



SUMMARY RECORD OF THE 70th MEETING

Chairman: Mr. KOBINA SEKYI (Ghana)
later: Ms. MUCK (Austria)

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

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The meeting was called to order at 3 p.m.

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

Performance report (A/33/7/Add.26; A/C.5/33/25 and Rev.1)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the new format of the performance report contained in document A/C.5/33/25/Rev.1 had been adopted by the Secretary-General in response to a recommendation of the Advisory Committee, endorsed by the General Assembly at the thirty-second session, that the first performance report in a biennium should be limited to requests to cover the impact of inflation, variations in exchange rates and the decisions of policy-making organs, the implementation of which could not be deferred to the following biennium.
2. The Advisory Committee, after making a number of observations in its report (A/33/7/Add.26), was recommending approval of the Secretary-General's request for additional appropriations in the amount of \$77,729,000 gross or \$62,246,600 net. He wished, however, to draw attention to a number of paragraphs in the Advisory Committee's report which might be of particular interest to the Committee. In paragraph 4, for example, the Advisory Committee had indicated that it had been informed that the rate of inflation in New York had been higher than the rate assumed when the programme budget for 1978-1979 had been prepared, while with regard to Geneva the opposite had been the case. The Secretary-General was, nevertheless, not requesting any additional resources to cover the higher rate of inflation in New York; such requirements as might arise would be reflected in the final performance report to be submitted to the thirty-fourth session. With respect to Geneva, however, it was not possible at the current stage to state with certainty that savings would in fact arise from the lower rate of inflation, particularly in view of the higher value of the Swiss franc vis-à-vis the United States dollar.
3. Paragraphs 7 and 8 of the Advisory Committee's report dealt with the rate of exchange used by the Secretary-General in calculating the additional requirements for 1979. It would be noted that in his original performance report (A/C.5/33/25), the Secretary-General had calculated the requirements for 1979 on the basis of an exchange rate of 1.63 Swiss francs to the dollar. On the basis of that rate, the additional requirements attributable to fluctuations in exchange rates would amount to \$84.6 million gross. If, however, the latest operational exchange rates for January 1979 were used, the additional requirements would exceed \$84.6 million. However, as the Advisory Committee had pointed out in paragraph 8 of its report, currency instability was a phenomenon which was difficult to forecast with any degree of accuracy and it therefore recommended that the December 1978 rates should be used for calculating the additional requirements attributable to changes in exchange rates.
4. The question of the relocation of UNRWA headquarters from Beirut to Vienna was discussed in paragraphs 12 and 13 of the Advisory Committee's report and the requirements for the Joint Staff Pension Fund were covered in paragraphs 16 to 19.

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(Mr. Mselle)

In that connexion, he referred the Committee for further information to the Advisory Committee's main report on the pension system in document A/33/375.

5. Mr. PIRSON (Belgium) requested more information on how the additional requirements for Geneva had been calculated in document A/C.5/33/25/Rev.1. For example, it seemed from the table in annex 1 that the total appropriations for the Economic Commission for Europe approved in 1978 had been adjusted to reflect exchange rate fluctuations for the Swiss franc. However, not all the Commission's expenditure was affected by exchange rate variations for the Swiss franc since not all expenditure was made in that currency. The same method appeared to have been used to adjust all appropriations approved for Geneva, and he sought confirmation as to whether his understanding of the situation was correct.

6. He noted that in annex 1 of the performance report an amount of approximately \$790.3 thousand was requested under the heading of miscellaneous expenses (sect. 22 K), while in annex 2 it was indicated that that amount represented losses on exchange rates. However, according to the statement in paragraph 3, the first performance report covered only the more significant variations in initially assumed rates of inflation and exchange. He, nevertheless, had the impression that the Secretariat had carefully calculated all losses on exchange rates likely to be incurred, and he asked whether that had in fact been the case.

7. His delegation understood that the table in annex 1 represented primarily additional expenditure resulting from exchange rate changes in Geneva and a rate of inflation in Latin America greater than that projected. He recalled that at the preceding meeting he had requested a full statement of additional appropriations which the Secretary-General had already requested or intended to request. The additional appropriations for the biennium would amount to approximately \$77 million, and that figure was quite high in view of the fact that the budget had been prepared in accordance with the principles of full budgeting. The additional appropriations represented approximately 8 per cent of the original appropriations approved, and it was necessary to compare the totality of appropriations that had been or would be approved for the current biennium with those for the biennium 1976-1977 in order to obtain a clear picture of the increase in the Organization's expenditure.

8. He noted that the representatives of the Secretary-General had informed the Advisory Committee that the savings attributable to a lower rate of inflation than accounted for in the budgeting had been greatly exceeded by the additional requirements caused by the increased value of the Swiss franc in relation to the US dollar (A/33/7/Add.26, para. 4). He was under the impression that the additional estimates reflected the appreciation of the Swiss franc in relation to the US dollar but not the lower-than-expected rate of inflation in Geneva. The original appropriations had been based on the assumption that the rate of inflation in Switzerland would be approximately 3 per cent for the two years of the biennium, while, in fact, inflation had been running at only 1 per cent. His delegation therefore wished to know what adjustments had been made in the estimates to take that fact into account.

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(Mr. Pirson, Belgium)

9. Lastly, he noted that the Committee was being asked to approve additional expenditure of approximately \$1 million relating to the transfer of UNRWA to Vienna. It should be recalled in that connexion that the General Assembly had adopted a resolution earlier in the session expressing its regret over the transfer of a part of the UNRWA headquarters outside the area of its activity. His delegation wished to know who, apart from the Commissioner-General of UNRWA, had decided to authorize the transfer to Vienna.

10. The CHAIRMAN recalled that a similar question relating to the transfer of UNRWA to Vienna had been asked at a previous meeting by the representative of the Soviet Union (see A/C.5/33/SR.62) and had been answered by the Under-Secretary-General for Administration and Management (see A/C.5/33/SR.63).

11. Mr. PIRSON (Belgium) said that he had asked the question once again because, in the view of his delegation, there had been a certain amount of fuzziness in the reply provided by the Under-Secretary-General. His delegation would prefer to have a more straightforward answer.

Revised estimates under section 13B, Habitat - Human Settlements (continued)
(A/33/7/Add.23; A/C.5/33/63 and Add.1)

Transfer of posts and activities to the United Nations Centre for Human Settlements (continued) (A/33/7/Add.23; A/C.5/33/29)

12. Mr. SCHMIDT (Federal Republic of Germany) said that, while the question of the so-called missing posts was obviously an example of administrative juggling, his delegation would hesitate to interpret it in the context of a competition between duty stations or between the developed and the developing countries. Such an approach was not at all helpful, and the Committee should base its decision solely on the demonstrated facts and the real requirements of the Centre for Human Settlements (Habitat). In the view of his delegation, the recommendation of the Advisory Committee was on the generous side, given the fact that Habitat was a new administrative unit whose current resources were meagre and whose future resource situation was uncertain. In the circumstances, there was a need for caution in the matter of staffing. While his delegation would have preferred it if the Advisory Committee had scrutinized more closely the staffing requirements of Habitat, it was prepared to support the recommendations contained in document A/33/7/Add.23. He wished to stress that the question was not political in nature, as had been suggested by some, but rather financial.

13. Mr. ABANKWA (Ghana) said that his delegation shared the concern expressed by the representative of Kenya and others over the fact that some individual staff members were able to decide in which duty station they would serve. On a previous occasion his delegation had questioned why it was so difficult for the Economic Commission for Africa to fill vacancies, while candidates for vacancies at other duty stations never seemed to be lacking. His delegation had been surprised that 51 posts which had been included in the original total for transfer had come to be regarded as no longer available just after the decision had been taken to establish the headquarters of Habitat in Africa. The Secretary-General had attempted to

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(Mr. Abankwa, Ghana)

explain away the situation, but the explanations provided were unacceptable to his delegation. For example, with regard to the argument that some of the posts which had been earmarked for transfer could not be transferred because they did not deal solely with human settlements affairs, his delegation felt that, since some of the work done by the incumbents of those posts was to be assumed by the Centre in Nairobi, at least an acceptable proportion of the posts should have been transferred along with the duties. There was genuine concern in the Committee over the attempts of staff members to avoid assignments to certain duty stations, and that had been the main reason for including an operative paragraph in the resolution on personnel questions requiring staff members to accept transfers to other duty stations. One of the cardinal aims of the United Nations was to help the developing countries to develop, and that aim would be difficult to achieve if staff members were allowed to avoid postings to developing countries. Such an attitude on the part of some staff members should not be allowed to continue, and his delegation was therefore prepared to participate in the search for a solution to the problem.

14. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) recalled that the Secretary-General, in his report to the thirty-first session (A/31/156/Add.2) had indicated that 211 posts might be available for redeployment to the Centre for Human Settlements. That total represented 85 posts from the United Nations Habitat and Human Settlements Foundation, 4 extrabudgetary posts from UNEP, 49 regular budget posts and 24 extrabudgetary posts from the Centre for Housing, Building and Planning of the former Department of Economic and Social Affairs (ESA), 12 substantive posts from other areas in ESA, 10 regular budget posts from the former Office of Technical Co-operation (OTC) and 27 regular-budget posts from the regional economic commissions.

15. In his report to the thirty-second session (A/C.5/32/91), the Secretary-General had indicated that, after a more thorough examination of the situation, the number of posts which could be redeployed was 168, or 43 less than the original estimate. In response to a request by the Advisory Committee for a fuller explanation of the reduction, the Secretary-General had submitted a special report in document A/C.5/33/29. With regard to the posts in UNEP originally earmarked for transfer, he pointed out that even when the initial forecast had been made, it had been clearly indicated that UNEP would require the posts to exercise its continuing responsibilities for the environmental aspects and consequences of human settlements planning. Subsequent to the issue of the Secretary-General's initial report, further consultations have been held with the Executive Director of UNEP on that matter and it had been agreed that, given the added responsibilities which the Environment Programme would be required to assume, not more than two posts (one Professional and one General Service) could be redeployed to Habitat. With regard to the posts from OTC, it was the policy of the Secretary-General, which had been endorsed by the Advisory Committee and the General Assembly, that resources from the reimbursement of support activities for technical co-operation should be used in the first instance for the direct support of such activities, and, accordingly, the Secretary-General was proposing to provide extrabudgetary resources rather than

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(Mr. Debatin)

established posts to Habitat. There was still a difference of two posts, however, and, as he had indicated at the preceding meeting, there was a possibility of increasing the number of posts in Habitat at a later stage depending on project delivery of technical co-operation activities in the human settlements field. In that connexion, he stressed that an actual increase in programme delivery would depend on the effectiveness of the Centre in executing its projects in 1979 and thereafter.

16. Twelve posts had been indicated as available for redeployment from the Department of Economic and Social Affairs over and above the total of 73 posts from the Centre for Housing, Building and Planning. All the posts from that Centre were being transferred to the Centre for Human Settlements. The 12 posts in question were not specific posts which had been identified as transferable, but rather elements of work output which had been estimated to amount to the equivalent of 12 posts. What had been measured was the work output of posts which could not be transferred since they were not exclusively related to matters now handled by the Centre for Human Settlements. Admittedly, greater care should have been taken, but the situation had resulted from the particular way in which resource deployment had been calculated and had nothing to do with any refusal to transfer the posts at issue to Nairobi.

17. The Department of Economic and Social Affairs had ceased to exist pursuant to General Assembly resolution 32/197. No functions relating to human settlements had been retained in either of the new departments to which the resources of the Department of Economic and Social Affairs had been redeployed.

18. The remaining 27 posts out of the 43 described as missing had been postulated in 1977 on the assumption that the human settlements activities of the regional commissions would be taken over by the new institutional entity. General Assembly resolution 32/162 had proved that assumption to be erroneous. Accordingly, it was action by the General Assembly, not by the Secretary-General, which had brought about the deletion of the provision in question. That General Assembly action had been reinforced by resolution 32/197, which called specifically for extensive decentralization of activities in the economic and social sectors.

19. Questions had been raised concerning the 85 posts presumed to be available from the United Nations Habitat and Human Settlements Foundation. In 1976, the Foundation had been expected to become operational on a very large scale in the near future. As was well known, that had not happened, and prospects for the Foundation were bleak. The staffing resources available to it amounted to 23 posts, which had been approved by the General Assembly until June 1979 pending the relevant decisions by the Commission on Human Settlements regarding the future of the Foundation. It was hoped that when those decisions were taken, the climate for the future development of the Foundation would become more favourable.

20. It was important that the question of the resources necessary for the effective operation of the Centre for Human Settlements should be kept separate from the question why the initial estimate of available resources had been overstated. The

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first question was one to be decided on by the General Assembly, and the Secretary-General considered that the resources requested in document A/C.5/33/63 should be sufficient for the initial stages of the Centre's activity in 1979. As to the second question, it was hoped that the doubts forcefully expressed by the Committee regarding the Secretary-General's reasons for the reduction in the estimates of available resources had now been allayed.

21. Mr. MARVILLE (Barbados) said that his delegation was grateful to the Advisory Committee for its analysis of the issues involved, but was concerned at the various explanations of the disappearance of posts. On a previous occasion, when his delegation had remarked on the disappearance of the 43 posts, it had been informed by the Under-Secretary-General for Administration and Management that he did not understand what disappearance was being referred to. At that time, the representative of Japan, who was also of the opinion that the posts were missing, had even mentioned the possible creation of an international search party. The Barbadian delegation was convinced, however, that while such a search would reveal 43 persons, it would be impossible to find the posts. What appeared to have taken place was a carefully controlled feat of legerdemain in which posts had been converted to persons and then shown to be identifiable only as work-months. What had followed was not a discussion on how to reconvert those work-months into persons and ultimately identifiable posts, but the tabling of a request, on the basis of the unconvincing explanation found in paragraphs 6 to 9 of document A/C.5/33/29, for posts to replace the missing posts. The Advisory Committee had therefore been faced not with the initial problem of determining the fate of the old posts, but of deciding what portion of the Secretary-General's request for new posts was acceptable. In normal circumstances, his delegation would have been totally behind the Advisory Committee. In the present circumstances, it was not in agreement with the conclusions reached by that Committee, and was obliged to offer its sympathy in what seemed to have been a particularly trying affair.

22. Paragraph 7 of document A/C.5/33/29 recalled that the former Department of Economic and Social Affairs had stated that the reference to eight (Professional) posts in its proposal submitted at Vancouver should be taken to mean an expression in terms of departmental input of approximately 100 work-months. The paragraph contained the specious argument that that Department regarded the 100 work-months as a composite of time devoted by staff members representing various percentages of their total time. Unless one was referring to exceptionally highly specialized functions, nothing like those of economists, administrators and the like, it would seem to his delegation that it would be possible to reconvert the 100 work-months into eight individuals. However, a point made by the Under-Secretary-General for Administration and Management on another occasion might be of particular relevance, namely the fact that personal/family reasons might also be factors determining who went where. One was tempted to ask what happened now to the 100 work-months, whether they became redundant or became that additional time in which whatever had to be done was done.

23. His delegation's prime concern was that the Centre for Human Settlements should be able to satisfy the developmental needs for which it had been established. While

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(Mr. Marville, Barbados)

reiterating its displeasure at the continued creation of new empires at United Nations Headquarters, his delegation considered that it would be advisable to approve the request of the Executive Director of the Centre as contained in the Secretary-General's proposal. His delegation sympathized with the Advisory Committee's approach to the question of the liaison office, but was convinced that, without a suitably high level of representation in New York, the Centre was not likely to have its case properly heard in those New York-based organs where that was necessary. The Secretary-General's proposal should therefore be supported.

24. Mr. OKEYO (Kenya) said that although his delegation appreciated the Controller's attempt to answer questions raised in connexion with the 43 missing posts, it felt, with due respect to the Controller, that the crucial questions remained unanswered. It was difficult for his delegation to admit that an organization of the stature of the United Nations would make certain commitments on paper, only to claim subsequently that a mistake had been made and that the posts in question did not exist. Kenya did not accept the explanation offered and would continue to follow up the issue. It was convinced that the issue was political and had arisen as a result of the failed attempt to have the Centre for Human Settlements established in New York.

25. His delegation and the Indian delegation wished to propose formally that the Committee should vote on the estimates submitted by the Secretary-General, including the appropriations for the New York liaison office, rather than vote on the Advisory Committee's recommendations.

26. Mr. CUNNINGHAM (United States of America) said that the Controller had not replied to a question put by his delegation at the previous meeting. Paragraph 5 of document A/33/7/Add.23 indicated that the actual staffing resources available to the United Nations Habitat and Human Settlements Foundation amounted to 23 posts, not the 85 extrabudgetary posts shown in annex II to document A/C.5/33/29 as belonging to the Foundation. His delegation's question was whether the Secretary-General's request for supporting staff in document A/C.5/33/63 was based on the total of 168 posts, including the 85 extrabudgetary posts, or whether it was based on the 106 posts - i.e. only those posts which could actually be funded. The point of the question was that if there were posts which could not be funded, it was pointless for the General Assembly to provide supporting staff for them.

27. Mr. DEBATIN (Assistant Secretary-General for Financial Services, Controller) said it was absolutely true that the number of supporting staff must be related to the number of staff working on the substantive programme. There were, however, two observations to be made in the case under consideration. First, there was the question of general administrative overheads. Because a provision for overheads always had to be made, there could be no rigid numerical ratio for the two categories of staff. Secondly, though at the moment only 106 posts were envisaged, it was hoped that the original target would be met in due course.

28. He would not attempt to reply to the representative of Kenya. It should be noted, however, that the transfer of some unit, such as the Budget Division, would not necessarily entail the transfer of all the posts in that unit.

29. The CHAIRMAN said that the question of conflicting reports by the Secretary-General should be viewed in the over-all context of the relationship between the Secretary-General and the Fifth Committee. The Secretary-General must be made aware that the Fifth Committee could not accept a situation in which one report attempted to deny the contents of a previous report.

30. Mr. WILLIAMS (Panama) said he was concerned at the fact that a long debate was being initiated because of a possible error of calculation. The Advisory Committee was recommending the approval of posts for the Centre for Human Settlements which would enable it to pursue its activities and contribute to the solution of the many problems facing the developing countries. Time was extremely valuable, and if a long debate was initiated on questions which could be solved in due course, there was the danger that the Committee might not complete its programme of work. If it was shown subsequently that the Centre needed the 43 missing posts or any additional number of posts, the relevant request could be made in the programme budget proposals for 1980-1981. The Committee should take a decision on the Advisory Committee's recommendations and proceed to other items.

31. Mr. IYER (India) said that the Kenyan and Indian delegations had proposed that a vote should be taken on the additional appropriation of \$994,000 requested by the Secretary-General, rather than on the Advisory Committee's recommendations. The proposal had nothing to do with the 43 missing posts or any such bygone matters.

32. Mr. KEMAL (Pakistan) said that his delegation had consistently supported resolutions aimed at transferring various Secretariat units to Kenya and strengthening the role of Nairobi as one of the United Nations headquarters cities. As his delegation understood the role of the Advisory Committee, that Committee was supposed to respond to specific requests by the Secretary-General. It had been obliged to address itself directly to the Secretary-General's request for the 36 posts and the related appropriations and to deal with the request on its merits. In considering the request, it had not been influenced by the question of the 43 missing posts, and was recommending approval of approximately 80 per cent of the 36 posts. In some cases, it recommended a smaller percentage, so its present recommendation, based purely on merit, was clearly very reasonable.

33. Obviously, however, there was a political problem involved, and his delegation did sympathize with the Kenyan delegation. It should be accepted, though, that some of the posts requested had priority over others and that the four posts requested for the New York liaison office were not in the same category as those requested for the Centre in Nairobi. The delayed-recruitment factor should also be borne in mind. That was purely a technical matter resulting from the fact that it was impossible for the Secretariat to recruit immediately those required to fill posts approved. The General Assembly had often insisted that the recruitment procedures should give all Member States an opportunity to propose candidates. That took time. He would therefore urge the Kenyan and Indian delegations to accept the Advisory Committee's recommendations relating to the liaison office and the delayed-recruitment factor, which would make it easier for other delegations to support the Kenyan-Indian proposal.

34. Mr. PEDERSEN (Canada) associated his delegation with the remarks made by the representative of Pakistan.
35. Mr. OKEYO (Kenya) said that he had discussed the issue of the liaison office in New York with other delegations and concluded that his delegation could not accept the recommendations of ACABQ in that regard. There were wider political issues at stake. The Secretary-General should be given all the resources he requested for the new Centre. His delegation would be prepared to accept, however, the application of a 10-per-cent delayed-recruitment factor.
36. Mr. CUMINGHAM (United States of America), speaking on a point of order, observed that the Chairman of ACABQ had introduced a report on the item currently before the Committee. The Committee should proceed to deal with that first, before taking up proposals made during the course of the discussion.
37. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) emphasized that it was established practice in the Committee to take up proposals in the order they were submitted. The Chairman of the Advisory Committee had opened the debate by introducing the report of his Committee, containing specific recommendations. The Committee should deal with those recommendations first, before considering proposals made in the course of the discussion.
38. Mr. KOUYATE (Guinea) said that he did not like to see delegations using procedural devices to pursue substantive ends.
39. Mr. CUNNINGHAM (United States of America) said that his delegation was not trying to achieve an objective by means of a procedural device. The delegations of Kenya and India wanted, in effect, to put the Secretary-General's proposals to the vote before the Committee had taken a decision on the recommendations made by ACABQ. Normal procedure in the Fifth Committee was that recommendations by ACABQ modifying the Secretary-General's proposals were taken first; that procedure should be followed in the present case. If delegations wished to set aside the recommendations of ACABQ and to take a decision on the Secretary-General's proposals, they should introduce a motion to that effect.
40. The CHAIRMAN said that, in his view, the Kenyan and Indian delegations had adopted the Secretary-General's proposals as their own. In his experience, normal practice in the Fifth Committee was to take recommendations by ACABQ first except when there was a formal motion from the floor, which then took precedence. He had followed that procedure throughout the current session; unless he heard any formal objections, he would continue to do so.
41. Mr. PIRSON (Belgium) indicated that he was satisfied with the procedure outlined by the Chairman.
42. He sympathized with the delegations of Kenya and India: it was intolerable that some of the posts promised for the new Centre in Nairobi should not have been transferred because the incumbents were reluctant to move. But it would be a dangerous step to create yet more posts within the Organization for that reason alone. His delegation would therefore be unable to vote in favour of the Kenyan-Indian proposal.

43. Mr. ALVAR (Secretary of the Committee) stated that if the Committee adopted the proposal by the delegations of Kenya and India - namely, to approve the estimates proposed by the Secretary-General, except that, as recommended by the Advisory Committee, a higher delayed-recruitment factor should be applied - it would entail an additional appropriation of \$902,000 under section 13B of the programme budget for the biennium 1978-1979, as well as an additional appropriation of \$176,000 for staff assessment under section 25, to be offset by the same amount under income section 1.

44. Mr. PALAMARCHUK (Union of Soviet Socialist Republics), speaking in explanation of vote before the vote, reminded members that the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies had recommended that additional activities undertaken by the United Nations should be financed by the redeployment of resources within the approved budget. His delegation regretted that the Secretary-General was calling for additional resources rather than transferring resources already available to the new Centre, and regretted also that the Secretariat did not see fit to observe the recommendations made by the Ad Hoc Committee of Experts. It was firmly of the opinion that additional activities approved during a budget period should be financed from existing appropriations.

45. It was a point of principle with his delegation that there should be no increase in United Nations staff; rather, more effective use should be made of the personnel already working for the Organization. Since the proposal by the delegations of Kenya and India called for additional resources during the biennium 1978-1979, chiefly for the recruitment of new staff, the Soviet delegation would be unable to support it.

46. Mr. GREEN (New Zealand) observed that the estimated cost of the Kenyan-Indian proposal as read out by the Committee Secretary appeared to include a provision for rental and maintenance of premises in New York which ACABQ considered unnecessary. He suggested that the corresponding amount should be deducted from the estimate, since that would not affect the thrust of the Kenyan-Indian proposal.

47. The CHAIRMAN said that, as the Committee had embarked upon explanations of vote before the vote, he would not entertain further proposals and amendments such as that just made by the representative of New Zealand.

48. Mr. CUNNINGHAM (United States of America) said that his delegation had serious reservations about the recommendations made by ACABQ, with regard both to the advisability of establishing a separate staff for the Habitat Centre and to the number of administrative personnel requested. Despite its reservations, it would have been prepared to go along with the ACABQ recommendations; but it clearly could not support the Secretary-General's original proposals, which it considered to be excessive and unwarranted.

49. Mr. AKASHI (Japan) said his delegation had already indicated that it would accept the recommendations of ACABQ with some reluctance, as it believed that a redeployment of existing resources was all that was required. Until satisfactory

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(Mr. Akashi, Japan)

answers had been provided by the Secretariat to the many questions asked by delegations, it would be premature to give unequivocal approval to all the Secretary-General's requests for additional resources. Accordingly, his delegation would vote against the Kenyan-Indian proposal.

50. At the request of the representative of Kenya, a recorded vote was taken on the Kenyan-Indian proposal.

In favour: Afghanistan, Algeria, Argentina, Austria, Bahamas, Bangladesh, Barbados, Benin, Brazil, Canada, Cape Verde, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Ecuador, Egypt, Ethiopia, Finland, Ghana, Guinea, Guinea-Bissau, Haiti, India, Indonesia, Iraq, Ireland, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Liberia, Libyan Arab Jamahiriya, Madagascar, Mali, Mauritania, Mexico, Morocco, Netherlands, Niger, Nigeria, Norway, Oman, Pakistan, Peru, Qatar, Romania, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Swaziland, Sweden, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Against: Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, Germany, Democratic Republic of, Germany, Federal Republic of, Hungary, Japan, Mongolia, Poland, Portugal, Spain, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Australia, Israel, Italy, Malaysia, New Zealand, Nicaragua, Panama, Papua New Guinea, Paraguay, Philippines, Singapore.

51. The proposal was adopted by 70 votes to 17, with 11 abstentions.

52. The CHAIRMAN announced that the Committee had concluded its consideration of the subitem.

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

Technical co-operation support costs: redistribution of regular budget and reimbursement resources (continued) (A/33/7/Add.25; A/C.5/33/56 and Corr.1)

Agency support costs (continued) (A/33/7/Add.21)

53. Mr. ANDERSSON (Sweden), speaking on behalf of the delegations of Denmark, Finland, Iceland, Norway and his own country, expressed appreciation for the comments of ACABQ in document A/33/7/Add.21, which he hoped would also be considered by the Intergovernmental Working Group on Support Costs. He pointed out that the

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(Mr. Andersson, Sweden)

Intergovernmental Working Group had been established because further purely technical studies of the question of services provided by the United Nations to activities financed from extrabudgetary resources were considered unlikely to advance the matter significantly. Since the Working Group was considering the matter, he proposed that the Fifth Committee should defer a decision on the item until the thirty-fourth session of the General Assembly, when the recommendations of the Working Group concerning a modified formula for reimbursement of the support costs should be available.

54. It was natural that most of the executing agencies should wish to retain the 14-per-cent reimbursement rate currently in effect. The existing reimbursement arrangement had certain merits, but experience had shown that it was not effective in keeping total overhead costs down. One serious drawback was that any savings achieved were credited to the regular budgets of the agencies concerned, while UNDP continued to make payments at the full rate.

55. If a formal decision on the report of ACABQ was considered necessary, the Committee should take note of that report and refer it to the Administrator of UNDP and the Intergovernmental Working Group on Support Costs.

56. Ms. Muck (Austria) took the Chair.

57. Mr. PIRSON (Belgium) said that his delegation experienced no difficulty with regard to the proposal of the Secretary-General in paragraph 17 of document A/C.5/33/56 or with the proposal of the representative of Sweden to postpone until the thirty-fourth session a decision on the questions dealt with in document A/33/7/Add.21 particularly with regard to the reimbursement formula. His delegation doubted, however, whether, by endorsing technical adjustments to that formula, the Fifth Committee would be tackling the main problem, namely to reduce the current excessive overheads for technical co-operation. Paragraph 5 of document A/C.5/33/56 stated that in 1973 the support costs for United Nations technical co-operation activities had amounted to 22.5 per cent of the value of technical co-operation field project delivery. However, a report of the Joint Inspection Unit which had delved fairly deeply into the question showed that in the field of technical co-operation between 30 per cent and 50 per cent of resources were devoted to what were called "support costs" but were really overheads. It was totally unreasonable to accept that out of an amount of \$500 million, between \$100 million and \$200 million should be devoted to overheads to maintain an army of staff members in New York, as well as in the headquarters of the specialized agencies. That problem must be dealt with in its substance, and the overheads for technical co-operation must be reduced.

58. Mr. KEMAL (Pakistan) said that although the present system of reimbursement of support costs had the merit of simplicity in its conception and administration, his delegation felt that the search for a better method of calculating those costs should not end at the current session and accordingly supported the Swedish proposal. Every effort should be made to relate as far as possible the level of that reimbursement to the actual cost. Although the report of the Advisory Committee in document

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(Mr. Kemal, Pakistan)

A/33/7/Add.21 presented a sound technical analysis of the proposals of the Secretary-General, it failed to investigate the advantages of a better system of reimbursement to be derived by the countries in which technical co-operation activities were carried out. With regard to the question of shifting the burden from budgets financed by voluntary contributions to budgets financed by assessed contributions, he said that the former should not bear an unfair share of the cost because in the final analysis that would leave fewer resources available to the recipient countries for technical co-operation activities.

59. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation was concerned that the trend towards increasing the part of the regular budget spent without legal authority on technical assistance programmes was continuing to grow. According to some figures given by the Advisory Committee (A/33/7/Add.21, para. 7), in one year unreimbursed expenditures for the implementation of technical assistance programmes had grown by more than 35 per cent. The Soviet delegation could not agree with the arguments presented by the Secretary-General and endorsed by the Advisory Committee that the United Nations was obliged to finance part of the expenditures of extrabudgetary programmes through the regular budget. According to Article 17 of the Charter, the United Nations budget could not be used to finance technical assistance. Furthermore, General Assembly resolution 210 (III) established that the specialized agencies must reimburse expenditures for services placed at their disposal by the Organization. The principle of compulsory reimbursement of services had further evolved in other decisions of the General Assembly and the Economic and Social Council which specified that services might be provided gratis to other organizations only if that did not involve additional budgetary expenditures; otherwise the cost of such services must be fully reimbursed. The Secretariat had repeatedly misinterpreted Article 17 of the Charter and those decisions. The Soviet Union had consistently warned against using the regular budget to provide technical assistance, which should be financed on a purely voluntary basis. All overhead expenses, therefore, should be fully reimbursed by the organizations which received such services.

60. The Soviet delegation could not endorse the exchange of posts proposed by the Secretary-General in document A/C.5/33/56 because such an exchange would signify General Assembly approval of the number, duties and level of extrabudgetary posts and because such a step would encourage the Secretariat to continue to transfer extrabudgetary posts to the regular budget. In that regard, he informed the Fifth Committee that the Soviet Union had withheld that part of its contribution to the United Nations regular budget for 1978 which, as from 1 January 1978, would have covered the financing of extrabudgetary posts transferred to the regular budget. The Soviet Union had repeatedly declared that the practice of transferring posts financed by voluntary contributions to the regular budget ran counter to the principle of better utilization of the existing staff, led to the excessive growth of the United Nations budget and unjustifiably increased the financial burden of the Member States. It had repeatedly warned that, should such posts be transferred to the United Nations regular budget, it would be compelled to consider the question of withholding part of its contribution.

61. His delegation hoped that in the future the Secretariat would refrain from proposing the transfer to the regular budget of posts financed from voluntary

(Mr. Palamarchuk, USSR)

contributions; would take steps to ensure the implementation of General Assembly decisions with regard to enhancing the effectiveness of the Secretariat personnel; and would seek out means to finance new activities from existing resources.

Administrative and financial implications of draft resolutions II and VI submitted by the Third Committee in document A/33/479 concerning agenda item 80 (A/33/7/Add.27, A/C.5/33/90, A/C.5/33/97 and Corr.1)

62. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had finalized consideration of the report in document A/33/7/Add.27 before the corrigendum to document A/C.5/33/97 had been issued as an official document. Therefore, although the present version of the report of the Advisory Committee on the statements submitted by the Secretary-General did not refer to the corrigendum, the final published reports of the Advisory Committee on the programme budget would refer to it. Furthermore, the corrigendum should be corrected to read that the figure \$1,053,130 was for 1979 and \$1,819,800 was for 1980.

63. Introducing the report of the Advisory Committee in document A/33/7/Add.27, he drew attention to the subject of operative paragraph 14 of the draft resolution of the Third Committee in document A/C.3/33/L.43. The Advisory Committee referred to that subject in paragraphs 5 and 7 of its report. The Advisory Committee had been informed that the estimates presented by the Secretary-General in document A/C.5/33/97 embodied total requirements as currently foreseen, and therefore it was of the opinion that there was no need to invoke operative paragraph 14 of the draft resolution.

64. The World Conference for the United Nations Decade for Women was scheduled to take place in 1980, and the Secretary-General estimated that an amount of \$2.8 million would be required (\$1,053,200 in 1979 and approximately \$1.8 million in 1980).

65. In paragraphs 10 and 11 of its report the Advisory Committee discussed and made recommendations on the Secretary-General's request for salaries and other related expenditures for the Conference secretariat. Paragraph 11 of the Secretary-General's statement indicated that 13 staff in the Professional and higher category and 3 General Service staff would be required for the Secretariat. If account was taken of the staff already available, the number of additional posts requested by the Secretary-General on a temporary basis was 10 (5 Professional and higher-category and 5 General Service posts). The Committee considered the request to be reasonable and recommended acceptance of it. Because those posts could not all be filled immediately, the Committee, as could be seen from paragraph 11, was recommending a reduction of \$57,000 for delayed recruitment.

66. Because of the removal in 1979 from New York to Vienna and Nairobi of a number of Secretariat units, the Advisory Committee believed that section 22 of the programme budget had the capacity to absorb the amount of \$100,000 requested for common services. The recommendation of the Committee was to be found in paragraph 12 of its report.

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(Mr. Niselle)

67. Official travel by Headquarters staff was discussed in paragraphs 13 and 14. The Advisory Committee believed that economies could be achieved by arranging travel itineraries in the most efficient manner. Accordingly, it was recommending some reduction of the Secretary-General's request.

68. Paragraph 15 of the Advisory Committee's report discussed the request of \$18,000 for temporary assistance for the Office of Secretariat Services for Economic and Social Matters. The Advisory Committee had attempted to elicit more information from representatives of the Secretary-General, but no adequate explanation had been given to justify the request. The Advisory Committee was therefore recommending that the request should not be granted.

69. In paragraphs 17 to 20 the Advisory Committee discussed the Secretary-General's request for preparatory meetings. The greater part of that request related to regional preparatory meetings and the Advisory Committee accepted the Secretary-General's request in that regard. It stressed, however, that the resources given should be made available to the regional commissions and should not be regarded as supplementary staffing for Headquarters.

70. The need for public information was discussed in paragraphs 23 to 28. The total estimates for 1979 and 1980 came to \$219,880 and \$327,600 respectively. The Advisory Committee had made a number of observations in its report pointing out that with prudent management, economies could be achieved in expenditure on information. Not all the information activities were to be financed from the regular budget. In that connexion, the Advisory Committee had recommended that commitments of extrabudgetary funds should be made only after a firm assurance had been given that funds would be received to cover such commitments. Bearing in mind the observations made in its report, the Advisory Committee had recommended that an amount of \$160,000 be appropriated for information activities in 1979.

71. Finally, the request of the Secretary-General in document A/C.5/33/90 was discussed in paragraphs 32 to 36 and, for the reasons stated therein, an amount of \$14,000 had been recommended by the Advisory Committee.

72. Mr. GREEN (New Zealand) requested additional information on the sources of funding other than the regular budget, envisaged for the regionally-oriented information materials referred to in paragraph 62 of document A/C.5/33/97. The nature of the funding was important in view of the caveat by the Advisory Committee in paragraph 24 of its report.

The meeting rose at 6.05 p.m.