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New York

SUMMARY RECORD OF THE 26th MEETING

Chairman: Mr. AL-MASRI (Syrian Arab Republic)

later: Mr. VAHER (Canada)

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

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The meeting was called to order at 3.20 p.m.

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

Programme budget implications of draft resolution A/44/L.12 and draft decision A/44/L.13 concerning agenda item 157 (A/C.5/44/19)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the statement of programme budget implications before the Committee (A/C.5/44/19) was the first one to be submitted under the new procedures for the contingency fund. Under draft resolution A/44/L.12, the General Assembly would decide to hold a special session to consider the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs. Under draft decision A/44/L.13, a special session would be held at Headquarters from 20 to 23 February 1990 and a Preparatory Committee of the Whole would meet for two days during the first week of December 1989 and for three days during the first week of February 1990.

2. The full cost of the activities which the Secretary-General considered necessary in order to implement the draft resolution and draft decision were broken down in paragraph 9 of his statement and amounted to \$124,400 for 1989 and \$960,700 for 1990. The whole of the 1989 amount was for conference-servicing costs. As noted in paragraph 10 of the statement, the holding of the first session of the Preparatory Committee in December 1989 would require the General Assembly's approval of an exception to the provisions of section I of resolution 40/243, according to which no subsidiary organ of the Assembly should be permitted to meet at Headquarters during a regular session of the Assembly unless explicitly authorized by the Assembly. If such an exception was granted, the conference-servicing costs of \$124,400 could be met from existing resources, on the understanding that the activities of the General Assembly and its Main Committees would not be impeded.

3. The additional requirement of \$960,700 for 1990 comprised \$672,700 for conference-servicing costs and \$288,000 for other costs. The latter amount included \$195,800 in travel costs for representatives of the least developed countries and \$13,200 in travel costs and daily subsistence allowance for five staff members from the United Nations Office at Vienna. The balance of \$79,000 related to the public information costs described in paragraph 8.

4. The Secretary-General considered that no additional resources would be required under section 29 of the proposed programme budget for 1990-1991 as a result of the adoption of the draft resolution and draft decision because he intended to absorb the 1990 conference-servicing costs. However, the Secretary-General noted in paragraph 13 that no provision had been made in the proposed programme budget for the other costs of \$288,000. In other words, those costs amounted to additional expenditures not provided for in the regular budget and therefore fell under the contingency-fund procedure. In paragraphs 15 and 16 the Secretary-General indicated that with the exception of the public information

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activities, which came under section 27, he could not propose the modification of any activity of the proposed programme budget for 1990-1991 in order to finance the new activities.

5. The Advisory Committee had no objections to the Secretary-General's estimates of the additional requirements deriving from the draft resolution and draft decision. It therefore recommended that the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/44/L.12 and draft resolution A/44/L.13: the holding of the first session of the Preparatory Committee in December 1989 would constitute an exception to the provisions of section I of resolution 40/243; additional resource requirements would arise in the amount of \$288,000, broken down thus: \$195,800 under section 1, \$13,200 under section 20, and \$79,000 under section 27; those requirements constituted additional expenditures not provided for in the regular budget and were therefore subject to the guidelines for use of the contingency fund set out in resolution 42/211; if the requirements could not be met from the contingency fund, no redeployment of resources or modification of activities was envisaged, except under section 27; accordingly, it might be necessary to postpone the special session if it was not possible to finance from the contingency fund the additional requirements specified above.

6. The Committee should also inform the General Assembly that the adoption of the draft resolution and draft decision would be subject to the understanding which he had just outlined, in accordance with section C, paragraphs 3 and 4, of the annex to resolution 42/211, and that such additional appropriations as might be required would be indicated by the Secretary-General in a consolidated statement of programme budget implications to be submitted to the General Assembly towards the end of the session, in accordance with section C, paragraph 5, of the annex to resolution 42/211.

7. Mr. DANKWA (Ghana) said that the Advisory Committee was apparently recommending that a substantial part of the funding for the special session should be charged to the contingency fund. Since that would be the first charge made on the Fund, the Fifth Committee needed to be clear about what it was doing.

8. It was not in fact clear whether the additional requirements should be charged to the contingency fund or treated in accordance with established procedures. The special session was not a "perennial" activity within the meaning of section C, paragraph 3, of annex I to resolution 41/213 and it was therefore not included in the programme budget. The contingency fund was intended to accommodate additional expenditures derived from legislative mandates not provided for in the proposed programme budget. But paragraph 11 of section C stated that extraordinary expenses, including those relating to the maintenance of peace and security, as well as fluctuations in rates of exchange and inflation, should not be covered by the contingency fund and should continue to be treated in accordance with established procedures and under the relevant provisions of the Financial Regulations and Rules. Since the key word was "including", the extraordinary expenses occasioned by the special session were not excluded, and his delegation

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suggested that they should be dealt with in accordance with established procedures. It would also like the Chairman of the Advisory Committee to indicate the nature of the consolidated statement of programme budget implications to which he had referred.

9. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that at the forty-second session of the General Assembly he had spent much time explaining the procedures for use of the contingency fund. After much confusion the Committee had decided to accept his explanations and see how the contingency fund worked in practice. He had no wish to go back over that ground and could assure the Committee on behalf of the Advisory Committee that the travel of representatives and staff members to the special session was a proper charge on the contingency fund. It was not an unforeseen or extraordinary item but rather a plannable item chargeable to the contingency fund as envisaged by the Group of High-Level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations (Group of 18).

10. The consolidated statement had also been explained at the forty-second session. When it was submitted, he and the Controller would certainly provide a full explanation of its content. According to the Advisory Committee's recommendation on the draft resolution and draft decision, the General Assembly was not currently taking a decision as to whether the additional requirement of \$288,000 should be charged to the contingency fund. That decision would be taken at a later stage, on the recommendation of the Fifth Committee, when all the statements of programme budget implications had been received from all the intergovernmental bodies. For the time being, the Committee would be recommending to the General Assembly that, if it adopted the draft resolution and draft decision, certain additional expenditures would arise and would be governed by the contingency-fund procedure.

11. Under the procedure followed before the adoption of resolution 41/213 there would have been a normal statement of programme budget implications in the Fifth Committee, a report by the Advisory Committee and a statement of the additional expenditure required. The General Assembly had introduced the contingency fund so that all such additional expenditure could be charged to it.

12. Mr. NASSER (Egypt) said that international co-operation on matters relating to narcotic drugs was of vital importance and his country had always supported the United Nations efforts in that field. It was regrettable that the preparations for the special session, with respect both to consultations and participation, did not match the importance of the issue.

13. The CHAIRMAN proposed that, on the basis of the statement of programme budget implications submitted by the Secretary-General and on the recommendation of the Advisory Committee, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/44/L.12 and draft decision A/44/L.13: the holding of the first session of the Preparatory Committee in December 1989 would constitute an exception to the provisions of section I of General Assembly/

(The Chairman)

resolution 40/243, according to which no subsidiary organ of the General Assembly should be permitted to meet at Headquarters during a regular session of the Assembly unless explicitly authorized by the Assembly; additional resource requirements would arise in the amount of \$288,000, broken down thus: \$195,800 under section 1, \$13,200 under section 20, and \$79,000 under section 27; those requirements would constitute additional expenditures derived from legislated mandates not provided for in the proposed programme budget and would therefore be dealt with in accordance with the guidelines for the contingency fund approved by the General Assembly in its resolution 42/211; in case it was not possible to meet those requirements from the contingency fund, no redeployment of resources or modification of activities was envisaged, except in respect of section 27; consequently, the postponement of the special session might be required in the event that it was not possible to finance from the contingency fund the additional requirements specified above.

14. He further proposed that the Committee should also inform the General Assembly that the adoption of the draft resolution and draft decision would be subject to the understanding which he had just spelled out, in accordance with resolution 42/211, and that such additional appropriations as might be requested by the Secretary-General would be taken in the context of a consolidated statement to be submitted to the General Assembly towards the end of its current session, in accordance with section C, paragraphs 5 and 6, of the annex to resolution 42/211. If there was no objection, he would take it that the Committee accepted his proposals.

15. It was so decided.

16. Mr. DANKWA (Ghana) said that his delegation had reservations concerning the interpretation of section C, paragraph 11, of annex I to resolution 41/213. It looked forward to a more detailed discussion on the use of the contingency fund when the Committee took up the Secretary-General's consolidated statement.

AGENDA ITEMS 123 AND 124: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 AND PROGRAMME PLANNING (continued) (A/44/3, A/44/6/Rev.1, A/44/7 and Corr.1, A/44/16 and Add.1; A/44/206 and Corr.1 and Add.1)

First reading (continued)

Section 6. Department of International Economic and Social Affairs

17. Mr. GARRIDO (Philippines) said that his delegation accepted the recommendation of the Advisory Committee in regard to section 6. It had reservations, however, about the slow filling of vacancies in the Department. It regarded the economic and social sectors as being of the utmost importance and trusted that the vacant posts would soon be filled with a view to expediting project delivery. In connection with subprogramme 1A on effects of foreign debt on development, he noted that there were to be missions to developing countries on the management of external debt in 1990 and 1991 and asked what their itinerary and timetable would be.

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18. Mr. McBARNETTE (Trinidad and Tobago) said that section 6 had been the subject of intensive debate in the Committee for Programme and Co-ordination (CPC). In his delegation's view, the Department's activities were highly important and should be strengthened. It was accordingly concerned about the high vacancy rate in the Department and the negative real rate of growth. Given the interrelationship of economic and social issues, the Department should maintain its multidisciplinary character, and his delegation was therefore not convinced of the need to transfer posts and responsibilities to Vienna. It endorsed the proposal by Ghana that the issue should be treated in informal consultations, for it was clear that the Secretary-General's position did not command unanimous support. He requested a clarification of the statement in paragraph 6.9 of the Advisory Committee's report (A/44/7) that the high rate of post vacancies was attributable to a combination of factors, including recruitment difficulties. Regarding the Advisory Committee's comment, in paragraph 6.13, on subprogramme 1A on effects of foreign debt on development and UNCTAD subprogramme 1.5 on debt problems of developing countries, he observed that the two bodies would bring different perspectives to those problems.

19. Ms. OLDFELT-HJERTONSSON (Sweden) said that her delegation supported the Secretary-General's decision to transfer posts and responsibilities to Vienna as described in paragraph 6.24 of the proposed programme budget (A/44/6/Rev.1). The decision had been taken in due order and in the light of the consolidation of responsibility for social matters in the Centre for Social Development and Humanitarian Affairs.

20. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that a number of questions had been asked about vacancy rates in the Department. According to the latest data, the overall vacancy rate currently stood at 5.4 per cent: 9.4 per cent for Professional posts and 0.6 per cent for General Service posts. All were core posts and part of the 1990-1991 budget submission. Most of those posts, in particular the Professional posts, were currently filled by staff on short-term contracts in order to avoid a lengthy hiatus before longer-term staff were recruited. Most of the posts were at the P-5, P-4 or P-3 level and the process of filling them was virtually completed. Three P-2 posts were being held to await the outcome of the most recent international competitive examination and a further two P-2 posts had been set aside to await the results of the 1990 examination. Recruitment difficulties had also been cited as one of the reasons for the high rate of vacancies in the Department. It was unfortunately a fact that some posts in the Population Division, the Statistical Office and the branches concerned with economic analysis and projections were not easy to fill, particularly by redeployment.

21. A number of representatives had asked questions about the possible overlapping of programmes. Two examples had been given: the activities of the Population Division and of the Population Fund, and the activities of the Department and of UNCTAD in respect of the debt problem. There was in fact some intentional duplication in the first case, designed to make it possible to determine which body should modify its programme in order to avoid overlapping in the future. He noted that the activities of the Population Division described in the budget were

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entirely in accordance with the functions assigned to it by a number of General Assembly resolutions. Regarding the work of UNCTAD and the Department on debt, he noted that it was generally agreed that in the case of questions of major importance to the international community it was not inappropriate for several United Nations entities to consider them from different points of view or even to take different approaches. He assured representatives that there was a plethora of contacts between the Department and UNCTAD on that topic as on others. The Secretariat was therefore convinced, as had been pointed out in CPC and the Advisory Committee, that duplication would be avoided. The next report of the Secretary-General and the Director-General for International Economic and Social Affairs to the General Assembly would describe the joint effort to be carried out by the Department and UNCTAD.

22. Regarding Project LINK, referred to in paragraph 6.14 of the Advisory Committee's report, he said that, as the Advisory Committee had pointed out, funding for the project was not assured if there should be a decline in extrabudgetary funds. If at some point financial implications for the regular budget arose out of the project, the Secretary-General would inform the General Assembly and an effort would be made through the Advisory Committee to find an appropriate solution. The problem was not addressed in the budget submission before the Fifth Committee.

23. The representative of Cuba had raised a number of questions regarding the programmatic content of section 6. She had referred in particular to the use of the expression "sustainable development". The programme of work of the Population Division, as described in paragraph 6.42 of the proposed programme budget, involved studying the links between various components of sustainable development and the phase itself could be found in operative paragraphs 4 and 5 of General Assembly resolution 42/187 on the report of the World Commission on Environment and Development. It seemed appropriate, therefore, for the Secretariat to use the concept. The problem with regard to the phrase "sound development" would appear to be a question of translation. "Sound" in English conveyed the notion of "rational" but apparently the Spanish rendering had a rather different thrust. He agreed that the expression was not a usual one in national legislation or international agreements, it was used in the case in point simply to allow the Secretariat to study certain facets of the development process.

24. A number of references had been made to the negative rate of growth of -2.3 per cent in the estimates for 1990-1991. That decline was attributable chiefly to the proposal to transfer posts from section 6 to section 8 of the budget. Without the transfer, the rate of growth would be 0.7 per cent, which was close to the overall growth rate of -0.4 per cent. He noted that the Secretary-General proposed an expenditure of about \$500,000 on furniture and equipment, which would constitute a non-recurrent resource growth.

25. The representative of Uganda had asked whether there was a connection between the Secretary-General's proposal to transfer responsibilities and posts from section 6 to section 8 of the budget and the report of the Secretary-General, still

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in the course of preparation, on the restructuring of the economic and social sectors. As the Controller had said during the general debate, there was no direct connection between the proposals in that report and the transfer between sections of the budget.

26. In response to the question put by the representative of the Philippines, he said that the missions in question would be handled by UNCTAD and the details would be given when section 15 was examined.

27. Mr. ABRASZEWSKI (Poland) said that his delegation supported the recommendations and conclusions of CPC and the Advisory Committee on section 6. It was well aware of the importance of the Department's work. In connection with the negative real rate of growth, he noted that the Secretary-General's representative had impressed on the Committee that financing was assured for all mandated programmes under section 6. His delegation shared the concern expressed by CPC that the implementation of recommendation 15 of the Group of 18 should avoid any negative impact on programmes under section 6.

28. His delegation welcomed the new subprogramme 1A on the effects of foreign debt on development, which had been added to programme 1 in response to the revisions of the medium-term plan approved by the General Assembly at its forty-third session. His delegation had noted the comment of the Advisory Committee to the effect that every effort should be made to harmonize the Department's activities with those of UNCTAD, which also had a subprogramme related to the debt of developing countries. At the same time, his delegation was concerned that the description of the subprogramme's output failed to refer to the revision introduced in CPC and approved by the General Assembly to the effect that the subprogramme was related to the external indebtedness problems of developing countries and of some other countries with serious debt-servicing problems. The phrase appeared four times in the revision to chapter 10 of the medium-term plan (A/43/16, para. 119), which had been approved by consensus in CPC and by the General Assembly. His delegation had raised the point at the most recent session of CPC and had been assured that the proper correction would be made in the body of the budget submission. He noted that there was as yet no such correction and he trusted that the proper change would be made.

29. The matter was one of particular importance to his delegation since Poland confronted many of the same problems and challenges in respect of debt-servicing as the developing world. The programme was therefore of great interest to Poland and other countries which, while not formally members of the Group of 77, were faced with the same economic, financial and social problems.

30. Regarding the transfer of posts from section 6 to section 8 as a consequence of the transfer of certain responsibilities to Vienna, his delegation recognized the Secretary-General's prerogative in that connection and had taken note of the Advisory Committee's comments in paragraph 6.6 of its report.

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31. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that the point correctly made by the Polish representative had unfortunately been missed. He believed that it would not be helpful to issue a corrigendum at the current stage and therefore proposed that the necessary correction should be made in the final document, which would be issued as soon as the General Assembly had adopted a programme budget for 1990-1991.

32. Mr. FINCHEN (United Kingdom) expressed the hope that the Fifth Committee could proceed on the basis of the Advisory Committee's recommendations. It was important that the Committee should act in the first reading in as definitive a manner as possible on the understanding that issues on which delegations had expressed reservations should be the subject of consultations. In the case of section 6, the proposed transfer of seven posts seemed to be a very controversial issue.

33. Mr. GUPTA (India) said that many delegations had strong views on the proposed transfer of posts and the matter would have to be worked out in informal consultations. As a consequence the estimates and the Advisory Committee's recommendations might be changed.

34. Mr. GARRIDO (Philippines) supported the representative of the United Kingdom.

35. Ms. GOICOCHEA ESTENOZ (Cuba) said that the Committee would in any case be reverting to the matter during the second reading and outstanding issues could be looked at again at that stage.

36. Mr. LOPEZ (Venezuela) said that the Fifth Committee was currently involved in an innovative budget-making process and was accordingly compelled to make adjustments as it proceeded. The most acceptable solution was clearly to settle immediately questions which presented no problems while postponing a decision on those issues which were controversial.

37. Mr. BOUR (France) said that during the first reading of section 1 the Committee had reached agreement to take a decision on the section on the understanding that controversial problems would be settled in a working group or in informal consultations. That agreement had been applied during the first reading of both sections 1 and 2 and was valid for all sections of the budget, including section 6.

38. Mr. Vaher (Canada) took the Chair.

39. Ms. FRIESSNIGG (Austria) and Ms. EMERSON (Portugal) supported the views expressed by the representatives of the United Kingdom and France.

40. Mr. ETUKET (Uganda) supported the representative of India.

41. Mr. GUPTA (India) considered that the Committee should follow the same procedure as it had for section 2B and exclude discussion of the controversial matter of the seven posts during the first reading.

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42. Mr. KINCHEN (United Kingdom) said that the procedure which the Committee had adopted in regard to section 2B had been to approve provisionally the recommendation of the Secretary-General, including the proposed subsidy from the regular budget to UNIDIR as increased by the Advisory Committee. His delegation had not liked the procedure but had nevertheless been prepared to go along with it in the interests of accelerating the Committee's work, on the understanding that the question of principle of a regular budget subsidy to UNIDIR should be examined in informal consultations. The Committee could proceed with sections 6 and 8 on the same basis. If, in the light of informal consultations, the Committee succeeded in reaching consensus on the appropriate allocation between the two sections of resources for the posts in question, then the necessary adjustments could be made but, in the mean time, the Committee would have approved those other elements of the estimates which were before the Committee. That did not imply leaving aside the element of the programmatic narrative, which would also be regarded as pending. In regard to section 2A the Committee could proceed on the understanding that, if the answers to be provided by the Secretariat were not satisfactory, the related estimates would be the subject of informal consultations.

43. Mr. GUPTA (India) said that his delegation could go along with the Committee's decision on section 6 provided that it was indicated clearly that the issue of the transfer of the seven posts remained to be resolved.

44. Mr. LOPEZ (Venezuela) said that his delegation would join whatever the majority of the Committee should decide.

45. Mr. KALBITZER (Federal Republic of Germany) expressed the view that the Committee was clearly uncertain as to whether it had concluded its discussion and taken action on section 1.

46. Mr. VISLYKH (Union of Soviet Socialist Republics) said that, in order to avoid delays, the Committee should ask the Chairman to make a ruling or should itself take a decision as to what understanding had been reached regarding consideration of all sections of the budget. On the basis of precedent and the decisions taken on sections 1 and 2B, the most acceptable solution would be a ruling by the Chairman.

47. The Committee had taken a decision on section 1 on the understanding that, before the second reading, it would go back to the question of high-level posts. In adopting section 2B the Committee had decided that, in future, it would adopt all sections on the basis of the Advisory Committee's recommendations on the understanding that, if delegations had problems, those would be discussed before the second reading. He requested the Chairman to rule that that procedure would also apply to all other sections. Otherwise there would be endless procedural discussion on every item in the budget.

48. The CHAIRMAN announced that, as the Secretariat was now able to provide delegations with the information they had requested under sections 2A and 3, the Committee would take a decision on those sections in first reading at its next meeting.

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(The Chairman)

49. On the procedure to be followed in the first reading, he pointed out that in the past the Committee had not set whole sections aside on account of difficulties with certain budget items. Rather, its practice had been to agree on whatever could be agreed on. It had already begun to follow the same practice at the current session, by accepting that some aspects of sections 1 and 2B would be dealt with in informal consultations, any resulting changes being reflected in the second reading of the budget.

50. As a general rule, therefore, he suggested that the Committee should take action in first reading on the recommendations of the Advisory Committee relating to each section, identifying, as part of the same decision, those items which were to be dealt with in informal consultations before the second reading.

51. Mr. LOPEZ (Venezuela) said that he could accept the Chairman's suggestion provided he had an assurance that any information requested which was not made available during formal meetings would be provided during the informal consultations.

52. Mr. GUPTA (India) said that he could accept the Chairman's suggestion provided that the decision taken on each section reflected the understanding reached in informal consultations.

53. Mr. BAUDOT (Director, Programme Planning and Budget Division) undertook to provide the information requested by the Venezuelan delegation.

54. Ms. BROINOWSKI (Australia) and Ms. FRIESSNIGG (Austria) expressed support for the Chairman's suggestion.

55. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee agreed to follow the procedure he suggested for the remainder of the first reading.

56. It was so decided.

57. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee accepted the recommendations made by CPC in paragraphs 135 to 139 of its report.

58. It was so decided.

59. The CHAIRMAN suggested that, based on the recommendation of the Advisory Committee, and on the understanding that the transfer of seven posts to other sections of the budget would be dealt with in informal consultations before the second reading, the Committee should approve in first reading an estimate of \$44,673,000 under section 6 of the proposed programme budget for the biennium 1990-1991.

60. It was so decided.

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Section 7. Department of Technical Co-operation for Development

61. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that despite changes in presentation, the programme content of section 7 remained largely as in 1988-1989. The number of subprogrammes had been reduced from 40 to 23, to bring the budget proposals more into line with the structure of the medium-term plan; several non-substantive subprogrammes had been eliminated, and others had been regrouped; the number of programme elements had been reduced from 62 to 48, partly because no element now accounted for less than 24 work months.

62. CPC had made no specific recommendations on priorities under the section. The Secretary-General's proposals on priorities would be made available in writing after his presentation.

63. Extrabudgetary resources accounted for the bulk of the funds available to the Department, and almost all outputs were financed with a mixture of regular budget and extrabudgetary funds. For that reason, the reduction in regular budget posts made in response to resolution 41/213 had been offset by arranging financing for the same number of posts from extrabudgetary resources.

64. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that extrabudgetary funds available under section 7 in 1990-1991 were expected to amount to \$250,925,000. In paragraph 7.4 of its report, the Advisory Committee indicated that action was needed to increase the competitiveness of the Department as an executing agency for technical co-operation activities, and endorsed the recommendation made in paragraph 73 (k) of document E/AC.51/1989/4/Add.1. It had been informed that the financial regulations were being reviewed in order to provide the Department with the necessary flexibility in the area of project execution. The Advisory Committee trusted that the review would be carried out expeditiously, and that it would be kept informed.

65. In paragraph 7.6 of its report, the Advisory Committee noted that the 12 extrabudgetary posts proposed to offset those cut from the regular budget would cost \$2.7 million, though it was not easy to identify any corresponding increase in project activities. It had been informed that the delivery projections, based solely on the estimates for 1988-1989, were conservative, and that the increased number of posts would be matched by an increase in the delivery of technical co-operation projects. Nevertheless, it trusted that increases in extrabudgetary posts would be carefully monitored.

66. Mr. ABRASZEWSKI (Poland), speaking as Vice-Chairman of the Committee for Programme and Co-ordination outlined the conclusions and recommendations of that Committee made in paragraphs 143 to 146 of its report.

67. Mr. GARRIDO (Philippines) said that, in view of the importance of the Department in the determination of technical co-operation policy, it was to be hoped that sufficient resources would be provided to enable it to function as an executing agency. He was glad that extrabudgetary resources were available, in particular to offset the post reductions under the regular budget. Since the

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Department worked closely with UNDP on project execution, he wondered whether any timetable had been set up for amending the Financial Rules and Regulations in order to facilitate budget execution. A definite timetable was needed.

68. The technical publications issued by the Department, could be of great value to Member States. He welcomed the high priority accorded to natural resources, and especially to remote sensing, in the publications programme.

69. Ms. GOICOHEA ESTENOZ (Cuba) asked why programme elements 1.2 and 3.1 under programme 5 had been identified as being of low priority.

70. Ms. ZHANG Xian (China) asked whether the proposed abolition of one Assistant Secretary-General post under section 7 would have an impact on programme delivery. Her delegation believed that the post should be among those discussed by the informal group to be set up as agreed during the first reading of section 1. It further believed that the 25 per cent target for reductions in high-level posts set by the Group of 18, like the target set for overall staff reductions, was without any scientific basis, and that flexibility in making the recommended cuts was essential. The Secretary-General should review the matter in the light of the difficulties which the reductions raised for some delegations, the requirements of the Organization, and the need to ensure equitable geographical representation. She endorsed the views expressed by CPC in that connection at its twenty-ninth session.

71. Her delegation attached great importance to the work of the Department of Technical Co-operation for Development, and welcomed the recommendation of the Advisory Committee in paragraph 7.4 of its report regarding a change in the financial rules to make the Department more competitive in programme delivery. On the other hand, it wished to register its concern at the 0.3 per cent decline in real resources under the section.

72. Mr. BOUR (France) said that a clearer distinction must be made between administrative and project expenditure under section 7. Drawing attention to paragraph 292 (d) of the report of CPC, he said that his delegation would have enormous difficulty if the financial rules and regulations of the entire United Nations were to be adjusted to suit the purposes of one particular department. Furthermore, the UNDP financial rules and regulations had often been criticized, notably in reports of the Board of Auditors. It was not his delegation's intention that the United Nations financial regulations should be brought into line with current UNDP practice. He hoped that the UNDP Administration would take full account of the comments made by the Board of Auditors.

73. Mr. BAUDOT (Director, Programme Planning and Budget Division), replying to the representative of Cuba, said that the Secretariat was obliged to identify low-priority elements within budget programmes. In the best judgement of the Department of Technical Co-operation for Development, the programme elements he had mentioned were the ones that should be assigned low priority. That was not to say that they were not important; merely that, if resources under the section were reduced, greater priority would attach to other elements.

74. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), pointed out that revising the financial regulations was not a management affair: it required the approval of the General Assembly. The Secretary-General promulgated financial rules in implementation of the financial regulations. It was for that reason that the Advisory Committee had recommended, in paragraph 7.4 of its report, that the review of the Financial Rules and Regulations called for in document E/AC.51/1989/4/Add.1, paragraph 73 (k), should be carried out expeditiously, and that the Advisory Committee should be kept apprised of the situation.

75. Mr. BOUR (France) agreed with the Chairman of the Advisory Committee, and emphasized that if the Secretary-General should wish to go beyond adjusting the financial rules and amend the financial regulations - which his delegation thought undesirable - the Advisory Committee, CPC and the General Assembly must be kept duly informed, and a proper decision must be taken.

76. The CHAIRMAN suggested that the Committee should approve the conclusions and recommendations contained in paragraphs 143 to 146 of the report of CPC.

77. It was so decided.

78. The CHAIRMAN suggested that, based on the recommendation of the Advisory Committee, and on the understanding that the question of high-level posts would be discussed informally as agreed during the first reading of section 1, the Committee should approve in first reading an estimate of \$23,541,300 under section 7 of the proposed programme budget for the biennium 1990-1991.

79. It was so decided.

The meeting rose at 6.20 p.m.