



SUMMARY RECORD OF THE 9th MEETING

Chairman: Mr. SEKYE (Ghana)

later: Mr. MARVILLE (Barbados)

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

CONTENTS

ELECTION OF OFFICERS (continued)

AGENDA ITEM 106: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT (continued)

General Service staff of the United Nations and Geneva-based specialized agencies:
report of the Joint Inspection Unit (continued)

AGENDA ITEM 100: PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (continued)

Use of experts and consultants in the United Nations

Services provided by the United Nations to activities financed from extrabudgetary
resources (continued)

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The meeting was called to order at 10.35 a.m.

ELECTION OF OFFICERS (continued)

1. Mrs. TROCÓNIZ DE LEÓN (Venezuela) nominated Miss Doris Muck (Austria) for the office of Vice-Chairman.
2. Miss Muck (Austria) was elected Vice-Chairman by acclamation.
3. The CHAIRMAN said that the election of the Vice-Chairman had given rise to considerable difficulties regarding the quota of offices allocated to the various groups of States. Miss Muck of the Group of Western European and Other States had been elected on the strict understanding that her election would not affect the normal rotation of the offices of Chairman, Vice-Chairman and Rapporteur of the Committee in future years.

AGENDA ITEM 106: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT
(continued)

General Service staff of the United Nations and Geneva-based specialized agencies: report of the Joint Inspection Unit (continued) (A/32/327, A/33/7, paras. 43-47, A/33/129)

4. Mr. PICO DE COAÑA (Spain) said that he wished to make certain comments on the report of the Joint Inspection Unit (A/32/327), without prejudice to the opinions of his delegation on item 110 (Personnel questions). He shared the views expressed by the Advisory Committee in paragraphs 44 to 47 of its report (A/33/7) and agreed that the Secretary-General and the executive heads should take note of the recommendations made by JIU and should follow closely the progress made in various fields.
5. With regard to recommendation 1, his delegation believed that there should be co-ordination between the different organizations of the United Nations system, particularly in respect of the classification of posts. It would be useful, and would improve the structure of the classification, if the criteria applied to the selection of occupation groups, especially those located in one duty station, was established. Also, the wide variations in the number of grades, as indicated in table No. 2 of the JIU report, did not appear to be justified. He emphasised that General Service staff, wherever they were recruited, should know the language of the duty station in which they were employed.
6. With regard to recommendation 6, which proposed that the Geneva-based organizations should consider the possibility of creating a common recruitment service, he suggested that the views of the organizations concerned should be sought and that efforts should be made to avoid the undesirable multiplication of services.
7. Mr. CUNNINGHAM (United States of America) commended the Joint Inspection Unit on its report, which included a number of useful recommendations. His delegation agreed with the Assistant Secretary-General for Personnel Services that those recommendations should be examined from the standpoint of their cost-effectiveness.

(Mr. Cunningham, United States)

He looked forward to the comments of the International Civil Service Commission, since many of the recommendations contained in the report touched upon the Commission's responsibilities, and he would like to know whether the JIU report had been referred to ICSC.

8. His delegation supported the establishment, in so far as possible, of common occupational groups, in accordance with recommendation 1; table No. 1 showed that the vast majority of General Service staff members in Geneva performed duties common to all agencies, and the salaries of such staff members should therefore be equal. His delegation also supported recommendations 2 and 3, to the effect that the principle of local recruitment of staff should be strictly applied by all organizations, and recommendation 4, concerning a general examination of candidates for appointment. Paragraph 12 of the comments of the Administrative Committee on Co-ordination (A/33/129, annex) seemed to imply that applicants for the position of driver were not required to take a road test; he urged that, if such were the case, tests should be instituted.

9. He noted that the Geneva-based organizations did not favour the creation of a common recruitment service, as outlined in recommendation 6. A satisfactory - and less costly - alternative might be found in copying and circulating to all Geneva agencies the employment application forms received by each of those agencies. His delegation supported recommendation 9, on the employment of short-term staff, and suggested that organizations should also consider a regular system of borrowing staff on a reimbursable basis from other organizations that were not able to utilize their staff fully.

10. His delegation was in favour of the institution of part-time employment proposed in recommendation 12, since it would be of benefit to persons who, for family reasons, were unable to consider full-time employment and would assist organizations in reducing the unfortunate imbalance between men and women in the Professional category. It supported on similar grounds the system of flexible working hours proposed in recommendation 11, provided that proper controls were instituted. In that connexion, he noted from paragraph 100 of the report that working hours for United Nations staff in New York had been reduced to only 35 hours a week, and 37 1/2 hours during the General Assembly. While that was acceptable in the General Service category if, and only if, it accorded with local practice, it was not acceptable in the case of professional staff, since United Nations salaries in the Professional category were based on the United States Civil Service system, which required by statute a 40-hour week. He would welcome the Secretariat's comments on that matter.

11. With regard to recommendation 14, he pointed out that the institution of common units of measure between New York and Geneva, in respect of productivity, was not a new development, since the programme budget for the current biennium indicated that the conversion had already been made.

12. Where language training was concerned, he noted that the data on the number of students completing or failing to complete language courses were missing from table No. 10. His delegation was especially interested in the question of language

(Mr. Cunningham, United States)

training, which it considered to be particularly important in the United Nations because, if Member States, owing to deficiencies in the language services, were not able to exchange their views adequately, misunderstandings in relations between nations might result. He hoped that the Secretariat would explain why the table did not give the necessary data and that it would attempt to remove all obstacles to solving the problem.

13. Mr. AKASHI (Japan) said that the disparity in personnel policy of the specialized agencies in Geneva regarding General Service staff was a matter of concern to his delegation. It therefore welcomed the JIU report and unreservedly supported the vast majority of the recommendations, which it considered were all directed towards establishing a rational, effective and unified General Service system in Geneva. He expected that the prompt implementation of such recommendations as had not already been implemented would be seriously considered and reported to the Committee in due course. He believed that a number of the recommendations did not require submission to the International Civil Service Commission, and he hoped that the need to consult the Commission would not be advanced as an excuse for lack of action.

14. His delegation was not entirely convinced by the arguments of ACC in opposition to recommendation 6, concerning the establishment of a common recruitment service, or by its reasons for only partially accepting several other recommendations. His delegation noted the Assistant Secretary-General's comment that recommendation 15, concerning the use of modern office equipment, should be introduced subject to cost-effectiveness, and agreed that the implementation of recommendations 11 and 12, concerning flexible working hours and part-time work, should be contingent on the establishment of effective time-keeping controls.

15. His delegation attached particular importance to recommendation 10, concerning the need to stop promotion of General Service staff to the Professional category as a reward for long service. That practice was harmful to the cause of keeping P-1 and P-2 posts available for young professional staff members, and it also distorted the age structure and geographical balance of the Secretariat.

16. Mr. THOMAS (Trinidad and Tobago) said that the matters dealt with in the documents before the Committee could be divided into two categories: those relating to general personnel policy and those concerning managerial responsibilities and increased managerial supervision. His delegation was satisfied that all the recommendations were directed towards increased productivity and efficiency of the United Nations system and, even where they were not totally applicable to all organizations, it believed that they raised useful policy questions for the system as a whole.

17. He considered the establishment of common occupational groups advocated in recommendation 1 both useful and necessary, and was pleased that the Secretary-General agreed with the recommendation and that the Geneva organizations were proceeding in that direction. The Secretary-General's comments on the demarcation of occupational groups comments proposed by JIU did not seem to reflect any serious difference of opinion, and he was sure that the matter could be resolved by practical refinement.

(Mr. Thomas, Trinidad and Tobago)

18. With regard to recommendation 2, he supported the views of JIU on the clear-cut application of non-local status in recruitment policies, and suggested that JIU might have gone further by raising the related matter of the area of the Geneva duty station. He did not entirely accept the arguments put forward by the Secretary-General in support of relaxation of the rule and while noting with satisfaction that the Geneva organizations agreed that consideration should be given to changing the practice, he expressed the hope that positive action would also be taken towards that change. If certain exceptions were accepted, on the basis of the Organization's experience, it would be possible to draw up a short list of areas to which the exceptions would apply and to adhere to those, instead of leaving the question open.

19. With respect to recommendation 3, he saw no reason why the Secretary-General should have proposed restricting the task of certification to the Chief of Personnel, since only three days before the Controller, who could be assumed to be speaking on behalf of the Secretary-General, had urged that the Office of Financial Services should have a stronger role. In the interest of maintaining proper checks and balances in the system, his delegation would accept both certifications recommended by JIU.

20. He expressed satisfaction that the general examination for General Service candidates proposed in recommendation 4 had already been established; the examination certified the validity of qualifications and introduced an element of objectivity into selection, two practices which were essential in any recruitment policy, given the human considerations that were sometimes brought to bear on selection. His delegation was prepared to leave the adaptation of such examinations to the required conditions to the discretion of the Secretary-General and the executive heads of agencies. However, it recommended that the examination should be democratized, as far as possible, in terms of the areas of knowledge and cultural orientation demanded of candidates.

21. As for recommendations 5 and 6, he did not consider a common roster of candidates for General Service posts and a common recruitment service to be impractical. There was no reason why the systems could not be beneficially implemented in Geneva in a cost-effective way, but that would require the organizations to surrender their traditional rights of recruitment and subjectivity in selection.

22. With regard to recommendation 7, concerning promotion, his delegation believed that a minimum period of in-grade service was necessary but that the principle should not be applied with too much rigidity, since that would stifle initiative and encourage mediocrity in services where promotion was the only recognition of effort and performance. The JIU recommendation should be accepted as a basic criterion only, subject to other considerations. He was aware that many Governments had structured their foreign service on the basis of minimum in-grade service, but the recommendation could not be seen outside the context of a proper classification system, which would permit adequate mobility, career possibilities, promotion and career training and which, if evolved, would itself adjust to in-grade service requirements.

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(Mr. Thomas, Trinidad and Tobago)

23. Recommendation 8 advocated what was in essence a five-year probationary period, which he found too long, since it would foster instability and insecurity. Before pronouncing on the matter, however, his delegation would like to know the results of further consultations not only with programme managers but also with staff members themselves.

24. He joined the representative of Japan in supporting recommendation 10. The findings of JIU tended to support the observation that promotion of General Service staff to the Professional category was given as a reward for long service. The Secretary-General's assertion that that was not the case implied that the correlation between promotion and longevity was a remarkable coincidence. He wished to draw the Secretary-General's attention to the fact that recommendation 27 of the Administrative Management Service contained in document A/C.5/1601 had pointed to that very phenomenon, and the report on the composition of the Secretariat (A/33/176) indicated that a significant percentage of General Service staff promoted to the Professional category were persons aged from 49 to 59 years. Perhaps, to resolve the apparent disparity between the Secretary-General's views and those of JIU and AMS, the Secretariat might submit a list of the staff promoted from the General Service to the Professional category in the course of the previous two years, giving their qualifications at the time of promotion and their length of service.

25. He was not opposed to the experiment in flexible working hours proposed in recommendation 11, but believed that without the proper controls such a system could and would be abused and become counterproductive. Contrary to paragraph 26 of the ACC comments (A/33/129, annex), the introduction of the system in Geneva had not worked as well as expected and had not increased productivity. For that reason, he hesitated to support the recommendation and would favour further consultations.

26. With regard to the maximizing of resources proposed in recommendation 13, JIU might also have mentioned the redeployment of secretaries whose skills remained unused for long periods while their supervisors were away from the duty station at conferences. He was in agreement with the introduction of productivity standards and with the measures to improve cost-effectiveness proposed in recommendations 14 and 15. With respect to the latter, however, he was inclined to support the comments made by ACC concerning the balance to be observed between capital and labour costs.

27. His delegation was aware of the terms of reference of the International Civil Service Commission in respect of those organizations that had accepted its competence and hoped that, so far as the United Nations was concerned, the Commission would take the Fifth Committee's comments fully into account when dealing with the matters covered by the JIU report. The Committee's comments should be transmitted to the Secretary-General, in so far as they pertained to managerial improvement of the Organization. Finally, he wished to commend JIU for its comprehensive and constructive report.

28. Mr. PIRSON (Belgium) recalled that, in its resolution 31/193 B, the General Assembly had requested the Secretary-General to develop, in the course of 1977, job classification standards for the General Service category at Geneva and, based upon them, to introduce a job classification system, including a structure of occupational groups and a classification of posts. Despite assurances to the Fifth Committee at the thirty-second session that work on the classification was almost complete, nothing had happened. As confirmed in document A/32/327 and corroborated at the preceding meeting by Inspector Bertrand, there was still no logical job classification system in the United Nations Office at Geneva. It had been stated that the division of the General Service category into occupational groups was an essential prerequisite for planning surveys of local employment conditions, for comparing the results with conditions within the United Nations organizations and for introducing a sound job classification system. No such groups existed in the Office at Geneva.

29. A good post classification system was a key element for establishing a properly unified international civil service in which staff members could receive equal pay for equal work. At Geneva, a large number of jobs were classed at an abnormally high level. Yet no progress had been made on classification; indeed, the classification system was still being discussed with staff representatives. Such a situation could only cause very serious difficulties for the Administration with both the Professional and the General Service staff unless steps were taken without delay.

30. Since 1951, the difference between the average cost of a Professional staff member and that of a General Service staff member had been dramatically reduced. In 1977, the General Assembly had agreed to maintain existing salary levels for all General Service staff already serving at Geneva, although ICSC had found those levels to be definitely too high and in many cases the remuneration received bore no relation to the actual responsibilities of the staff members concerned. At present, net General Service salaries in Geneva ranged from \$18,000 to \$44,000.

31. The General Service category consisted of five levels in New York and seven at Geneva, and in many cases, comparable jobs had a higher classification at the latter duty station than at Headquarters. In addition, a far greater proportion of Geneva General Service staff were employed under the category "Miscellaneous" than was the case at Headquarters.

32. The situation was utterly abnormal, and could not continue. The Committee must establish time-limits for the implementation of the relevant resolutions of the General Assembly and of those JIU recommendations which it decided to adopt.

33. His delegation was prepared to state its views on the 17 recommendations made by JIU, but felt that it might be more appropriate to discuss them in a working group together with the representatives of JIU and of the Secretary-General. It was for the Committee to decide whether such a working group was desirable.

AGENDA ITEM 100: PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (continued)

Use of experts and consultants in the United Nations (A/C.5/33/3)

34. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) noted that there were no proposals in the Secretary-General's report (A/C.5/33/3) which would require additional appropriations for the biennium 1978-1979. The report contained information on appropriations for and expenditure on experts and consultants for the period 1969-1979, and on the implementation of the principles and guidelines laid down by the General Assembly on the use of outside expertise. It would be recalled that a similar report (A/C.5/32/7) had been submitted to the General Assembly at its thirty-second session and had been judged by both the Advisory Committee and the Fifth Committee to be an unsatisfactory response to the Assembly's requests to the Secretary-General. In the opinion of the Advisory Committee, the new report was also marred by a number of flaws. For example, the Secretary-General should have indicated more clearly in the report those problems which remain to be solved in order to comply with the Assembly's guidelines. In addition, the tables presented in the document did not enable the Committee to draw any meaningful conclusions, particularly because of the large number of experts, consultants and contractors listed in the various tables as "not recorded". The representatives of the Secretary-General had informed the Advisory Committee that the figures listed under that heading represented data that had not yet been analysed or processed for inclusion under other columns of the tables. It was not possible, moreover, to draw meaningful conclusions from a comparison of the tables presented in the report with the corresponding tables in document A/C.5/32/7. In some cases, it seemed that virtually no progress had been made in recording and processing data on outside expertise or in evaluating the work performed by experts, consultants and contractors.

35. The Committee had sought additional information from the representatives of the Secretary-General regarding compliance with the General Assembly's request to re-examine the 1978-1979 appropriation for outside expertise with a view to achieving savings in that area. The Advisory Committee had been informed in that connexion that only 90 per cent of the 1978 appropriation for experts and consultants had been allotted to the various departments using outside expertise. The Secretary-General had also informed the Advisory Committee of his intention to report to the General Assembly at its thirty-fourth session on the savings made. The Advisory Committee took note of the Secretary-General's intention and hoped that in 1979, as in 1978, he would allot only 90 per cent of the appropriation for that year, thereby ensuring a saving of at least 10 per cent.

36. In the view of the Advisory Committee, there was no need for the Fifth Committee to provide new guidelines for the Secretary-General at the current session. It might take note of the Secretary-General's report and request him to submit a further report on the matter at the thirty-fourth session, which would include information regarding the savings made from the 1978-1979 appropriation. The Secretary-General might also be asked to improve and refine the tabular material and statistical information provided in his report, and to provide specific information in concise form on progress achieved in implementing the principles and guidelines laid down by

the Assembly at its twenty-ninth session. If the Secretary-General encountered any problems in implementing those principles and guidelines, he should not hesitate to seek further clarification from the Fifth Committee, which would certainly assist him in that endeavour.

37. Mr. Marville (Barbados) took the Chair.

38. Mr. DAVIDSON (Under-Secretary-General for Administration and Management) recalled that the report of the Secretary-General (A/C.5/33/3) had been submitted in response to General Assembly resolutions 32/203 and 32/209. By the latter resolution, the Assembly had requested the Secretary-General to re-examine the proposed expenditure on experts and consultants in the 1978-1979 programme budget with a view to achieving over-all savings and to report thereon at the thirty-third session, and to ensure that no supplementary estimates were presented for expenditure on experts and consultants during the biennium 1978-1979. As indicated in paragraph 8 of the report, the Controller had requested all heads of departments and other units to review their requirements for experts and consultants in the period 1978-1979 with a view to achieving a saving of at least 10 per cent on the amount approved for the biennium. If successful, that effort would result in a saving over the two-year period of approximately \$1,250,000. Unfortunately, any savings that might be realized in that manner - and the Controller had already restructured 1978 allotments to 90 per cent of the normal allotment for experts and consultants for the year - would be largely, if not entirely, eaten up by exchange losses in Geneva and Vienna, where from one third to one half of all expenditure on experts and consultants was incurred. Since only one third of the biennium had elapsed at the time when the Secretary-General's report was being prepared, it had not been possible to include specific information on savings actually realized.

39. The Secretary-General had no plans to request additional funds for experts and consultants during the biennium but might be obliged at the end of the biennium to request provision for recurring exchange losses, since the decline in the value of the United States dollar vis-à-vis the Swiss franc and the Austrian schilling had already reduced by more than 25 per cent the amounts budgeted for the use of experts and consultants at those duty stations.

40. The main part of the Secretary-General's report dealt with the questions raised in General Assembly resolution 32/203, which had requested the Secretary-General to endeavour to eliminate certain deficiencies in the implementation of the principles and guidelines established at the twenty-ninth session relating to the employment of experts and consultants, and to submit detailed comparative data and an evaluation of the status of implementation of those principles and guidelines. In his report, the Secretary-General provided a comparative table of expenditure on experts and consultants over the period 1969-1979 (table A), showing that, while in dollar terms there had been a threefold to fourfold increase in annual expenditure for that purpose, when stated as a percentage of total budget costs there had been little change. The expenditure on experts and consultants for the biennia 1976-1977 and 1978-1979 amounted to 1.3 per cent of the total budget, or the same ratio as in 1970. In view of the sizable increases in dollar costs during the period in

(Mr. Davidson)

question owing to the decline of the United States dollar, it would be unrealistic to expect that, in actual dollar terms, the total annual expenditure on experts and consultants should remain at the levels of earlier years.

41. Paragraph 3 of the report recalled the principles and guidelines laid down by the Assembly, which had been set out by the Secretary-General in an administrative instruction (ST/AI/232) issued to all Secretariat units. Preliminary statistical and other information on the implementation of those principles and guidelines had been provided in the 1977 report (A/C.5/32/7) but, since the new system had been in effect for only part of the year when that report had been prepared, it had been possible to provide information only for the first six months of 1977. The report now before the Committee was therefore the first covering a full 12-month period, and it was only at the thirty-fourth session that the Secretary-General would be able to provide full comparative information relating to two one-year periods.

42. The Secretary-General agreed that the data contained in the report were incomplete and in many respects unsatisfactory. They were all based on submissions from departments and, while the procedures to be followed had been clearly outlined in the Secretary-General's administrative instruction, actual returns from departments were all too often incomplete, as could be seen from tables D and E. The Secretary-General was making every effort to eliminate both delays in the submission of material from the field offices and bottle-necks in processing the information received at Headquarters.

43. One major problem had been that many of the criteria and guidelines laid down by the Assembly required subjective judgements, and it was difficult to comply with them in a manner which lent itself to statistical presentation. For example, the principle that outside expertise should relate clearly to priority activities in the work programmes of the Organization required a subjective judgement on the part of department heads.

44. It seemed that members were concerned primarily about the use of consultants, and not of experts or contractors. It would be recalled that experts served in a personal capacity in ad hoc groups, usually established by resolutions of the General Assembly or its subsidiary bodies. Contractors were engaged to perform specific services for a stated all-inclusive fee, on either a complete or a piecework basis. Accordingly, the Committee might wish the Secretariat to narrow the focus of future reports to the use of consultants only. It might be more profitable, moreover, to concentrate in future reports on the major units of the Secretariat which used the largest number of consultants. Like CPC, the Committee might scrutinize the use of consultants by different units each year on a rotating basis.

45. The Secretariat was still groping to find a way to deal effectively with the problems entailed in the use of experts and consultants in the United Nations. The Secretary-General wished to provide all the details required by the General Assembly to enable it to take decisions, and he agreed with many of the points raised by the Chairman of the Advisory Committee. The Secretary-General was aware of the

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problems which remained and had drawn attention in his report to a number of difficulties encountered in providing information. For example, the fact that the duration of many contracts exceeded six months was somewhat misleading, because that category included "from time to time" contracts concluded, for instance, with freelance translators. The Secretariat would, of course, continue its efforts to improve the quality of information provided in future reports and the manner in which it was presented.

Services provided by the United Nations to activities financed from extrabudgetary resources (continued) (A/32/8/Add.9; A/C.5/31/33 and Corr.1, A/C.5/32/29)

46. Mr. NAGGAGA (Uganda) said his delegation realized that it was not easy to devise a system of reimbursement within the United Nations system that would be equitable to all, and it was not unduly alarmed, since the situation was an internal one affecting members of the same family engaged in complementary activities. What was needed was not a mathematical approach to reimbursement involving precise figures and percentages, but a simpler formula which, if not an entirely accurate reflection of the flow of services in both directions, was still fair.

47. His delegation wished to emphasize the importance it attached to services provided by the United Nations to activities funded from extrabudgetary resources and to commend the co-operation between the United Nations and its agencies, particularly UNDP. Given the additional responsibilities entrusted to UNDP as a result of the Conference on Technical Co-operation among Developing Countries, his delegation hoped that, although the reimbursement question still had to be resolved, progress in the field of technical co-operation would not be jeopardized.

48. Mr. AKASHI (Japan) noted that it was difficult in practice to establish a clear demarcation line between regular budget activities and activities which should appropriately be financed by extrabudgetary funds. His delegation felt that very valuable efforts had been made over the years to calculate the distribution of the costs involved, but agreed with the Secretary-General that whether or not the reimbursement was "equitable" was a question which might ultimately be answered in political rather than cost-accounting terms.

49. With regard to the services provided by the United Nations in support of the administrative structure of extrabudgetary activities, his delegation accepted the Secretary-General's suggestion that an intermediate solution based on the principle of adequate compensation was the most realistic one. He was pleased to hear that progress had been made in analysing clearly identifiable additional costs and in establishing a basis for cost sharing, and hoped that that exercise would be completed in the near future. His delegation entirely agreed with the Advisory Committee's admonition against an over-elaborate exercise. Reimbursement by extrabudgetary activities of all costs incurred on their behalf by the United Nations, together with reimbursement by the United Nations of the costs of services incurred on its behalf by extrabudgetary activities, would be extremely cumbersome and was likely to be disadvantageous to the regular budget. It would be useful, nevertheless, to have a clearer basis for cost sharing, in order to avoid a recurrence of the kind of situation described in document A/C.5/31/33, paragraph 33.

(Mr. Akashi, Japan)

50. With respect to services in support of technical co-operation programmes, the United Nations, as an executing agency for UNDP projects, shared a similar concern with the specialized agencies. The 14 per cent reimbursement formula for overhead expenses, including the costs of project formulation and non-technical backstopping, would have to be maintained until a better method of apportioning the expenses between UNDP and the executing agencies was devised. His delegation agreed with the Advisory Committee that the relationship between UNDP, on the one hand, and the United Nations and other executing agencies, on the other, was one of partnership, unlike commercial contractual relationships. While the existing reimbursement formula was acceptable to his delegation, it was opposed to subsidization by the regular budget of technical assistance beyond the existing ratio. Furthermore, an over-sophisticated system of cost allocation might not be worth the trouble. Subject to those reservations, his delegation was not averse to the development of a more equitable and practical method of calculating support costs on the basis of the JIU recommendations, the views of UNDP and ACC and the deliberations in the Intergovernmental Working Group on Support Costs and in the UNDP Governing Council. The forthcoming report of ACABQ on that subject should prove very useful to the Fifth Committee.

51. As to services in support of substantive activities financed by extrabudgetary funds, his delegation understood that the Secretary-General recommended that the 14 per cent reimbursement formula should not apply to activities funded by the sources established by the General Assembly, but only to the trust funds established by the Secretary-General. His delegation agreed with the Advisory Committee that there was some ambiguity in that distinction, and reserved its views on the question, except to state that a flat 14 per cent formula would be excessive and unjustified in a number of cases where the services provided by the United Nations were minimal or did not comprise non-technical substantive backstopping. That 14 per cent charge might tend to drive away potential donors from the United Nations. It would be desirable, therefore, to re-examine the practice of a flat rate for trust funds in order to be able to meet a variety of programme support requirements on a case-by-case basis.

52. Mr. ANDERSSON (Sweden), speaking on behalf of the delegations of Denmark, Finland, Iceland, Norway and Sweden, said that important developments had taken place since the thirty-second session. The Intergovernmental Working Group on Support Costs had met twice and its work was progressing satisfactorily. The Administrator of UNDP had been requested by the Working Group to recommend a modified reimbursement formula on the basis of certain criteria agreed on by the Group. The Administrator was undertaking that task in close collaboration with the executing agencies, within the framework of ACC, and the new formula was to be presented to the Working Group at its January 1979 session. The report of the Secretary-General in document A/C.5/32/29 therefore seemed to have been overtaken by events, and it would not be appropriate to suggest further criteria to assist the Working Group in discharging its mandate. The Fifth Committee should allow the Group to finish its work, and the item should be deferred to the thirty-fourth session, when the Working Group's recommendations could be discussed.

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53. Mrs. DERRÉ (France) said that substantive activities financed by extrabudgetary resources should be supported by voluntary contributions. The staff for such activities should not be paid from the regular budget.

54. The Secretariat should have prepared a note informing delegations of a number of important developments concerning the search for a new system for agency support costs. Not enough information was available on the JIU report, which had differentiated between two categories of services in support of technical co-operation programmes: programme support services and project support services. That report, which was not intended solely for UNDP, reflected JIU's new approach. More information could also have been provided on UNDP's relationships with ACC. The recommendations of the UNDP Governing Council in respect of agency support costs would be relevant not only to UNDP but also to UNICEF, to the numerous trust funds and to the specialized agencies. The Fifth Committee appeared to have been focusing on a small part of an extremely broad and complex question.

55. Her delegation had no objection to awaiting the recommendations of the Intergovernmental Working Group on Support Costs, which should be reviewed by the General Assembly. In the meantime, the 14 per cent formula should continue to be used. However, that formula certainly did not reflect the reality of the situation, and actual expenses were probably much higher.

56. It was important always to bear in mind that attempts should be made not only to identify what were actual administrative expenses and what were programme support costs, but also to reduce costs in general.

57. Mr. MAJOLI (Italy) said that UNITAR performed services which were of direct benefit to the United Nations, such as the organization of training courses. His delegation was therefore considering suggesting that the United Nations should subsidize some of those substantive services.

The meeting rose at 1 p.m.