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SUMMARY RECORD OF THE 71st MEETING

Chairman: Mr. TALIEH (Iran)

later: Mr. SCHMIDT (Federal Republic of Germany)

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

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Final performance report

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The meeting was called to order at 10.55 a.m.

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

Administrative and financial implications of the draft resolution submitted by the Second Committee in document A/C.2/32/L.107 concerning agenda item 67 (continued)
(A/C.5/32/L.45)

1. Mr. BELYAEV (Byelorussian Soviet Socialist Republic), Rapporteur, introducing the draft report of the Committee on the matter (A/C.5/32/L.45), said that it contained essentially factual information concerning the Committee's discussion at the preceding meeting. The decisions adopted by the Committee appeared in paragraphs 15-18 of the draft report.
2. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) said that his delegation agreed in general with the draft report, but wished to propose two amendments. Firstly, it proposed that in paragraph 13 the words "which would be in keeping with the content of the decision adopted by consensus by the Second Committee (A/C.2/32/L.107)" should be inserted after the words "This amendment" in the second sentence, thus indicating his delegation's reason for submitting the amendment referred to in that paragraph. Similarly, the following words should be added at the end of the first sentence of paragraph 14: "inasmuch as the transfer of functions fell within the competence of the Second Committee, which had already taken a decision on that question". The amendments he was proposing were objective and factual, reflecting the discussion which had occurred in the Committee.
3. Mr. CUNNINGHAM (United States of America) pointed out that paragraph 11 of the draft report indicated that comments made in the course of the discussion were reflected in the summary record of the preceding meeting. The two Soviet amendments to the draft report reiterated statements made by the Soviet representative at that meeting in justification of his proposals. In view of the Committee's new rules of procedure, which precluded the inclusion in the Committee's reports of statements of positions of delegations that were reflected in the summary records, it was neither necessary nor consistent with those rules to include such statements of justification as were contained in the new Soviet amendments.
4. The CHAIRMAN said that, while the United States representative was correct with regard to the new policy of the Committee, the Under-Secretary-General for Administration and Management had suggested at the preceding meeting that, owing to the sensitive nature of the issue, the Committee might wish to submit a more detailed report. The Committee must decide whether the Soviet amendments to the draft report fitted into that framework.

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5. Mr. STUART (United Kingdom) agreed that the Committee might wish to include more detail in its report on the matter under discussion. However, the first Soviet amendment in particular was a statement of the point of view of a particular delegation and should be attributed to that delegation. The Committee would then have to decide whether also to include the views of other delegations which had taken the majority position against the Soviet proposals. The Soviet amendments to the draft report should perhaps be reworded to indicate that they represented the position of one delegation.

6. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) said he did not agree with the arguments put forward by the United States representative. The subject-matter was of such importance that, when amendments of substance had been proposed, the reasons for submitting them should be indicated in the Committee's report. His delegation could not agree that the reference in paragraph 11 to comments made in the course of the discussion was adequate. If other delegations wished a brief statement of their views to be included in the report, his delegation would not object.

7. Mr. PIRSON (Belgium) said that his delegation would not oppose the Soviet proposals, provided that paragraphs 13 and 14 were slightly reworded to make it clear that the amendments had been proposed by the Soviet Union and the views expressed were attributed to the Soviet delegation. In view of the decision taken at the preceding meeting, at the request of the Secretariat, that the Committee's report should be more detailed than usual, his delegation saw no problem in accepting the Soviet amendments, which were simply explanations of the Soviet delegation's reasons for submitting its two amendments at the preceding meeting.

8. Mr. ANVAR (Secretary of the Committee) said there seemed to be some slight misunderstanding of the statement made by the Under-Secretary-General for Administration and Management at the preceding meeting. The Under-Secretary-General had not meant that a summary of the discussion should be included in the Committee's report, which would be impossible from a technical point of view. He suggested that the Soviet amendments should be further amended by adding the words "in the opinion of the delegation of the Soviet Union" to both amendments.

9. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the draft report (A/C.5/32/L.45) needed some slight technical corrections. In paragraph 8, it would be appropriate to include a sentence indicating the position of the Advisory Committee concerning the Secretary-General's intention to create four new sections; he suggested adding at the end of the paragraph the following sentence: "The Advisory Committee concurred with the intention of the Secretary-General to create four new sections as indicated in paragraph 65 of the Secretary-General's report (A/C.5/32/86)."

10. Mr. CUNNINGHAM (United States of America) noted that his delegation had not spoken at the preceding meeting on the matter under discussion. The formulation suggested by the Secretary would be acceptable, if delegations which had spoken at that meeting did not object. He had simply wished to call attention to the procedural issue.

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11. The CHAIRMAN observed that the United States delegation had voted against the Soviet amendments at the preceding meeting and, in so doing, had in effect made a statement on the subject.

12. Mr. GARRIDO (Philippines) wondered whether the formulation in paragraph 11 of the draft report should be amended to include the replies given by the Under-Secretary-General for Administration and Management to questions raised at the preceding meeting.

13. Mr. DAVIDSON (Under-Secretary-General for Administration and Management) said he felt that the formulation of paragraph 11 was acceptable. However, he suggested that paragraphs 10 and 17 would be improved if the words "of the 1978-1979 programme budget" were inserted after the word "sections" in each paragraph.

14. The draft report (A/C.5/32/L.45), as amended, was adopted.

AGENDA ITEM 99: PROGRAMME BUDGET FOR THE BIENNIUM 1976-1977 (continued)

Final performance report (A/32/491; A/C.5/32/80 and Add.1, A/C.5/32/82; A/C.5/32/L.47, L.48)

15. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that some technical corrections needed to be made in the Advisory Committee's report (A/32/491). In paragraph 4, the amount of the increase shown in the income column should read "\$8,270,700". In the second sentence of paragraph 12, the figure given as "\$5.1 million" should read "\$4.3 million". In paragraph 17, the end of the last sentence should be changed to read: "programme budget proposals for 1980-1981".

16. Mr. ABRASZEWSKI (Poland) said that the question under discussion was very important to his delegation, and he regretted that time was not available to discuss it in depth. He had some questions for the Controller, especially with regard to the implementation of General Assembly resolution 3534 (XXX), paragraph 5, to which reference was made in paragraph 2 of the Advisory Committee's report (A/32/491). He asked whether paragraph 2 of the Secretary-General's report (A/32/80 and Add.1) referred directly to General Assembly resolution 3534 (XXX) and how the Secretariat had implemented paragraph 5 of that resolution, if at all. In that connexion, his delegation supported the draft resolution submitted by the Soviet Union (A/C.5/32/L.47).

17. Mr. AKASHI (Japan) said that the reports of the Secretary-General and the Advisory Committee on budget and programme performance were very useful. His delegation regretted that the Secretary-General had not been able to respond more adequately to General Assembly resolution 3534 (XXX). It could accept the Secretary-General's proposal that the evaluation of all activities and programme developments should be undertaken by the Committee for Programme and Co-ordination, provided that the review was not thereby delayed.

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(Mr. Akashi, Japan)

18. His delegation was disturbed at the lack of information from the Secretary-General on the implementation of General Assembly resolution 31/193 B, and in particular on how the cost of the salary increases at Geneva had been covered. He wondered whether that had been done through general savings, in accordance with the specific request of the Assembly in its resolution 31/193 B, or by over-estimating budget requirements. The implication of paragraphs 10-12 of the Advisory Committee's report (A/32/491) was, in the absence of specific information in the Secretary-General's report (A/C.5/32/80 and Add.1), that the under-expenditure had been due to fortuitous circumstances and not to a conscious effort on the part of the Secretariat. His delegation hoped that such a situation would not recur.

19. His delegation would support the Soviet draft resolution (A/C.5/32/L.47) and wished to know more about the practical aspects of the problem. It would also support the draft decision submitted by Ghana (A/C.5/32/L.48), which was aimed at rectifying the drawbacks in the present procedure for considering the performance report on the programme budget.

20. Mr. SAFRONCHUK (Union of Soviet Socialist Republics) expressed his delegation's deep concern and dissatisfaction at the considerable over-expenditure under the programme budget for the biennium 1976-1977. The situation was of particular concern in view of the explicit directives given by the General Assembly in its resolutions 3534 (XXX), 31/93 and 31/193. The Secretary-General's report on budget and programme performance (A/C.5/32/80 and Add.1) contained no clear indication of action taken to achieve economies. The Advisory Committee implied, in paragraphs 10, 11 and 14 of its report (A/32/491), that under-expenditure had occurred only as the result of overstatement of requirements. Such a practice was unacceptable, and the planning of expenditure must be improved. Furthermore, paragraph 16 of the Advisory Committee's report showed that there had been considerable over-expenditure for travel, particularly in the Economic Commission for Africa. That too was unacceptable; the Secretariat must stay strictly within the limits of the appropriations.

21. It was quite evident that the Secretary-General had not made any serious attempt to implement resolution 3534 (XXX) or resolution 31/93. He wished to know why those two important directives of the General Assembly had not been complied with and what savings had been achieved as the result of economies in the biennium 1976-1977. If no economy had been practised, he wished to know why.

22. In view of the foregoing, his delegation could not endorse the Secretary-General's performance report for the biennium 1976-1977.

23. Mr. Schmidt (Federal Republic of Germany) took the Chair.

24. Miss MUCK (Austria) said her delegation appreciated that circumstances beyond the control of the Secretariat were largely responsible for the fact that the Committee was considering the performance report, which contained much useful information, at so late a date. Her delegation agreed that the Committee for

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(Miss Muck, Austria)

Programme and Co-ordination should analyse and evaluate programme developments at its spring session in 1978. It shared the concern expressed by the representative of Poland. Lastly, her delegation believed that the information in the Secretary-General's report was an essential input for the Committee.

25. Mr. DEBATIN (Assistant Secretary-General, Controller), replying to the various questions raised, said members would appreciate that one of the most important features of the performance report was the calculation of exchange rate developments up to the end of the year. The situation in that regard was unstable, and it was therefore advisable to wait as long as possible in order to ensure that forecasts were as accurate as they could be. It had been necessary in any case to calculate exchange rates for November and December on the basis of average figures. The recent movement of the dollar against the Swiss franc was an example of the major effect such changes could have on the performance report, since 25 per cent of the budget was disbursed in Swiss francs.

26. He fully agreed with the representative of the Soviet Union that every effort should be made to avoid over-budgeting. The Controller had a firm mandate from the Committee to make savings wherever possible, and any tangible results achieved would obviously be reflected in a certain reduction in spending as compared with appropriations. Savings had in fact been made, and he hoped that any surplus would not be considered the result of irresponsible over-budgeting. Budgeting must of course be as precise as possible, but an attempt should still be made to effect maximum savings at the implementation stage; if such savings were to be regarded as evidence of over-budgeting, there might be a temptation to spend the whole appropriation in order to avoid criticism.

27. With regard to savings to meet the increases in General Service salaries at Geneva, he agreed that, pursuant to General Assembly resolution 31/193 B, explicit mention of the savings made should have been included in the performance report. He could assure the Committee that the provision of that resolution requiring the salary increases to be covered by savings in the implementation of the 1976-1977 budget, including reductions in General Service posts, had been fully implemented. The term "savings" was often used without its being absolutely clear what was meant by it. There was an inherent difficulty in showing exactly how savings had been made; sometimes it was a question of diverting funds. He could assure the Committee that there had been a determined effort to make savings through such measures as having more printing done internally and restricting the money available for consultants.

28. With regard to the implementation of General Assembly resolutions 3534 (XXX) and 31/93, there seemed to be some inconsistency between the two texts. Resolution 3534 (XXX) referred to United Nations programmes without distinguishing between the three levels - programmes, subprogrammes and programme elements - while the relevant provision of resolution 31/93 referred only to activities that were obsolete, of marginal usefulness or ineffective. Moreover, the latter resolution called for the task of determining the obsolescence or ineffectiveness of

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programmes to be entrusted to the Committee for Programme and Co-ordination. It must be borne in mind that specific legislative authority would be required before any programme could be discontinued. The performance report was not the place to make substantive judgements; that was the task of CPC. The Secretariat interpreted "subprogramme" to mean programme activities which formed a coherent whole. While it was possible that the Secretariat might suggest phasing out such subprogrammes, in most cases the final decision would have to rest with policy-making organs. With regard to the lowest level - programme elements - he pointed out that there were thousands of projects in progress, and the extent to which they were reviewed by policy-making organs depended on the methods of work of the various intergovernmental bodies. The Economic Commission for Europe, for instance, reviewed projects at least once a year in order to ascertain which programmes or programme elements needed to be adjusted or discontinued. Its current programme of work described some 500 projects, almost 50 per cent of which had been reviewed in the light of the outcome of the Conference on Security and Co-operation in Europe. The Secretariat would be delighted to prepare a detailed report on reviews of all United Nations programmes, but that would entail considerable requests for new manpower resources.

29. Mr. SAFRONCHUK (Union of Soviet Socialist Republics), introducing draft resolution A/C.5/32/L.47, said that it was self-explanatory and had been submitted because not all the provisions of General Assembly resolutions 3534 (XXX) and 31/93 had been fully implemented. He hoped that it could be adopted by consensus.

30. While his delegation appreciated the efforts of the Controller to make savings and agreed that that was not a simple task, it was also aware that it was easier to effect economies if the budget estimates included considerable extra reserves in the first place. There were limits to the savings that could be made, but there were also limits to the amount of over-budgeting that was acceptable. It was true that only the policy-making organs could review programmes or decide to terminate them. That was clear from resolution 31/93, which had called on the Secretary-General merely to draw the attention of the competent intergovernmental bodies to certain activities, and from resolution 3534 (XXX), which had requested him to provide information on programmes on which decisions had already been taken by policy-making organs. There was no intention of asking the Secretary-General or the Secretariat departments to reduce or review programmes; that was not within their competence. However, he would be interested in receiving information from the Controller on resources that had been released as a result of the termination or review of programmes, and would like to know whether recommendations had been made to CPC concerning programmes which the Secretary-General considered to be ineffective or obsolete. It was not at all clear from the performance report that resolution 31/93 was being implemented.

31. Mr. ABRASZEWSKI (Poland) said his delegation was somewhat surprised that the Controller should have found any inconsistency between resolutions 3534 (XXX) and 31/93. Under the terms of resolution 3534 (XXX), paragraph 1, the Secretary-General was to have submitted information to the General Assembly at its thirty-first session. In fact, he had not had time to submit more than a short report at that session, but there had been a clear understanding that fuller information would be provided in

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(Mr. Abraszewski, Poland)

future. Under resolution 31/93, CPC had been entrusted with the task of determining the status of programmes, but that was in no way inconsistent with the request for information from the Secretary-General. He regretted having to draw the conclusion that the Secretariat had implicitly confirmed its refusal to implement resolution 3534 (XXX), paragraph 5; if there were reasons why it had been unable to do so, the Committee must be informed of them.

32. The representative of Japan had welcomed the Secretary-General's intention of entrusting the task of making a comprehensive description and evaluation of activities and programme developments to CPC. His delegation agreed that that appeared to be a practical arrangement, and would be interested to see how it worked.

33. Mr. DEBATIN (Assistant Secretary-General, Controller) explained that it was not possible to include more information on programme evaluation in the performance report, since the final decision rested with CPC. However, all programme managers had been instructed to provide all possible information, which would be included in the Secretary-General's report to CPC. The problem was under careful consideration and an extensive report would be made to the General Assembly at the next session on the experience and results of the analysis. The question how performance could be verified could not be separated from the questions of internal organization and reporting obligations.

34. Mr. ABRASZEWSKI (Poland) said he gathered from the Controller's statement that the Secretariat had all the necessary means at its disposal to ensure the implementation of the resolutions in question. He fully supported draft resolution A/C.5/32/L.47, particularly the fourth preambular paragraph.

35. Mr. CUNNINGHAM (United States of America) said it seemed to him that the Secretariat was too reluctant to act on the basis of the clear legislative responsibility assigned to it by the General Assembly, which would enable it at least to identify programmes in need of review. It might be desirable to include terminal dates in programmes when they were initiated, so that they would automatically come to an end if they were not renewed. His delegation noted that, while the Secretariat claimed that it was unable to terminate many of the programmes that had been considered, it seemed at times to be able to terminate action by the General Assembly when it was still in the gestation period. He also regretted the vigorous lobbying by some members of the Secretariat on the question of first class travel.

36. Mr. LEMP (Federal Republic of Germany) said his delegation did not consider that the criticism in the fourth preambular paragraph of draft resolution A/C.5/32/L.47 was justified; the statement by the Controller had confirmed that belief. It would therefore abstain from voting on the draft resolution if it was put to the vote. That did not mean that it disagreed with the rest of the draft resolution; it felt strongly that the Secretary-General should make greater efforts to identify programmes that were obsolete, of marginal usefulness or ineffective.

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37. Mr. GARRIDO (Philippines) said that draft resolution A/C.5/32/L.47 would be conducive to improved budget presentation and greater savings. He hoped that it would be adopted by consensus.

38. Mr. ABRAHAMSON (Denmark) associated himself with the views expressed by the representative of the Federal Republic of Germany and said that he too would abstain on the draft resolution. His delegation nevertheless shared the concern of others about the implementation of the resolutions in question, but the explanation given by the Controller had to a large extent dispelled the feeling that nothing was being done in that respect. The Secretariat would undoubtedly be encouraged by the Committee's debate to pay greater attention to the implementation of the resolutions.

39. Draft resolution A/C.5/32/L.47 was adopted without a vote.

40. Mr. SEKYI (Ghana), introducing the draft decision in document A/C.5/32/L.48, said that the performance report was a very important link in the process of programme budgeting, and the importance of the draft decision was therefore clear. Although the final performance report should technically cover the whole of the biennium, that was not possible in practice, for very obvious reasons, including the simple fact that the General Assembly completed its session before the end of the biennium. A deadline was therefore needed for the preparation of the report, sufficiently early in the Assembly session to permit a meaningful discussion of it. It was often argued that the report should be submitted at the end of the biennium so that it would contain accurate figures on exchange rates and so as to avoid over-budgeting, but that would be of little value if there was no time for a meaningful discussion. The draft decision would make it possible for the Committee to pronounce itself intelligently on the performance report.

41. In the penultimate line of the draft decision, the words "submitted by" should be replaced by the words "made available to delegations not later than".

42. Mr. DEBATIN (Assistant Secretary-General, Controller) requested a clarification of the words "not later than", which logically should be followed by a precise date rather than a span of time. It was desirable that the report should take account of developments, particularly changes in exchange rates, so that it was not already outdated when it was considered by the Committee. However, the idea of preparing special reports on particular elements was helpful.

43. Mr. SEKYI (Ghana) said that, in order to meet the point raised by the Controller, the new wording could be changed to read: "made available to delegations not later than the end of". As to the question of fluctuations in exchange rates, he felt that the most important thing was to have time to consider the narrative part of the performance report, as the figures could always be revised.

44. Draft decision A/C.5/32/L.48, as orally revised, was adopted without a vote.

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45. The CHAIRMAN invited the Committee to take action on the final performance report (A/C.5/32/80 and Add.1). If there was no objection, he would take it that the Committee wished to follow the practice established at the thirtieth session by not voting on each section and voting only on the global expenditure amount and the income amount indicated in the annex to document A/32/491.

46. It was so decided.

47. A total revised appropriation of \$789,488,900 for the biennium 1976-1977 was approved by 77 votes to 8, with 3 abstentions.

48. A total revised income estimate of \$135,158,000 for the biennium 1976-1977 was approved without a vote.

49. The CHAIRMAN said that, if there was no objection, he would take it that the Committee wished to take note of the performance report on the Joint UNCTAD/GATT International Trade Centre (A/C.5/32/82).

50. It was so decided.

The meeting rose at 1 p.m.