



FIFTH COMMITTEE
23rd meeting
held on
Tuesday, 27 October 1981
at 3 p.m.
New York

SUMMARY RECORD OF THE 23rd MEETING

Chairman: Mr. BRODODININGRAT (Indonesia)

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

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983
(continued) (A/36/6, 7, and 38 (chaps. V and VII D))

First reading (continued)

Section 28. Administration, finance and management (continued)

1. Mr. LAHLOU (Morocco) said that various decisions taken by the General Assembly at its thirty-fifth session, such as those relating to the language services, would presumably have an effect on the proposed budget for the forthcoming biennium. The Secretary-General had been requested to submit a report on the implications of those decisions. He wondered whether it was possible to indicate approval of the budget proposals before the report became available, or whether the approval of the proposals in first reading should be regarded as merely provisional.
2. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that questions relating to the language services fell under section 29 of the proposed programme budget, not under section 28. The Secretary-General's report on the implementation of resolution 35/225, concerning the career development of language staff (A/C.5/36/4), and the Advisory Committee's comments in paragraph 29.6 of its report, would be taken up when section 29 was introduced.
3. Mr. LAHLOU (Morocco) said that he had had in mind rather the General Assembly's decision to adopt Arabic as an official and working language of the General Assembly, Security Council and Economic and Social Council (resolution 35/21a). Arrangements must surely have been made to put that decision into effect; they ought accordingly to be reflected in the proposals for section 28, indicating how language resources were to be apportioned among the different departments of the Secretariat, unless, indeed, they were dealt with under section 29.
4. Mr. BEGIN (Director, Budget Division) said that the Secretary-General's report on that subject would be issued in about ten days; the Moroccan delegation could then decide whether the related budget proposals should be approved in first reading.
5. Mr. WILLIAMS (Panama) suggested that section 28D (Office of General Services, Headquarters) should be considered in conjunction with section 32 (Construction, alteration, improvement and major maintenance of premises) and the related reports of the Joint Inspection Unit.

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6. The CHAIRMAN said that he did not interpret the Panamanian representative's suggestion as an impediment to the Committee's consideration of section 28 at the current stage.

7. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that although the Advisory Committee had done a good job in recommending reductions totalling almost \$3 million in the Secretary-General's estimate for section 28, his delegation believed that it could have gone further still, particularly in view of the call from many Member States for cuts in the Organization's administrative expenditures. The Secretary-General indicated in paragraph 12 of his foreword to the proposed programme budget that the over-all net growth in resource requirements for the forthcoming biennium as compared with the current one was 13.67 per cent. The Advisory Committee, in paragraph 28.1 of its report, stated that the amount requested for section 28 was 15.8 per cent higher than the revised appropriations for 1980-1981.

8. His delegation formally proposed that the resource growth for section 28 should be reduced to the level of the budget as a whole - 13.67 per cent - which would mean a further reduction of some \$2 million over and above the cuts recommended by the Advisory Committee. The additional cut-backs could easily be made in such areas as proposed reclassifications, new posts requested, travel and subsistence, communications, and temporary assistance. The Department of Administration, Finance and Management was in a better position than he to indicate precisely where the extra economies could be made.

9. Mr. MOHAMMED (Nigeria) said that, while he appreciated efforts to reduce waste in the Secretariat, he was not in favour of cutting back expenditures to the extent of limiting the Organization's ability to carry out its functions. He was still not satisfied with the Advisory Committee's reasons for pruning so drastically the estimates for long-distance telephone calls: the United Nations had to keep in constant touch with a large number of subsidiary bodies and other institutions outside New York. He hoped that the Chairman of the Advisory Committee would be able to explain the exact relationship between the suggested reductions (detailed in paragraph 28.59 of the ACABQ report and the substance of the budget.

10. Mr. LAHLOU (Morocco), referring to paragraph 28.55 of the report of the Advisory Committee, said he was surprised that figures relating to telephone rentals and postage had been overstated by the Secretariat. It seemed to suggest some attempt to bargain with the Advisory Committee, which would be deplorable.

11. His delegation supported the Soviet proposal, although it was rather vague, in that it aimed to reduce expenditures still further. The United Nations was haunted by the spectre of a Secretariat which had grown beyond all control and which should be cut down to size. Yet, as formulated, the Soviet proposal was not particularly logical. If the Secretariat had already done its best to economize, how could an additional \$2 million in savings be found? The figure seemed quite arbitrary.

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12. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had dealt with the question of long-distance telephone calls in paragraph 17 of chapter I and paragraphs 28.58 and 28.59 of its report. Originally estimates for long-distance telephone calls had been included under the Office of General Services, but from 1982-1983 onwards they would be budgeted under organizational units at Headquarters. The Committee had discussed the matter with the Assistant Secretary-General for General Services, and he had confirmed that there had been difficulties in controlling long-distance telephone calls. According to the Assistant Secretary-General, allocating the cost of such calls to organizational units would facilitate identification of areas in which expenditure was excessive. He had also pointed out that the 1982-1983 estimates for the various units at Headquarters had been prepared on the basis of usage before the current control mechanisms had been introduced and implemented. It had thus seemed probably to the Advisory Committee that some reduction, of the order of \$76,800, could be made.

13. Mr. BEGIN (Director, Budget Division) said that the figures relating to telephone rentals and postage had not been overstated by the Secretariat; there had merely been an error in the initial calculations. Normally a corrigendum would have been issued, but in the present instance, it had been decided to leave it to ACABQ to set the record straight. There had certainly not been any attempt to bargain with the Advisory Committee.

14. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management), referring to the Soviet proposal, said that greater understanding of the components of section 28 and of the way in which the budget was prepared were necessary. It should be recalled that it was a programme budget, a fact which underlay the calculations involved. It was not particularly helpful to prescribe a general reduction in the estimate for section 28. The Department already exercised strict control over its own finances, as well as over those of the United Nations as a whole. If the Soviet delegation made specific proposals for cuts, it would be possible to provide explanations for the amounts requested.

15. Mr. PAPENDORP (United States of America) said that his delegation wished to know whether any conclusions had so far been drawn on the potential savings from more effective control of long-distance telephone calls. The problem was one faced by any large Government or corporate body, but could be resolved by effective management. His delegation trusted that the Administration would take the matter seriously.

16. Mr. BEGIN (Director, Budget Division) said that it was not yet possible to quantify the savings which would accrue from the implementation of strict control measures. During the first eight months of 1981, there had been only a slight increase, in current dollars, in telephone charges, despite increased rates. It thus seemed that departmental heads were responding positively.

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17. Mr. PAL (India) said that the remarks made by the Under-Secretary-General on the Soviet proposal were confusing, since there were no programmes in section 28 of the budget. An across-the-board cut was the only kind possible.

18. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that while it was true that there were no programmes under that section, the whole budget was structured in terms of programmes. There was no separate budget for administration, finance and management. In some areas, such as economic and social activities, there was a readily apparent output, which was not true of administration. Nevertheless, the budget had to take account of the provision of services. The Committee should consider the services provided, and then decide whether the same job could be done with fewer resources.

19. He shared the concern expressed over the cost of communications. Strenuous efforts to implement effective control had been made. It was true that officials did not always utilize the telephone as discriminatingly as they might, yet it was certainly not possible to eliminate long-distance telephone calls altogether. It should be recalled that the United Nations was a world-wide organization, with a need for rapid communications. The problem did not admit of any easy solution.

20. Mr. MOHAMMED (Nigeria) said that, in view of the explanations given by the Chairman of ACABQ and the Secretariat, his delegation could accept the estimate for telephone calls recommended by the Advisory Committee.

21. Mr. PAPENDORP (United States of America), referring to paragraph 28.17 of the report, said he was pleased that no funds had been requested for consultants for the Office of Financial Services. It was disappointing that work on the financial manual would not be completed before the end of 1982. At the thirty-fourth session of the General Assembly, the Fifth Committee had stressed the usefulness of such a manual and its expectation that it would enable savings to be made. He trusted that work on the manual would be expedited.

22. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said that the financial manual would in fact be ready early in 1982.

23. Mr. KEMAL (Pakistan), referring to paragraph 28.13 of document A/36/7, said his delegation was pleased that the Advisory Committee had recommended approval of the reclassification of two Professional posts in the Office of the Assistant Secretary-General for Financial Services but wondered why the proposed reclassification of two General Service posts had been denied.

24. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said he was sure that the representative of Pakistan was fully conversant with the logic underlying the Advisory Committee's decision on that matter.

25. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that he wished to know how the Chairman intended to settle the question raised by the Soviet delegation before the Committee proceeded any further with its consideration of section 2.8.

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(Mr. Palamarchuk, Union of Soviet Socialist Republics)

He had already stated the areas in which reductions could be made. If it was necessary to give precise figures for each subsection, his delegation would provide them in due course. Then, if the Secretariat opposed the proposed cuts, it should provide a detailed rebuttal. The remarks made by the representative of Morocco were somewhat confusing. It was difficult to see whether he supported the Soviet proposal or not.

26. In accordance with the general principles stated by the Secretary-General in the foreword and the statements made by many delegations, it was essential to reduce over-all administrative costs and channel the resources thereby released to activities in the economic and social spheres. That was why his delegation was proposing a reduction of some \$2 million, over and above the reduction recommended by the Advisory Committee, in the estimate for section 28. It would need more time to determine where, specifically, the estimates for the various subsections of section 28 could be reduced, but the important thing was that its proposal should be acted on by the Committee.

27. The CHAIRMAN said that, although he had proposed that the Committee should consider the various subsections of section 28 individually, a decision would be taken on the section as a whole. Moreover, in order to accommodate the wishes of the Soviet delegation, he had agreed that a decision on the section would not be taken until a subsequent meeting. The Soviet proposal could be acted on at that time.

28. Mr. KEMAL (Pakistan) said that, if he understood the Soviet representative correctly, his proposal was conditional on the reply of the Secretariat. His delegation would appreciate it if the Secretariat, when giving that reply, would provide further clarification concerning the assumptions made with regard to exchange rates. Any savings that might accrue as a result of favourable movements of exchange rates should be reflected in the budget estimates.

29. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that, as indicated in table 28.1 of the programme budget, the resource growth for section 28 was minus 0.2 per cent. The increase in net requirements, therefore, was due to inflation, which was expected to vary according to the place where the expenditure would be incurred. Under section 22, for example, the impact of inflation was far less than under section 28 because the bulk of expenditure for UNDRO was incurred in Geneva.

30. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that he was satisfied with procedure outlined by the Chairman. As to the Under-Secretary-General's remarks concerning inflation, his delegation had not been thinking of inflation when it had formulated its proposal. As indicated in table 28.1, of the total increase of \$38.8 million, \$28.5 million was related to inflation, leaving a further \$10 million that was not connected with that phenomenon.

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(Mr. Palamarchuk, Union of Soviet Socialist Republics)

That was where there was room for reductions.

31. Mr. MOHAMMED (Nigeria) said that, as his delegation had stated in the general debate on the programme budget, it did not support the zero-growth philosophy. It was unfair to ask the Secretariat, which had already submitted a zero-growth budget, to accept a further across-the-board reduction of \$2 million. The Soviet delegation should identify the requests of the Secretary-General which it considered unjustified, stating the reasons for its belief, so that the Committee could take an informed decision. Needless to say, his delegation was not opposed to the elimination of truly unreasonable expenses.

32. Mr. PALAMARCHUK (Union of Soviet Socialist Republics), observing that the Secretary-General's staffing proposal for section 28C included nine posts more than the authorized staffing establishment for 1980-1981, said that that was precisely the kind of request which needed to be reduced, since the Office of Personnel Services provided over-all administrative support.

33. Mr. PAPENDORP (United States of America) reaffirmed his delegation's opposition to the provision of assistance under section 28C to the Board of Trustees of the United Nations International School.

34. Mr. EL SAFTY (Egypt), referring to section 28D, said that the proposal to reclassify a number of posts in the Security and Safety Service was poorly framed and the reasons adduced in support were not convincing. His delegation considered that security at United Nations Headquarters was wanting and did not think that it was appropriate to reward those who were not doing their job well by upgrading their posts.

35. The request for overtime for the Buildings Management Service was not warranted, especially in view of the poor quality of services provided. Garage space at Headquarters was inadequate and earphones in many conference rooms were in need of repair, to mention just two examples.

36. Mr. KUYAMA (Japan) observed that the estimate for subsection D was the largest for any under section 28 and included not only the programmes administered by the Office of General Services but also common services not distributed to individual programmes. The latter accounted, in fact, for approximately 65 per cent of the total estimate. Since the largest category of expenditure for common services was the rental and maintenance of premises, it was regrettable that the Secretary-General had not included in his estimate the potential additional cost of consolidating rental office space. His delegation looked forward to the report of the high-level Secretariat committee dealing with that question.

37. He noted that the cost of long-distance telephone calls would no longer be borne by section 28D and expressed the hope that the new arrangement

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(Mr. Kuyama, Japan)

proposed by the Secretary-General, backed up by effective complementary measures in the Secretariat units concerned, would help to control expenditure on such calls.

38. Referring to the Secretary-General's proposal for the rental of an additional voice/data line between New York and Geneva, he agreed with the Advisory Committee that there was a need for a detailed analysis of the use of the existing line and a cost/benefit study of the merits of renting a new line.

39. With regard to utilities, he inquired as to the status of the so-called energy conservation study.

40. Mr. BUNC (Yugoslavia) requested information on the feasibility and cost of installing devices to control the use of telephones for long-distance calls.

41. Mr. KEMAL (Pakistan) noted that the Advisory Committee had been informed by the representatives of the Secretary-General that the adjustment to the revalued base for electricity had been overstated in the budget estimates and that, in consequence, the amount for revaluation in table 28D.20 should be reduced to \$1.4 million. He also noted that there had been a 33-per-cent increase in utility rates in New York in early 1981 and considered that, when such a large increase had been made so recently, it was unlikely that there would be further increases in the next year or two. That fact should be taken into account when calculating the inflation factor for utilities.

42. Mr. TIMBRELL (Assistant Secretary-General for General Services) expressed his sincere regret at the Egyptian representative's disappointment with security arrangements. He said that, while he could not deny that cars had been stolen from the garage, that could be attributed not to lack of security but rather to lack of garage space, as a result of which drivers often had to leave their ignition keys in their cars. Once construction was completed, the situation would be somewhat alleviated because between 100 and 125 extra spaces would be available. In the meantime, other solutions that had been tried, including valet parking, had proved totally unacceptable to delegations. He was very sorry that cars had been stolen, but there were just not sufficient security staff to watch every car. As for bombs, there had been some threats, but none had actually exploded. More stringent security procedures had recently been introduced to screen visitors, including the use of equipment similar to that installed in airports. Every attempt had been made in the past year and a half to upgrade the security force through training programmes and the provision of special equipment. While there was still room for improvement, by and large he believed that the Security and Safety Service was doing as good a job as could be expected in the circumstances.

43. As for the Buildings Management Service, he pointed out that it was not responsible either for the garage or for the earphones. With regard to the

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(Mr. Timbrell, Assistant Secretary-General for General Services)

latter, everything was being done to ensure that maintenance procedures were carefully carried out, though it was possible that not all conference rooms had yet been checked. Overtime resulted largely from the need to carry out maintenance at times when the normal business of the Organization would not be disrupted.

44. The problem of consolidation of space in rented premises was still under consideration by a committee headed by the Under-Secretary-General for Administration, Finance and Management. It was hoped that it would complete its work the following week and report accordingly. As for energy conservation measures, the allocation requested in the proposed programme budget was to complete implementation of the recommendations made by the energy conservation consultant. With the installation and operation in 1982 of a computerized system to control temperature and air flow, there should be further improvements.

45. In reply to the question raised by the representative of Pakistan, he said that it was his understanding that the Advisory Committee had approved the Secretary-General's estimate; that took into account all the factors mentioned.

46. Equipment of the type referred to by the representative of Yugoslavia did exist, but it had been decided a few years previously not to install it because the cost, amounting to several million dollars, was prohibitive.

47. Mr. PAPENDORP (United States of America) inquired whether the Assistant-Secretary-General had any comments to make on the document on special security procedures.

48. The CHIARMAN explained that that document was not currently before the Fifth Committee because it was still under consideration by the Advisory Committee. He therefore suggested that it should be considered at a later stage.

49. Mr. KUYAMA (Japan) said that his delegation attached great importance to management services in the United Nations system and was convinced that the Administrative Management Service (AMS) had a useful role to play. It therefore welcomed the statements made by the Director of AMS in various forums that efforts would be focused on a limited number of areas. In that connexion, the Advisory Committee's recommendation in paragraph 3 of document A/36/7/Add.3 was a valuable one, as were the observations in chapter V of the report of the Joint Inspection Unit (JIU) (A/36/296). That the reluctance of organizational units of the Secretariat to accept AMS recommendations should be a source of frustrations was understandable. There was certainly a need to improve follow-up, and any disputes about implementation should be brought to the attention of the Advisory Committee. There should also be a closer relationship between AMS

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(Mr. Kuyama, Japan)

and the Internal Audit Division. The extent to which the recommendations of AMS were followed up should be reflected in subsequent budget proposals. In that connexion, his delegation fully supported the recommendation contained in paragraph 6 of the Advisory Committee's report.

50. Any consideration of ways of enhancing the functions of AMS should take account of the need to ensure a balance between its long-term functions and its ad hoc short-term functions. In that connexion, his delegation supported the JIU recommendation that at least two thirds of available time should be spent on the former (A/36/296, recommendation 2). The Advisory Committee had taken a similar line. A number of other interesting points raised by JIU, for instance, on the question of training of management services' staff and the creation of management services units throughout the system, merited serious consideration.

51. Mr. MOHAMMED (Nigeria) inquired why the Secretary-General was requesting an increase in appropriations in respect of consultants for AMS. In his opinion, a reduction would have been more appropriate, and he wondered what the Advisory Committee's opinion was on the subject.

52. Mr. DEBATIN (Under-Secretary-General of Administration, Finance and Management) explained that the increase was merely a result of the re-evaluation of the 1980-1981 resource base and of projected inflation. Fees for consultant services had increased substantially. No increase in such services was being requested in real terms.

53. As members were aware, AMS was not just an arm of the Administration; it had the necessary independence to make impartial recommendations to the Secretary-General. Obviously, at times, departments did not agree with those recommendations. In such cases, he had to reconcile the divergent views in order to arrive at the best possible solution; efforts in that respect were proving increasingly successful. The new project orientation of AMS would, of course, be discussed in more detail at a later stage. By its very nature, however, AMS had to have high-calibre personnel, and the nature of its functions and quality of its work therefore demanded that it should have posts at a higher level. He drew to the particular attention of the Committee the Secretary-General's request for the upgrading of a P-5 post to the D-1 level.

54. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the figure of \$107,300 being requested for consultant services. That sum would provide for some 13 work/months of consultant services for 1982-1983, and the Committee had been convinced that the programme of work of AMS warranted such a provision.

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(Mr. Mselle, Chairman of the Advisory Committee
on Administrative and Budgetary Questions)

In order to meet the requests of the General Assembly and of the Secretary-General, it was essential to call on outside expertise from time to time. It should be borne in mind that AMS had only 11 established Professional posts, including that of the Director.

55. Mr. PAPENDORP (United States of America), referring to the explanation given by the Under-Secretary-General with respect to the increased estimates for consultants, said that not every increase in prices could be matched by an increase in resources. On the contrary, services should be found to match the resources available. As for the reclassification requested, his delegation, which continued to be concerned about grade creep, did not believe that high rank was necessarily an indication of high-quality performance. Every reclassification had to be fully justified.

56. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that the fact that consultants' fees were rising could not be escaped. The Committee should be wary of economizing on consultant services unless it was prepared to tolerate inferior results. The Advisory Committee shared the Secretary-General's view that consultant services were essential to modern management. As to the reclassification requested in AMS, it was, in his opinion, fully justified. While he agreed with the United States representative that there was not necessarily a direct link between grade and performance, it must be borne in mind that staff members who believed that their rank was not commensurate with the services expected of them tended to become frustrated and leave the Organization.

57. Mr. PEDERSEN (Canada), referring to section 28F, said that according to paragraph 28.72 of the Advisory Committee's report (A/36/7), there did not seem to have been an adequate explanation about the comprehensive audit software package and how it would fit in with other ongoing and planned resources and programmes.

58. Mr. PERSON (Belgium), referring to section 28G, said that, in considering the work of the Inter-Organization Board for Information Systems and Related Activities (IOB), the Committee for Programme and Co-ordination (CPC) and the Economic and Social Council had been unanimous in requesting that the Administrative Committee on Co-ordination (ACC) should review its most recent decision on IOB. The estimate submitted by the Secretary-General was therefore provisional. If, as a result of the ACC decision, a revised estimate was submitted, his delegation would have to consider it with extreme care, in the light of the unanimous decisions taken by CPC and the Economic and Social Council.

59. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that developments in ACC, which was due to meet the following

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(Mr. Debatin, Under-Secretary General for
Administration, Finance and Management)

week, and in the Economic and Social Council would certainly be taken fully into account, and great care would be exercised in preparing revised estimates.

60. As far as the comprehensive audit software package was concerned, the necessary research would be done in order to provide a more detailed answer, but he could assure the representative of Canada that the package would be carefully designed to fit in with other resources and programmes and to avoid any duplication. There was no intention of acquiring anything that would not actually promote more efficient administration.

The meeting rose at 6.10 p.m.