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FIFTH COMMITTEE  
7th meeting  
held on  
Friday, 7 October, 1983  
at 10.30 a.m.  
New York

SUMMARY RECORD OF THE 7th MEETING

Chairman: Mr. KUYAMA (Japan)

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The meeting was called to order at 10.50 a.m.

ADDRESS BY THE SECRETARY-GENERAL

1. The SECRETARY-GENERAL, after expressing his great esteem for the Chairman and other officers of the Fifth Committee, and for the Chairman of the Advisory Committee on Administrative and Arbitrary Questions, and pledging his support for the work of both those committees, said that there were three qualities which were essential to the good administration of the Secretariat.

2. The first was the combination of efficiency and effectiveness. That implied, of course, careful budgetary restraint and a commitment to a lean and streamlined Organization, but in 1983, it also required a searching look into how the Organization could work better and, in particular, how it could retain its cohesion while at the same time working in the decentralized manner prescribed by the General Assembly and indeed required by its activities.

3. The second essential quality was clarity: first, vis-à-vis Member States, so that they knew not only the facts but also the relevant views of the Secretary-General, and, second, clarity within the Secretariat, in particular in its internal administration so that no suspicion of partiality could attach to decisions on personnel issues. In that connection, the openness which had characterized relations between the Secretary-General and the staff and their representatives had been helpful in dissipating any such suspicion.

4. Thirdly, there was a need for unity under one head. It should be clear, however, that it was not his intention to seek the establishment of further regulatory mechanisms to enhance the role of his office. The Secretary-General and his staff were there to serve the international community.

5. In his view, the States Members of the United Nations must understand that it was in their interests and in the interest of the effectiveness of the Organization carefully to preserve the unity of the Secretariat, which was one of the main organs of the United Nations and could not be an amalgam of autonomous entities. It was on that basis that he wished to organize and, where necessary, to reorganize the Secretariat.

6. In accordance with the biennial rhythm which swayed the Organization's administrative life, 1983 was a budget year, and 1984 would be a personnel year. That did not mean, however, that there were breaks in the development and maintenance of personnel policy. Mindful of the importance of maintaining and enhancing the quality of the Secretariat and securing the services of outstanding personnel through a very careful and vigorous recruitment policy, he had directed the office of Personnel Services to elaborate a career development system, which would be presented to the General Assembly the following year. The system would be designed to develop the potential of the staff member to perform the current and anticipated tasks of the Organization, while at the same time satisfying the legitimate career aspirations of the staff. The proposed system would be the subject of thorough internal discussion with all concerned parties in the months ahead.

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7. However, since personnel matters had a direct bearing on the human beings who made up the Secretariat, he would not only seek to obtain the highest performance levels of the staff but would also seek the fairest and most equitable conditions of employment for all.

8. Turning to the proposed programme budget of the United Nations for the biennium 1984-1985, he said that, in preparing his budget proposals, he had borne in mind the unfavourable economic climate in the world and the expectations of Governments that he would adopt austerity measures. At the same time, he wished to underline that there had been no diminution in the demands placed on the Organization by Member States in their efforts to resolve disputes by peaceful means and to achieve international economic and social development.

9. In order to strike a balance between those two concerns, an effort had been made, through a careful programme analysis, to define priorities in order to redeploy certain resources to those activities which were accorded a higher priority. He fully appreciated the strong call by many Member States for a thorough examination of the extent to which proposals for new programmes or activities could be met through the redeployment of resources released through the curtailment, delayed implementation or termination of lowest priority activities. It was essential, however, not to lose sight of the main objective of the United Nations, which was to carry out the programmes of action mandated by the General Assembly.

10. The most important of the measures which he had taken in response to the General Assembly's request for a further integration of the programme planning, budgeting, monitoring and evaluation functions had been the establishment of the Programme Planning and Budgeting Board, which, under his personal chairmanship, had carefully reviewed the programme budget submissions from all departments and offices from both a programme and a financial perspective. The Board would continue to review proposals for new programmes or activities and to oversee the monitoring and evaluation functions of the Secretariat with a view to ensuring the overall coherence of approaches.

11. As to the difficulties experienced by the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Co-ordination in reviewing the proposed programme budget owing to the late issue of the related documentation, he gave assurances that, as part of the general administrative reforms he intended to introduce, he would take steps to ensure that such problems would not recur in 1985.

12. The proposed programme budget for 1984-1985 amounted to approximately \$1.3 billion in net figures, reflecting a real growth of some 0.7 per cent. The Advisory Committee had made recommendations, some of which were provisional, which would reduce the estimated expenditures by approximately \$18 million. Whenever differences of opinion on those recommendations might arise, the Under-Secretary-General for Administration, Finance and Management and the Controller would bring them to the attention of the Fifth Committee at the opportune moment.

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13. In his view, the accent placed by the General Assembly on decentralization, especially with regard to the regional commissions, would necessitate considerable improvement in the communications system which linked the eight major duty stations of the Organization. The Advisory Committee had agreed to his proposals to improve communications with the offices in Baghdad, but not to his proposals relating to Vienna. He intended to place before the Fifth Committee a more comprehensive plan which would demonstrate that the benefits of upgrading the link with Vienna would outweigh the costs. He would likewise inform the Committee of his views in any instance in which he disagreed with the recommendations of the Advisory Committee.

14. He had issued instructions that no staff member should campaign, whether formally or informally, to secure agreement for resources or administrative structures other than those which he had proposed.

15. The annual report of the International Civil Service Commission contained recommendations and decisions of great interest, including the decision to extend the rental subsidy scheme to duty stations not previously covered, and particularly to the Headquarters duty stations. That would ease the difficult housing situation which had created difficulties regarding the recruitment and mobility of staff. He hoped that the Commission's recommendations in respect of the education grant and health insurance would receive favourable consideration by the Committee. He would be presenting a number of proposals concerning health insurance pursuant to the Commission's conclusions and recommendations.

16. With regard to the financial situation of the Organization, it was gratifying to report that a substantial number of Member States had responded to the appeal made by the General Assembly in resolution 37/13 and had remitted their contributions expeditiously that year. That, combined with the General Assembly's earlier decision to increase the Working Capital Fund from \$US 40 million to \$US 100 million and to authorize the Organization to retain surpluses, had helped to improve the Organization's cash flow situation in 1983. Nevertheless, it was necessary not to lose sight of the underlying seriousness of the situation.

17. With regard to the administrative reform which was to be undertaken in 1984, the essential concern should be to bring a less bureaucratic and more straightforward and action-oriented attitude to the management of the Secretariat and to avoid the tendency to pass from action to introspection. It was necessary to deal with issues of organizational structure, management techniques, morale and performance; accordingly, he appealed to delegations to declare a moratorium at the current session on organizational changes or on further detailed programme, budget and personnel regulations, pointing out that he would report on those issues in 1984.

18. In conclusion, he emphasized that the United Nations could not hope to succeed if its fundamental machinery - the Secretariat and the administrative system - was not working properly. In that regard, the support of the Fifth Committee - whose work had implications for all United Nations activities for peace and human progress - was essential. It was necessary to get the machinery moving again in order to prevent the Organization from being caught in an international storm too great for it to weather.

AGENDA ITEM 109: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (A/38/6, A/38/7, A/38/38)

19. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that before elaborating on the recommendations made by the Advisory Committee in its first report on the proposed programme budget for the biennium 1984-1985 (A/38/7) he wished to comment on a number of topics which were sure to be among those which the Fifth Committee would debate at the present session.

20. In his report on the work of the Organization (A/38/1), the Secretary-General had referred, inter alia, to his role in administrative, financial and budgetary questions and in administering the staff of the Secretariat. He had warned that he often found himself caught between the directives of the General Assembly, the interests of the staff and the imperatives of good and efficient administration under the Charter and had asked the question whether he still had sufficient authority to meet his responsibilities as chief administrative officer of the United Nations.

21. It might be useful if those and other points raised by the Secretary-General were discussed in the Fifth Committee in the days ahead. At the same time, he wished to assure the Secretary-General that the Advisory Committee had never regarded itself as an adversary of the Secretariat. On the contrary it had always been conscious of the need to avoid any action which could call into question his role as chief administrative officer. The Advisory Committee stood ready to assist the Secretary-General, in accordance with its mandate, in his searching examination and appraisal of the Administration with a view to improving it.

22. Late submission of documentation had made it impossible for the Advisory Committee to have at its spring session the full report of the Committee for Programme and Co-ordination (CPC) in accordance with regulation 4.8 of the Regulations governing Programme Planning and the Programme Aspects of the Budget.

23. Late submission of documentation was affecting nearly all intergovernmental committees and might even adversely affect the work of the Advisory Committee, because of the tight scheduling it necessitated. Having been in the Fifth Committee for a number of years, he was convinced that, apart from the slow pace inherent in all bureaucracies, the growing complexity of operating United Nations programmes, the complicated intergovernmental machinery, the difficulty of defining and predicting the programme of meetings and the equally complex Secretariat structure all helped to delay anything that could be done quickly and efficiently.

24. In document A/C.5/38/7 the Administration, at the request of CPC and the Economic and Social Council, had identified a number of factors which had contributed to the late submission of the 1984-1985 programme budget document. As the Administration had stated in that report, the application of new technology to United Nations procedures and methods might offer solutions for improving United Nations work methods. That could be done by a variety of means, including the use of word-processing equipment, to which the Advisory Committee had paid particular attention that year. On the basis of information provided to it the Advisory

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Committee had concluded that, while the extensive use of word-processing equipment as proposed in the 1984-1985 budget estimates might improve productivity and efficiency, the current poorly co-ordinated, seemingly ad hoc programme of acquisition should be reviewed. Accordingly, the Advisory Committee welcomed the statement made in document A/C.5/38/7 that the administration intended to update the United Nations computer programmes utilized in the preparation of the budget and it hoped that such a review would also include the question of the use of word-processing and related equipment, taking into account the question of compatibility as suggested by the Advisory Committee in chapter I, paragraph 38, of its report (A/38/7).

25. The presentation of the 1984-1985 estimates was similar to that of the estimates for previous biennia and although the size of the document had led to some speculation he was not fully persuaded that the document needed overhauling. Over the years, the Advisory Committee had made recommendations on the structure and content of the document, recommendations which CPC had supplemented in recent years. Further refinement was certainly necessary but the final decision in that regard should be made in the Fifth Committee. To that end, proposed changes should be examined by CPC and the Advisory Committee on behalf of the Fifth Committee. It was for that purpose that the Advisory Committee had requested, in chapter I, paragraph 4, that at its thirty-eighth session the General Assembly be informed of the nature of the consultations mentioned in the statement of the representative of the Secretary General to CPC at its spring session.

26. The 1984-1985 estimates of approximately \$1,606 million gross (\$1,321 million net) reflected a real growth rate of 0.7 per cent, comprising rates of real growth of 1.5 per cent for political activities, 1.2 per cent for economic and social activities, 1.1 per cent for humanitarian, legal and information activities and minus 0.1 per cent for servicing activities. In the Advisory Committee's report, the tables to paragraphs 39-41 of chapter I showed the proposed allocation of resources in 1984-1985. Those tables were very interesting, particularly in revealing the steady growth of support and common services.

27. He shared the Secretary-General's opinion, as expressed in the foreword to the proposed budget, that the question of growth should not be given too much weight, since the concept of growth had not yet been satisfactorily defined. In the first place, United Nations budgets were really very small compared with the total capacity of the Member States, even when taking into account the total of \$3,194 million initially estimated for regular and extrabudgetary financing. However, when it came to what was expected from Member States, the rate of real growth was less important compared with the 9.0 per cent gross (8.7 per cent net) increase over the 1982-1983 appropriations. Secondly, the piecemeal approach to programme and budget formulation and approval in the United Nations made it inevitable that the initial estimates would change considerably by the time the initial and revised appropriations were approved at the thirty-eighth and thirty-ninth sessions of the General Assembly.

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28. For example, the initial estimates for 1978-1979, 1980-1981 and 1982-1983 had had rates of real growth of 2.2 per cent, 0.8 per cent and minus 0.2 per cent respectively. The corresponding rates for the revised appropriations for each of the bienniums had been 5.1 per cent, 3.7 per cent and 4.4 per cent respectively. It was also useful to recognize that the United Nations programme budget was not designed for measuring growth in programmes or activities. On the contrary, when one talked of growth, one was talking mainly of growth in resources, and growth in real terms, seen in that way, was the difference between the real resources approved for one biennium and the real resources proposed for another biennium. In 1978, the Advisory Committee, having observed that resource growth was not necessarily synonymous with programme growth, had agreed with the Administration that the measurement of resource growth in real terms from biennium to biennium was an indispensable tool of budgetary management in an era of inflation and currency fluctuation (A/33/7/Add.18, para. 9).

29. The United Nations Secretariat and the Member States could and should make valuable contributions in the field of priority-setting, evaluation and the elimination of activities considered obsolete, marginal or ineffective; those subjects would certainly be discussed in the Fifth Committee. However, the temptation to set up another layer of strong, central, almost independent bureaucratic machinery for dealing with those subjects should be avoided. As more recommendations for decentralizing United Nations activities were adopted, the capacity for evaluation should be strengthened in the offices away from Headquarters.

30. With respect to priority determination, on the other hand, much had been said but little had been achieved. Maximum attention had been given by the Secretariat to that question in preparing the budget estimates; accordingly, if the results were less than fully satisfactory, the Secretary-General should not be unfairly criticized. Some of the imperfections and constraints inherent to the United Nations system of priority-setting had been mentioned in the introduction to the 1984-1985 estimates. In spite of those constraints, the Secretariat had tried to indicate priorities, and it was now up to Member States to take whatever action they deemed appropriate.

31. The question of priorities was primarily within the purview of CPC. As far as the Advisory Committee's role was concerned, inquiry had been made into the relationship, if any, between the priorities indicated in the 1984-1985 proposals and the related resources estimated for the activities. The answer from the Administration, as briefly summarized in chapter I, paragraph 32, of the Advisory Committee's report, was that there was no direct relationship between the priorities indicated for the programmes and the allocation of related resources. That position was in conformity with views previously expressed in CPC and the Advisory Committee.

32. As was stated in chapter I, paragraph 6, of the report, United Nations estimates were computed in stages, the first of which consisted in establishing a resource base in the manner approved by the General Assembly on the basis of Secretariat proposals and recommendations of the Advisory Committee. The main

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elements for establishing the resource base were mentioned in chapter I, paragraph 10 of the report. However, the Secretariat had departed from the procedure previously followed in recosting the base by not using the most recent information on staff costs.

33. In that connection, it should be stated in the first place that, if the inflation rates appearing in annex IV to the introduction to the proposed budget had been applied mechanically, the 1984-1985 inflation estimates would have been \$148 million. But in practice those rates were not applied strictly at all duty stations to all items of expenditure. For example, travel costs were estimated by using the New York inflation rate; rental contracts had mechanisms for computing additional requirements; staff costs, which accounted for up to 80 per cent of United Nations expenditure, were estimated by means of standard salary costs prepared on the basis of the most recent information, gathered just before the process of putting the budget together was commenced.

34. The most recent information on staff costs had indicated that the recosted base should be reduced by \$28.5 million, and inflation for 1984-1985 would thus have amounted to \$142 million. The Administration, however, had reduced the 1984-1985 inflation by \$28.5 million, thus making the estimate for that item appear as \$113.5 million (7.7 per cent) instead of \$142 million (9.6 per cent). Since that action had not been explained in the introduction to the estimates, it had taken the Advisory Committee some time to determine what had happened. The oral and written explanations presented by the Administration at meetings of the Advisory Committee and CPC had not been fully satisfactory. Although the Administration had emphasized that the final amount of the budget was accurately estimated, the Advisory Committee was unable to say confidently that the inflation amounts in the estimates should be approved without further examination. That uncertainty had led the Advisory Committee to recommend that the inflation estimates for 1984-1985 should be reviewed towards the end of the thirty-eighth session in conjunction with the currency exchange rates.

35. The reduction of \$17,714,200 in the expenditure estimates proposed by the Advisory Committee in its report comprised: a real reduction of \$11.3 million; a reduction of \$1.7 million for inflation and certain staff allowances; a reduction of \$2.7 million on account of recommendations for higher turnover; and a reduction of slightly more than \$2 million for the deletion of provisional estimates. Owing to an oversight, which he would explain later, the reduction for deletion of provisional estimates should have been \$2.2 million, which would reduce real reduction to \$11.1 million.

36. As annex II to the introduction to the proposed budget showed, \$7.3 million at 1983 rates had been added to the revalued resource base to take account of lower vacancy rates in those sections for which a higher turnover factor had been applied for the 1982-1983 appropriations. The Committee had found, however, that in some sections the vacancy rate had been high enough to justify a higher turnover than the standard 5 per cent used by the Administration for the 1984-1985 estimates. The sections with high turnover were 11, 14, 18, 19 and 31, the last-mentioned being consequential to reductions in the former four sections. Turnover



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reductions, being technical in nature, should not be confused with recommendations for disallowing the related posts. If the vacancy rate in the coming biennium became lower than had been assumed by the Advisory Committee, the reductions would in no way prevent the Administration from filling those posts for which higher turnover had been applied.

37. As the Advisory Committee had pointed out in chapter I, paragraph 25, of its report (A/38/7), the inflation rates in annex IV did not show the rates used for field offices of UNHCR and information centres under sections 21 and 27 respectively. On the basis of the information it had received, the Committee had concluded that, because an inflation rate of 15 per cent per annum had been applied to the 1982-1983 appropriations, estimates for staff costs and for other objects of expenditure for those duty stations had been overstated. The use of that rate in computing the 1984-1985 proposals had compounded the overstatement of the estimates. Accordingly, the Advisory Committee had recommended a rate of inflation of 10 per cent for objects of expenditure other than staff costs and a reduction of \$565,000 (\$247,700 in para. 21.12, \$317,300 in para. 27.23) from the estimates for the two sections. It should be noted that the field estimates for UNHCR for 1984 had been prepared on the basis of a weighted average rate of inflation of 9.1 per cent per annum, which was lower than the rate which the Advisory Committee was recommending for the regular budget (A/AC.96/620, para. c1 (150)).

38. The reduction of staff allowances related to the situation at ECWA headquarters in Baghdad. When section 14 was being examined in CPC, concern had been expressed over the high rate of inflation applied to that section. The Advisory Committee had ascertained that, since the revalued resource base for ECWA had been understated by approximately \$3.1 million in staff costs, the Administration had increased the 1984-1985 inflation amount, and that an error had been committed when non-residence allowances for ECWA were being calculated. To correct that error, the Advisory Committee had recommended a reduction of the ECWA estimates by \$1,108,000.

39. The provisional deletion of estimates fell into four main categories. The first was explained in chapter II, paragraphs 32.20, 32.21 and 32.25 of the report, where the Advisory Committee recommended that estimates of approximately \$695,000 for alteration and maintenance of premises for ECA and ESCAP be examined together with the proposals relating to construction which were due for consideration later in the current session. Secondly, consideration of the request for \$150,400 for temporary assistance for the Yearbook of the United Nations had been deferred pending receipt of a special report from the Administration (chap. II, para. 27.15). That amount had been inadvertently overlooked in the addition of the provisional deletions shown in chapter I, paragraph 5 of the report. Thirdly, the place for holding regular sessions of ECA, ESCAP, ECWA and ECLA and meetings of subsidiary bodies of those regional economic commissions was governed by General Assembly resolution 31/140, which stated that regular sessions held away from Headquarters were subject to the approval of the Economic and Social Council and the General Assembly. Pending such approval, the Advisory Committee had recommended in its report (chap. I, para. 33) that consideration of the estimates for ECA (\$150,700, chap. II, para. 13.4) ESCAP (\$206,800, chap. II,

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para. 11.11), and ECLA (\$143,300, chap. II, para. 12.12) be deferred. The fourth category comprised proposals to transfer to the regular budget 15 extrabudgetary posts in the population field, as explained in paragraphs 11.59, 12.56, 13.63 and 14.44 of the estimates. The Advisory Committee had commented on those proposals in chapter I, paragraphs 27 and 28, and in chapter II, paragraphs 11.15, 12.6, 13.9 and 14.15, of its report. The total amount, including staff assessment, estimated for those 15 posts was \$857,900. The Committee would consider that amount in the context of the special report requested in chapter I, paragraph 28.

40. The amount of \$11.1 million in real reduction resulted from the Advisory Committee's conclusion that the approval of amounts lower than the initial requests would be justified. Its position was expounded in detail in chapter II of the report: real reductions were recommended for nearly all items of expenditure, such as temporary assistance for meetings, general temporary assistance and ad hoc expert groups and consultants, for which the initial estimates were \$38.3 million, \$13.4 million (\$10.6 million for expenditure sections and \$2.8 million for income section 3) and \$15.7 million respectively. Other items covered under those reductions were capital expenditure, supplies, requests for new established and temporary posts and reclassifications. Slightly more than half of the total reduction was accounted for under common support services. In previous debates in the Fifth Committee, representatives had called for less expenditure under common services and more for economic, social and humanitarian activities. In order for those activities to be successful, however, effective and efficient support must be provided.

41. The cost of personnel services was estimated at \$1,248 million, or about 78 per cent of the gross expenditure estimate of \$1,606 million. For 1984-1985, the Administration was proposing 12,160 established and temporary posts for the income and expenditure sections, reflecting a net increase of 217 posts. The table to paragraph 46 of chapter I showed the various proposals for additional posts, and their distribution by field of activity was indicated in the table to paragraph 47.

42. Before recommending the acceptance of requests for new posts or for the conversion of temporary to established posts, the Advisory Committee carefully examined the accuracy of workload statistics for the relevant units. Proposals for transferring to the regular budget posts previously financed from extrabudgetary accounts often raised questions of principle which, in the view of the Advisory Committee, should be discussed separately by the Fifth Committee. The 1984-1985 estimate included three groups of such proposals. The transfers from UNEP and UNHCR had been proposed on the basis of guidelines contained in General Assembly resolutions 2997 (XXVII) and 37/238 respectively. The Advisory Committee had many doubts about the transfers from UNRWA and the creation of the 15 posts in the population field. He would explain in detail the Advisory Committee's position on those posts at the appropriate time.

43. The Advisory Committee recommended a staffing table of 12,080 posts for the biennium 1984-1985, reflecting a net reduction of 80 posts. The recommendation was presented in table 1 and explained in chapter I, paragraphs 48 to 51 and 57 to 59, of the report. The net increase of 42 temporary posts shown in table 1 was

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explained in paragraphs 1.23, 1.29 and 1.30 and in section 21. Further explanations were given in paragraphs 27.10, 28.30, 28.131, 28.180, 28.181 and 28.183. He would elaborate on those recommendations when he introduced the various sections of chapter II.

44. He wished to express a few personal views about section II of General Assembly resolution 37/234, in paragraph 7 (a) of which the Administration had been requested to submit a report to CPC on methods and procedures for providing the General Assembly with the programme implications of draft resolutions. Paragraph 7 (b) of section II and section IV of Economic and Social Council resolution 1983/49, in which the Secretariat was requested to submit, at the thirty-eighth session, statements of programme implications, should be interpreted in the light of the need to agree on methods and procedures for providing those programme implications. In spite of the inconclusive debate on the report in document E/AC.51/1983/11 submitted to CPC at its twenty-third session, the Advisory Committee had recently been informed that the Administration was preparing methods and procedures for responding to the resolutions in question. Hasty action on a subject over which many intergovernmental bodies had jurisdiction would be ill-advised, since it could lead to dissatisfaction in Secretariat units and legislative entities, especially those established away from New York.

45. The Advisory Committee had looked at the report on detailed rules for programme planning (A/38/126) and had decided not to duplicate the work carried out by CPC on that document. As for the report on integration of the programme planning, budgeting, monitoring and evaluation functions in the Secretariat of the United Nations (A/C.5/38/6), the Advisory Committee would include in its co-ordination report some information on how those functions were handled in a number of specialized agencies. In that connection, since the Secretariat was currently reviewing the matter, it might be appropriate for the Secretary-General to report, at the thirty-ninth session, any further developments. With regard to paragraph 7 of document A/C.5/38/6, the Controller had informed the Advisory Committee that it was no longer intended to issue "correlative amendments to the Financial Regulations". Should that position change, however, the Advisory Committee would look at any amendments which the Controller might propose.

46. On the question of evaluation (A/38/38, Part I, paras. 189-191, and Part II, paras. 429-433), the Advisory Committee understood section III of Economic and Social Council resolution 1983/49 as requesting the Committee to examine the financial implications of CPC recommendations on strengthening the capacity of United Nations evaluation units and not to review again the Administration's report (A/38/133). The Advisory Committee had examined document A/C.5/38/11 on that basis and, since no additional resources were being requested at the current session, had decided to await the report to be submitted at the thirty-ninth session pursuant to paragraph 29 of that document.

47. With regard to the financial implications referred to in annex I to Part II of the CPC report, the Advisory Committee felt that, if the CPC recommendations relating to sections 22 and 27 were adopted, the estimates for those sections would be further reduced, by amounts of \$4,800 and \$83,000 respectively. However, the

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recommendation on output (1) of programme element 4.3 (Division of Narcotic Drugs) would require an additional amount of \$14,000. The Advisory Committee recommended that that sum should be absorbed within the resources to be appropriated for printing under section 20. With regard to CPC's recommendation on liaison function under section 25, the Advisory Committee had already recommended (A/38/7/Add.1) a reduction of the estimate by \$80,400.

48. In view of the foregoing comments, the Advisory Committee would not submit written reports on documents A/38/126, A/C.5/38/6 and A/C.5/38/11 or on the implications referred to in annex I to Part II of the CPC report.

49. The CHAIRMAN announced that he would suspend the meeting for a few minutes in order to accompany the Secretary-General, who had to withdraw in order to deal with other pressing matters.

The meeting was suspended at 12 noon and resumed at 12.08 p.m.

AGENDA ITEM 110: PROGRAMME PLANNING (A/38/38)

50. Mr. MONTHE (Vice-Chairman of the Committee for Programme and Co-ordination) introduced, on behalf of the Chairman of the Committee for Programme and Co-ordination, the report on the work carried out by CPC during its twenty-third session (A/38/38). CPC had been working under extremely difficult conditions during the current year, since it had been obliged to carry out its work in two stages and issue its report in provisional fascicles, which had adversely affected the consistency and the thoroughness with which it had been intended to examine the various topics, particularly the proposed programme budget.

51. He mentioned that a number of details in the report called for clarification: foot-note 6 had remained without effect; the general observations contained in paragraphs 6 and 7 of Part II of the report should appear after paragraph 221 of Part I; and the comments of a general nature, in paragraphs 378 and 379 of Part II, on the question of consultants referred to the programme budget as a whole.

52. The difficulties encountered and the shortcomings pointed out had been caused, for the most part, by the long delay in the issue of the budget documents. However, CPC had managed to overcome the difficulties and had engaged in the customary detailed examination of a large number of questions.

53. With regard to evaluation questions, no additional observations were required either on the programme and plan of activities of the Joint United Nations Information Committee (chap. III C) or on the implementation of the recommendations made on the mineral resources programme by CPC at its twenty-second session (chap. III D).

54. On the other hand, with regard to UNDP-financed technical co-operation activities of UNIDO in the field of manufactures, it should be noted that CPC's deliberations had been provisional. In fact, although the methodology for the study had been prepared during CPC's twentieth and twenty-second sessions and later

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approved by the General Assembly, its application, implications and scope had been the subject of serious reservations on the part of UNDP and UNIDO alike, according to the statements made by the representatives of those entities, as reflected in paragraphs 27 to 30 of Part I of the CPC report (A/38/38). CPC's further observations on the matter appeared in paragraphs 427 and 428 of Part II of the report.

55. In any event, CPC had taken note with interest of the report of the evaluation team and the observations presented by UNDP and UNIDO. It had also noted the extensive work and the scope of the evaluation study's conclusions and had stressed that future reports of that nature should be accompanied by a comprehensive report from the Secretary-General. However, under the circumstances and on an exceptional basis, the Committee had decided to transmit the report, together with the comments of the Committee, to the Governing Council of UNDP and the Permanent Committee of the Industrial Development Board of UNIDO. The Committee would review the observations of those bodies when it was once again seized of the item at its twenty-fourth session. The Committee further recommended that copies of the complete evaluation should be made available to Member States on request.

56. With regard to the in-depth evaluation of the work of the Department of Public Information, the remarks contained in paragraphs 39-55 of Part I of the CPC report stressed that the impact of Department activities, the need to correct the imbalance between production and dissemination, and the refinement and expansion of an active feedback system needed to be taken into account in the future.

57. The report on the cross-organizational programme analysis in marine affairs had been awaited with interest, particularly since CPC had spelled out during previous sessions the direction and method of the report and since marine affairs involved many organizations within the United Nations system for a number of reasons. Unfortunately, the analysis had not been of the calibre anticipated. The Committee had pointed out that the report had provided a definitive and comprehensive description of the work of the United Nations system in marine affairs and that an attempt had been made to identify national needs and priorities; however, it had shown in general that the analysis lacked critical perspective with regard to the activities of the various organizations as they related to major problems in marine affairs, particularly from the viewpoint of the needs and priorities of developing countries. In addition, the Committee had found that, in spite of the study's overly positive conclusions, real problems existed in the area of co-ordination among the various organs of the system. The major recommendations of CPC, contained in paragraph 19 of Part I of its report (A/38/38), had been formulated with a view to having future programme analyses of various organizations more dynamic and future-oriented, in other words, more useful, bearing in mind that those organizations ought to have a closer relationship with the general planning, programming, budgeting and evaluation cycle.

58. With regard to the reports of the Administrative Committee on Co-ordination, it should be stressed that CPC had once again stressed the need for establishing effective and closer co-ordination within the United Nations system. Furthermore, it had expressed the view that the ACC report should be more critical both with

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regard to its analysis of problems and with regard to the solutions which it proposed, as indicated in paragraphs 90 and 91 of Part I of the CPC report.

59. With respect to the ACC report on the strengthening of the co-ordination of information systems in the United Nations system, CPC had welcomed the new arrangements which replaced the former Inter-Organization Board for Information Systems and had recommended that ACC should continue its work in accordance with Economic and Social Council resolution 1982/71. CPC had put forward observations about the structures, functioning and activities corresponding to those arrangements with a view to ensuring their usefulness, effectiveness and success, as shown in paragraphs 98 to 106 of Part I of its report (A/38/38); likewise, it had decided to keep under close review the progress made by the Advisory Committee for Co-ordination of Information Systems.

60. Referring to the establishment of an information systems unit in the Department of International Economic and Social Affairs, he said that the question was one of long standing and one in which the Fifth Committee was well versed. After careful consideration of the report on the subject (E/AC.51/1983/6), CPC had recommended that the question should be settled once and for all by providing the Information Systems Unit with an institutional base and that, accordingly, the Secretary-General should examine the possibility of integrating the Unit within the Dag Hammarskjöld Library and report to CPC on his decision.

61. With regard to the co-ordination of food and agriculture activities in Asia and the Pacific by ESCAP and FAO, CPC had made a number of recommendations in paragraph 124 of Part I of its report aimed at avoiding the overlap and duplication of efforts which had marked the joint activities of those two bodies thus far.

62. When the General Assembly had approved the medium-term plan during its thirty-seventh session, it had requested reformulations of subprogramme 5 of programme 1 of chapter 21, subprogrammes 1-3 of programme 1 and subprogramme 4 of programme 3 of chapter 17 in the light of the recently adopted Convention on the Law of the Sea and the impact it might have. In spite of the difficulties inherent in those topics, account of which had been taken in the discussion and reservations on the subject, CPC had been able to recommend, as indicated in paragraphs 137 and 138 of Part I of its report, that subprogramme 5 and a new major programme 25 (Marine affairs) should be adopted, with the revisions proposed in order to bring the new texts into line with the planning methodology and resolutions of the General Assembly. CPC had recommended in paragraph 139 of Part I of its report that the new major programme 25 should be revised as part of the normal revision of the medium-term plan for the period 1984-1989 in order to place it on a sounder footing, taking into account the critical analysis of the situation caused by the adoption of the new Convention on the Law of the Sea, the proposed activities of the United Nations at the central and at the regional levels and the needs of the developing countries.

63. With regard to programme planning, programme aspects of the budget, the monitoring of implementation and methods of programme evaluation, he recalled that, during the thirty-seventh session, the General Assembly had adopted a set of

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Regulations on the subject (resolution 37/234 II). In order to implement those Regulations, the Secretary-General had been requested to prepare a detailed set of rules which was to be submitted to CPC during its twenty-third session and to the General Assembly during its thirty-eighth session. CPC had carried out a thorough study of those rules in which the Office for Programme Planning and Co-ordination and the Joint Inspection Unit had actively participated. The Committee's deliberations and recommendations were set forth in paragraphs 140 to 170 of Part I of its report (A/38/38). It was now for the Secretary-General to draw up those rules so that the Regulations, which had been the subject of so much time and effort in recent years, could be implemented. CPC would then determine whether it was appropriate to adopt new measures in that area.

64. With regard to strengthening the capacity of the United Nations evaluation units and systems and the timetable for review of evaluation programmes, CPC had put forward a number of recommendations in paragraphs 189 to 194 of Part I and paragraphs 341 to 433 of Part II of its report; it was to be hoped that the Secretariat would take urgent measures to strengthen the evaluation services, particularly those of the regional commissions.

65. With regard to methods and procedures for the provision of statements of programme implications to the General Assembly, it should be noted that, as indicated in paragraphs 198 to 202 of Part I and paragraph 406 of Part II of the CPC report, there was a significant divergence of opinion. CPC had been unable to reach the agreement which the Secretary-General had requested in his report (E/AC.51/1983/11). Nevertheless, mention should be made in that regard of Economic and Social Council resolution 1983/49.

66. At the joint meetings of CPC and ACC, economic and technical co-operation among developing countries had been discussed and it had been agreed to hold consultations on ways of improving the effectiveness of the joint meetings in the future. The participants had submitted a report to the Economic and Social Council, which the Council had endorsed in resolution 1983/50 and decision 1983/173. Both CPC and ACC were, in addition, to study the subject of economic and technical co-operation among developing countries, first separately and then jointly. CPC had stressed the need for an earlier decision on the topics for discussion at the meetings in order to facilitate the preparation of documentation and the application of some of its conclusions and recommendations.

67. The delay in the preparation of the budget documents had prevented CPC from making the kind of comprehensive programme analysis of the budget the Economic and Social Council and the General Assembly were entitled to expect. In resolution 1983/51 the Council had expressed its deep regret that it had not been in a position to carry out a thorough review of the proposed programme budget. Owing to those circumstances, it had not been possible to submit Part II of the CPC report (A/38/38), covering many sections of the budget, to the Economic and Social Council at its second regular session of 1983. Therefore, on an exceptional basis, as the Council had indicated in decision 1983/160, Part II of the CPC report was being submitted directly to the General Assembly at its thirty-eighth session.

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68. Both CPC and the Economic and Social Council had requested the Secretary-General to submit a report on the methods, procedures and timetable followed in the preparation of the programme budget, and CPC had in addition requested the Secretary-General to keep each phase in the preparation of the budget under constant review in order to avoid delays, as indicated in paragraph 397 of Part II of its report.

69. Despite the omissions, deficiencies and shortcomings in the preparation of the budget, which justified certain reservations, CPC recognized that the Secretary-General had made great efforts to draw up the budget on a programme basis in accordance with the relevant General Assembly resolutions. In that connection, the report of the Secretary-General on integration of the programme planning, budgeting, monitoring and evaluation functions (A/C.5/38/6 and Corr.1) was of interest. The conclusions and recommendations of CPC on that question were set out in paragraphs 411 to 415 of Part II of its report.

70. CPC had also made a programmatic study of sections 1 to 27 of the budget, as discussed in paragraphs 204 to 291 of Part I of its report and paragraphs 6 to 376 of Part II. Sections 28 to 32 and income sections 1 to 3 of the budget had not been considered owing to lack of time and since they did not have substantive programmatic content (Part II of the report, paragraph 377).

71. CPC had concentrated on verifying that the activities provided for in the budget were based on the medium-term plan or on a mandate duly formulated by a legislative body. When it had found it necessary, CPC had not hesitated to recommend deleting some programme elements, especially in sections 6, 20, 22, 25 and 27; the financial and administrative implications of its recommendations were described in annex I to Part II of its report. In accordance with regulation 4.8 of the Programme Planning Regulations, the Advisory Committee now had to make recommendations so that the Fifth Committee could adopt decisions on the matter.

72. CPC was, in sum, recommending that the General Assembly should adopt, with the amendments suggested, the outputs described in the various sections of the proposed programme budget.

73. Mr. PIRSON (Belgium) said that he objected to the way in which the Committee was proceeding at the current meeting and regretted that it had not been arranged for the Secretary-General to be present in the conference room for the introduction of the report of the Committee for Programme and Co-ordination by its Vice-Chairman. Clearly, the introductory statements by the Chairman of the Advisory Committee on Administrative and Budgetary Questions and the Chairman of the Committee for Programme and Co-ordination should receive the same treatment.

74. He asked the Committee to deal, either informally or formally, with the question of the scheduling of introductory statements at the beginning of the discussion of the proposed programme budget, so as to avoid a repetition of that sort of situation in the future.

75. The CHAIRMAN said that the necessary steps would be taken to avoid a repetition of the situation pointed out by the Belgian delegation.

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76. Mr. PIRSON (Belgium) explained that his statement was not intended as a criticism of the Secretary-General. He none the less felt that the morning's work could have been organized so that the Chairman of the Advisory Committee might have introduced the basic part of his report in the presence of the Secretary-General and reserved the more technical part for another time.

77. Mr. LAHLOU (Morocco) said that he did not agree that the Secretary-General had to remain in the room to listen to a particular statement, since an account of the statement could always be provided to him later by his associates. In his view, the important thing was for the Secretary-General to expound his views to the Committee and give due weight to the debate in a budget year.

78. The CHAIRMAN said that, if he heard no objection, he would review the issue raised by the representative of Belgium with a view to taking whatever steps were required.

79. It was so decided.

AGENDA ITEM 107: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/38/5/Add.1-3, Add.4 and Corr.1, Add.5 and Add.7; A/38/313 and Corr.1, A/38/433; A/C.5/38/L.3 and 4)

- (a) UNITED NATIONS DEVELOPMENT PROGRAMME
- (b) UNITED NATIONS CHILDREN'S FUND
- (c) UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST
- (d) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH
- (e) VOLUNTARY FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES
- (f) UNITED NATIONS FUND FOR POPULATION ACTIVITIES

80. Mr. ADACHI (United Nations Children's Fund) said that, on behalf of the Executive Director and the Deputy Executive Director for Operations of UNICEF, he wished to reply to the observations and comments made by various delegations regarding UNICEF.

81. First, with regard to the remarks by the United States delegation on budgetary control of the Greeting Card Operation (GCO), it should be recalled that it was a unique operation which represented a sizeable source of income for UNICEF, bringing benefits to millions of children in developing countries. Its sales and distribution costs were kept low because of the generous voluntary help it received from the National Committees for UNICEF and other groups.

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82. The Board of Auditors had recommended (A/38/5/Add.2, para. 40) with regard to the GCO that efforts should be made to distribute the authorizations earmarked as "other expenditure" to clearly identifiable objects and that the budget should be prepared on a more realistic basis. In fact, the heading "other expenditure" was an aggregate of identifiable objects of expenditure.

83. In May 1983, the Executive Board of UNICEF had approved a work plan for the GCO that more adequately reflected the commercial nature of the operation and, beginning with the 1983-1984 campaign year, would replace the existing non-appropriation budget. The plan was based on three sets of projections reflecting three alternative sales plans with three corresponding expenditure level estimates. The system would permit proper control over expenditures, which were to be geared to reasonable and realistic sales forecasts under given circumstances. In addition, a new commercial accounting system was being introduced by the GCO, under which every transaction that came under the heading "other expenditure" would be listed under the appropriate account, thus permitting better control of operations. Although the budget heading "other expenditure" would still remain, it would account for a much smaller proportion of the total budget. Hence the matters to which the Board of Auditors had drawn attention would be resolved.

84. In reply to the comments made by the United States, the Soviet Union and the Philippines, he pointed out that the UNICEF supply, procurement and shipping services were being consolidated at the Integrated Supply Centre in Copenhagen; as a result, a number of procedures were being re-examined, which included the redefinition of standardization concepts and review of the reordering process. In the course of that process, due consideration would be given to the recommendations of the auditors.

85. With regard to the specific case referred to in paragraph 25 of the report of the Board of Auditors (A/38/5/Add.2) he said that the supplies in question (hospital furniture) had been designed with the assistance of the supplier, with whom UNICEF had an agreement. UNICEF had also requested and obtained samples from other suppliers but they had proved to be of an unacceptable quality and unsuitable for use in a hospital environment. Subsequently, with assistance from consultants and after local facilities had been visited, new suppliers who could meet the required standard of quality had been found; accordingly, new bids had been sought in March 1983.

86. With respect to the comments made by the Soviet delegation concerning consultancy services, UNICEF agreed with the recommendation of the auditors (A/38/5/Add.2, paragraph 21) that the use of consultants by field offices should be adequately monitored by headquarters and their performance should be evaluated as appropriate. That subject had already been discussed in the Fifth Committee in 1981 and that same year administrative instruction No. 318 had been issued to improve the administrative control and monitoring of the use of consultants by UNICEF. As a result, the management of consultancy services had improved considerably, although there were still problems, for which corrective action was being taken. Furthermore, supervisors would be continuously reminded of the need to follow the relevant administrative instruction, and the new contract form for

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consultants contained a section in which the supervisor had to evaluate the performance of the consultant on completion of his assignment. Consideration was also being given to conducting in the early part of 1984 an overall analysis of the use of consultants during 1983.

87. Mr. ANDEMICAEL (External Relations Co-ordinator, United Nations Institute for Training and Research) said that since assuming his post in January 1985 the new Executive Director of UNITAR, Mr. Michel Doo Kingué, had been making intensive efforts to revitalize and reorient the Institute, replenish its resources through fund raising and improve the efficiency of its management. In his effort to reform the financial management and control system the Executive Director had found the recommendations of the Board of Directors extremely useful. As indicated in the relevant report (A/38/5/Add.4), the Executive Director had accepted those recommendations and had already taken corrective measures.

88. Mr. RALLIS (Greece), speaking on behalf of the States members of the European Community, proposed that a new paragraph should be added to draft resolution A/C.5/38/L.3, to read as follows: "Invites the governing bodies of the organizations concerned to consider, each year at their regular sessions, the remedial action taken by the respective executive heads in response to the comments and observations made by the Board of Auditors in its reports."

89. Mr. HOUNGAVOU (Benin) proposed the addition of a new paragraph to draft resolution A/C.5/38/L.3, to read as follows: "Requests the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions to study the problems relating to the use of experts and consultants by the agencies in project implementation in recipient countries."

90. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the proposal by the representative of Benin, said that the Advisory Committee normally dealt with experts and consultants engaged in ad hoc tasks. But the question of experts and consultants who were involved in executing projects was within the purview of the Governing Council of UNDP, which had considered several documents on the employment and conditions of service of such experts and consultants. He felt that, if the representative of Benin was requesting the Advisory Committee to conduct a thorough study, some problems might arise.

91. The CHAIRMAN asked whether the representative of Benin wished to press his proposal, particularly in view of the fact that, as the Chairman of the Advisory Committee had said, the proposed new paragraph referred to a question which was within the purview of UNDP.

92. Mr. HOUNGAVOU (Benin) said that he was well acquainted with the question which he had raised since he represented his country in the negotiations on project execution. He and other representatives of African countries with whom he had held consultations were concerned about the question of control over contracts, which, in his opinion, fell within the purview of the Advisory Committee and the Board of Auditors. The proposed new paragraph was intended to eliminate the taboos which

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existed in that regard. For example, when a consultant was shown to be incapable of carrying out the functions for which he had been hired, neither the recipient country nor the agency providing the financing could rescind the contract, which was an anomaly at a time when UNDP and other agencies were in need of funds. Accordingly, he intended to press his proposal.

93. The CHAIRMAN expressed the hope that delegations could meet and prepare a text on which a consensus could be achieved.

94. Mr. PIRSON (Belgium) said that the representative of Benin had referred to an important problem which the Second Committee had considered earlier, particularly the previous year. That problem was covered by agenda item 79, "Operational activities for development", which had been allocated to the Second Committee and which that Committee would consider and certainly discuss thoroughly in November. The representative of Benin could perhaps make his proposal in the Second Committee and, if he did not find the solution in that Committee to be entirely satisfactory, he could raise the question again in the Fifth Committee. The Fifth Committee intended to finish the consideration of agenda item 107 as soon as possible; nevertheless, there might be a procedure whereby the representative of Benin could make his proposal again, if necessary.

95. Mr. HOUNGAVOU (Benin) said that he personally thought that the suggestion made by the representative of Belgium was interesting, but, before giving a reply, he would have to hold consultations. At the next meeting he would be able to state his position in that regard.

#### OTHER MATTERS

96. The CHAIRMAN said that he had learned that Mr. Vrebos, the Senior President of the Court of Accounts of Belgium was intending to retire and also to resign as Chairman of the Board of Auditors. He therefore wished to thank him for his valuable contribution to the work of the Fifth Committee and extend to him his best wishes for personal happiness.

The meeting rose at 1.25 p.m.