations concerning staff reductions, the scope of work of the new unit and the resources necessary to its functioning. However, as the Under-Secretary-General for Management had stated at a previous meeting, that task had been completed on 18 February 1998.

55. The representative of Algeria's suggestion that developing countries should receive preferential treatment in the awarding of contracts could not be implemented without a change in the rule requiring that the lowest acceptable bid should be taken. His Division was interested in expanding participation by developing countries but would need additional resources if its officials were to travel to regional trade fairs or similar gatherings.

56. He reminded the representative of Saudi Arabia that the Under-Secretary-General for Management had stated that the

procurement manual would soon be issued, probably in March or April 1998. A copy of the draft was available but required further work, including incorporation of comments by OIOS and the Department of Peacekeeping Operations. His Division hoped to begin announcing public tenders on the Internet by April 1998.

57. In reply to the questions raised by the representative of Pakistan, he said that his Division had used open tendering through the media for a number of service contracts in excess of US\$ 500,000 in the past, but that practice was extremely expensive and, owing to time constraints, was sometimes impossible. He would consult with his superiors regarding both that issue and the question of the ombudsman.

58. In reply to the representative of Mexico, he noted that the Under-Secretary-General for Management had stated that gratis personnel would be phased out by July 1998. Furthermore, his Division had already received, and was using, trade directories sent by various Missions and would be willing to meet with national trade associations in New York. However, as he had pointed out, it was not always possible for his understaffed Division to send its officials abroad for such meetings.

59. **Mr. Herrera** (Mexico) said that since his question regarding the mention of an incentive in paragraph 11 of General Assembly resolution 51/232 had not been answered, a written reply should be sent to his Mission.

60. **Mr. Robertson** (Chief, Procurement Division) said that the proposal made in paragraph 11 of that resolution was, in fact, existing policy since all suppliers were treated on an equal basis. His Division was developing a computerized database for suppliers and was endeavouring to ensure that as many countries as possible were included in the supply roster.

Agenda item 116: Programme budget for the biennium 1998-1999 (*continued*) (A/52/7/Add. 7 and A/52/699)

61. **Mr. Bond** (United States of America) said that the United Nations had taken conflicting views concerning honoraria, which were described as token payments authorized as exceptions to the no-fee rule, despite which there had been recurring proposals that experts' time and effort should be taken into consideration. The Advisory Committee had drawn attention to the lack of criteria for exceptions to the no-fee rule (A/52/7/Add.7) and to the fact that although members of the Committee on the Elimination of Discrimination against Women had been authorized to receive honoraria, no funds had been allocated for that purpose. His delegation considered that the granting of

honoraria had been inappropriate from the beginning, and it was opposed to any increase in the sums paid to the members of committees which already received them. Therefore, pending the Secretary-General's report to the General Assembly at its fifty-third session, his delegation saw no reason to discuss the amount or criteria for authorization of honoraria.

62. **The Chairman** suggested that the Committee should recommend to the General Assembly that it should take note of the report of the Secretary-General on an interim study of the question of honoraria payable to members of organs and subsidiary organs of the United Nations (A/52/699); endorse the observations made by the Advisory Committee on Administrative and Budgetary Questions (A/52/7/Add.7); and decide to consider the comprehensive report by the Secretary-General on that question at its fifty-third session.

63. *It was so decided.*

The meeting rose at 1 p.m.