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FIFTH COMMITTEE
87th meeting
held on
Tuesday, 18 December 1979
at 8.30 p.m.
New York

SUMMARY RECORD OF THE 87th MEETING

Chairman: Mr. PIRSON (Belgium)

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

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AGENDA ITEM 97: PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Budget and programme performance of the United Nations for the biennium 1978-1979

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The meeting was called to order at 8.40 p.m.

AGENDA ITEM 98: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

Proposals of the Secretary-General for the draft programme budget of the United Nations Industrial Development Organization for 1980-1981 in response to the request in paragraph 3 of the draft resolution contained in document A/C.5/34/L.42 (continued) (A/34/7/Add.27; A/C.5/34/88)

1. The CHAIRMAN invited the Committee to approve the recommendation of the Advisory Committee contained in paragraph 12 of its report (A/34/7/Add.27) to the effect that, should the General Assembly adopt the draft resolution contained in document A/C.5/34/L.42, an additional appropriation in the amount of \$598,500 would be required under section 17 and an appropriation of \$114,100 under section 31, to be offset by an increase in the same amount under income section 1.
2. The recommendation of the Advisory Committee was approved without a vote.
3. Mr. SADDLER (United States of America) said that, had the recommendation been put to the vote, his delegation would have been unable to support it because it felt that the Third General Conference of UNIDO should have had time to consider the activities in question.
4. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) explained that his delegation would have voted against, had the recommendation been put to the vote.
5. The CHAIRMAN said that, on the basis of the proposal made by the representative of Tunisia at the 86th meeting, he took it that the Committee wished to recommend to the General Assembly the approval of an additional appropriation of \$100,000 under section 17 of the proposed programme budget for the biennium 1980-1981 to cover travel of 50 representatives from the least developed countries, on the understanding that that would constitute a waiver of the relevant provisions of General Assembly resolution 1798 (XVII).
6. Mr. VISLYKH (Union of Soviet Socialist Republics) inquired what had happened to the United States proposal.
7. The Tunisian proposal was adopted by 65 votes to 12, with 11 abstentions.

Administrative and financial implications of draft resolution A/C.2/34/L.114, as orally amended, concerning agenda item 55 (h) (continued) (A/34/7/Add.22 and Corr.1; A/C.5/34/73)

8. The CHAIRMAN suggested that the Committee should approve the recommendation contained in paragraph 9 of the Advisory Committee's twenty-third report (A/34/7/Add.22 and Corr.1) to the effect that, should the General Assembly decide to adopt draft resolution A/C.2/34/L.114, as orally amended, there would be need

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to adjust the estimates for sections 6, 10, 11, 12, 13 and 14 of the proposed programme budget for 1980-1981, already approved by the Fifth Committee in first reading, in the manner summarized in paragraph 5 of the same report.

9. Mr. PAL (India) said that once again there had been a breakdown in communications. On the basis of the talks he had had with members of the Second Committee, he understood that that Committee had conducted informal consultations on the original draft resolution in document A/C.2/34/L.87. The Group of 77 had taken the view that a mere redeployment of posts from the Department of International Economic and Social Affairs to the regional commissions would not be sufficient to ensure successful completion of the programmes concerned; additional resources would be required, as indicated in document A/C.5/34/73 (para. 14) and the annex thereto. The draft resolution contained in document A/C.2/34/L.87 had subsequently been amplified and reissued in document A/C.2/34/L.114. During the discussion in the Second Committee an oral proposal had been made to insert the words "inter alia" before the reference to redeployment in operative paragraph 3. It had been clearly understood by the Second Committee that it was the intention of the Group of 77, in including those words, that the financial implications set out in the annex to document A/C.5/34/73 should form an integral part of that document. A number of delegations which had not been prepared to accept that idea had voted against the inclusion of the words "inter alia". In explaining their votes, other delegations, including his own, had clearly explained their interpretation of the amendment.

10. The Secretary-General had not regarded the proposals set out in the annex to his submission (A/C.5/34/73) as financial implications allegedly because the Second Committee had not given the Secretariat a clear mandate to do so. However, as he had explained, one had only to examine the voting pattern and the explanations of vote in that Committee to realize what the views of its members were. The Fifth Committee should therefore consider the financial implications set out in the annex to document A/C.5/34/73 before taking a decision and, for that purpose, he requested that the Chairman of the Advisory Committee should make an oral report on the annex as soon as possible.

11. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) explained that, in accordance with the Financial Regulations, it was the duty of the Secretary-General to submit proposals for consideration by the Advisory Committee. No such proposals had been made with regard to the financial implications of the annex to document A/C.5/34/73.

12. Moreover, given the impossibility of reconvening the Advisory Committee that day to consider the annex, he doubted whether he would be in a position to make an oral report.

13. The CHAIRMAN inquired whether, given that the Committee for Programme and Co-ordination (CPC) was to review policy and programme issues relating to the

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(The Chairman)

distribution of tasks and responsibilities between the regional commissions and other United Nations units, programmes and organs concerned, it might not be possible for the Fifth Committee to ask CPC to take account of the proposals submitted by the secretariats of the regional commissions, as set out in the annex to document A/C.5/34/73 and, on that understanding, to support the recommendation of the Advisory Committee.

14. Mr. PAL (India) expressed the view that such a course of action by the Fifth Committee would do an injustice to the Second Committee, which had known that CPC was to carry out the review, but had nevertheless taken a decision that additional resources should be made available. Not to vote on financial implications which fully reflected all facets of the resolution adopted by the Second Committee would be to betray that Committee's interests. He realized that there was a procedural problem, but suggested that the representatives of the Secretary-General might make an oral report on the financial implications of the strengthening of activities and resources of the regional commissions in priority areas.

15. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said he could only reiterate that no statement of financial implications had been submitted to the Second Committee by the Secretary-General in respect of the insertion of the words "inter alia" in the draft resolution contained in document A/C.2/34/L.114. It appeared clear from the proceedings of the Second Committee, as described by the representative of India, that, had such a statement been prepared, it would necessarily have covered the resources mentioned in the annex to document A/C.5/34/73.

16. Mr. BRODOWINGRAT (Indonesia) requested further clarification from the Assistant Secretary-General given that, according to document A/34/649, it was the Secretary-General's intention to submit a comprehensive statement of administrative and financial implications with respect to the implementation of General Assembly resolutions 33/197 and 33/202. He wondered what had happened to that comprehensive statement.

17. Mr. RUEDAS (Assistant Secretary-General for Financial Services) pointed out that the statement of financial implications contained in document A/C.5/34/73 referred only to the draft resolution adopted by the Second Committee.

18. Mrs. DORSET (Trinidad and Tobago) requested clarification as to who was responsible for providing the statement of administrative and financial implications. She was not clear whether that was the duty of the Secretariat or of members of the Second Committee. She said that a clarification on that matter might perhaps help the Committee to find its way out of the morass in which it had been floundering for several days.

19. The CHAIRMAN said it was his understanding that it was the last-minute insertion of the words "inter alia", after the Second Committee had considered the statement of administrative and financial implications contained in document A/C.5/34/73, that was at the root of the problem. That amendment had been adopted without there having been any additional statement of financial implications.

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20. Mr. AYADHI (Tunisia) said that the draft resolution in question was certainly not adopted in secret and it was difficult to understand why nothing had been done to follow up on the amendment. The Secretariat was well aware of the importance all Member States attached to decentralization and redeployment.

21. Mr. TOMMO MONTHE (United Republic of Cameroon) observed that it was true that when the Second Committee had adopted the draft resolution contained in document A/C.2/34/L.114, the Secretariat had previously submitted a statement of administrative and financial implications in the form of document A/C.5/34/73 and the annex thereto. According to paragraph 7 of the Advisory Committee's twenty-third report (A/34/7/Add.22), it appeared that the Secretary-General had concluded that the insertion of the words "inter alia" meant that the information contained in paragraph 14 of his statement and in the annex did not form part of the administrative and financial implications of that draft resolution. It was difficult to understand why the term "inter alia" had been interpreted in such a restrictive fashion. The explanation of the representative of the Secretary-General was not convincing; the real reason probably lay elsewhere.

22. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) appealed to the Committee not to waste any more time. Words would not help to solve what was an extremely confused situation. There was room for different interpretations. The representative of India had presented his interpretation of the proceedings in the Second Committee, but those who had not been present were in no position to know exactly what had transpired and, furthermore, his delegation had neither the text of the earlier version contained in document A/C.2/34/L.87 nor that contained in document A/C.2/34/L.114. It was very difficult therefore to come to an opinion with respect to the seemingly contradictory statements of the Assistant Secretary-General for Financial Services and of some delegations.

23. In view of the fact that the Committee was under pressure of time to conclude its work, he proposed that it should approve the recommendations contained in paragraph 9 of the Advisory Committee's twenty-third report (A/34/7/Add.22 and Corr.1).

24. Mr. SADDLER (United States of America) said that the account given of the proceedings in the Second Committee was partially correct and partially incorrect. His delegation had not understood that the words "inter alia" entailed the significant financial implications now suggested by some delegations. It was clear, however, that the representatives of the Secretary-General had informed the Advisory Committee that the annex to document A/C.5/34/73 did not form part of the administrative and financial implications of draft resolution A/C.2/34/L.114. That meant that no additional appropriations were required, which was different from saying that the activities would not be carried out. When a statement of financial implications was submitted, it was then for the Secretary-General to determine whether the expenditure could be met from resources already available or likely to become available, or through redeployment. His delegation could not see how the Fifth Committee could determine that additional resources were needed whenever there were programme implications.

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25. Mr. BRODODININGRAT (Indonesia), referring to the statement made by the Assistant Secretary-General for Financial Services, said that paragraphs 2 and 3 of draft resolution A/C.2/34/L.114 made reference to General Assembly resolutions 32/197 and 33/202. The documents to which his delegation was referring were mentioned in paragraph 1 of document A/C.5/34/73 and paragraph 3 of document A/34/7/Add.22.

26. Mr. SWEGER (Sweden) said that his delegation had supported the inclusion of the words "inter alia" on the understanding that they implied that it would be possible for additional resources to be made available and used to strengthen the regional commissions. While it was anxious to observe the proper procedure, his delegation thought it imperative to find a solution. It therefore wondered whether it would be possible to authorize the Secretary-General to enter into commitments not exceeding a certain level, subject to the prior concurrence of the Advisory Committee.

27. The CHAIRMAN said that the words "inter alia" could mean that additional resources would be available, but did not, to his mind, mean that all the resources referred to in the annex to document A/C.5/34/73 should be made available. He urged the Committee to show goodwill in the present unclear situation by approving the recommendation of the Advisory Committee and by drawing the attention of the Committee for Programme and Co-ordination to the problem and to all the relevant documents, including document A/C.5/34/73, so that it might have a clear picture of what a number of Member States wished.

28. Mr. PAL (India) said that while his delegation was still convinced that the financial implications which the Fifth Committee and the Advisory Committee should have considered were all those referred to in document A/C.5/34/73, it recognized that very little time was left. It noted that the Committee for Programme and Co-ordination would be apprised of the details of the debate and, with great reluctance, would not object to the approval of the recommendation of the Advisory Committee.

29. The CHAIRMAN said that, if there was no objection, he would take it that the Committee was ready to approve without a vote the recommendation of the Advisory Committee in paragraph 9 of its report (A/34/7/Add.22 and Corr.1).

30. It was so decided.

31. Mr. KHAMIS (Algeria) stressed that the Secretariat should bear in mind the vital importance of restructuring. Every effort should be made to give priority to General Assembly resolution 32/197 and complete the long-awaited restructuring of the economic and social sectors of the United Nations system.

Consolidated statement of administrative and financial implications in respect of conference servicing costs (A/C.5/34/98 and Corr.1)

32. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee recommended reductions in the additional appropriations requested for 1980 (A/C.5/34/98, para. 27). Instead of the estimates proposed by the Secretary-General, it recommended \$1.2 million for section 29.A, \$2.5 million for section 29.B and \$45,000 for section 28.D. Under section 31 there was need for an appropriation of \$900,000, to be offset by an

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increase in the same amount under income section 1. The total net appropriation would therefore be \$3,745,000.

33. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that, in view of the large sums involved, the Advisory Committee's recommendations should be put to the vote.

34. A total additional appropriation of \$3,745,000 under sections 29.A, 29.B and 29.D was approved by 79 votes to 6, with 3 abstentions.

Administrative and financial implications of the draft resolution submitted by the Second Committee in document A/C.2/34/L.106 concerning agenda item 55 (a)
(continued) (A/C.5/34/86 and Corr.1; A/C.2/34/L.107)

35. The CHAIRMAN said that, according to draft decision A/C.2/34/L.107, the General Assembly would request the Secretary-General to explore ways and means of providing assistance, in particular through extrabudgetary resources, for travel and per diem expenses, as necessary, to enable delegations of the least developed countries to participate in meetings of the Preparatory Committee for the United Nations Conference on the Least Developed Countries. The Assistant Secretary-General for Financial Services had already indicated that \$144,000 would be required for 1980 under the regular budget.

36. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had not been able to formally consider the proposal, which was exactly like the Tunisian proposal on which the Committee had voted earlier in the current meeting. The same recommendation would therefore apply. The General Assembly would have to consider waiving the relevant provisions of its resolution 1798 (XVII). If those provisions were waived, an appropriation of \$144,000 would be needed for 1980 under the regular budget to cover the travel and per diem expenses of the representatives concerned.

37. Mr. BUJ-FLORES (Mexico) formally proposed that the Committee should recommend that the General Assembly waive the relevant provisions of resolution 1798 (XVII) and that it should approve an appropriation of \$144,000.

38. Mr. SADDLER (United States of America) said that his delegation was puzzled that there had been no further reference to paragraph 4 of document A/C.5/34/86, which appeared to indicate that extrabudgetary funds might become available. It had understood that the amount requested would be reduced if extrabudgetary funds did become available.

39. Mr. BUJ-FLORES (Mexico) said that the Advisory Committee had unfortunately been unable to give any definitive recommendation concerning paragraph 4. His delegation did not see how the proposed appropriation could be reduced.

40. The CHAIRMAN, replying to a question put by Mr. DENIS (France), said that the proposal concerned assistance for 31 countries, on the basis of one representative per country.

41. At the request of the representative of the United States of America, a recorded vote was taken on the Mexican proposal.

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- In favour: Afghanistan, Algeria, Argentina, Australia, Bahrain, Barbados, Benin, Bhutan, Brazil, Burundi, Canada, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Costa Rica, Cyprus, Democratic Yemen, Ecuador, Egypt, Ethiopia, France, Ghana, Greece, Guinea, Guinea-Bissau, Guyana, India, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lesotho, Liberia, Libyan Arab Jamahiriya, Malaysia, Mali, Mauritania, Mexico, Mozambique, Niger, Nigeria, Norway, Pakistan, Papua New Guinea, Peru, Philippines, Romania, Rwanda, Saudi Arabia, Senegal, Singapore, Sudan, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.
- Against: Bulgaria, Byelorussian Soviet Socialist Republic, German Democratic Republic, Hungary, Japan, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.
- Abstaining: Belgium, Denmark, Finland, Germany, Federal Republic of, Ireland, Israel, Italy, Luxembourg, New Zealand, Portugal, Spain, Sweden.

42. The Mexican proposal was adopted by 73 votes to 11, with 12 abstentions.

43. Mr. SADDLER (United States of America) said that his delegation had voted against the proposal because it called for the provision of funds under the regular budget for travel and per diem expenses for delegations of some Member States. The United States position was that equal treatment should be accorded to all Member States and that any kind of preferential treatment violated the principle of universality of the United Nations. The General Assembly had established specific provisions for the payment of travel and subsistence allowances.

44. Mr. KOUYATE (Guinea) said that when the United Nations had been founded, a number of States which were now Members had still been under colonial rule. As independent States, they had become Members of the Organization on an equal footing. The fact that some States enjoyed millions of dollars in profits as a result of the existence of the United Nations was a flagrant case of the violation of the principle of equality among States. The resolution establishing the system of travel and subsistence allowances had been adopted long before the category of least developed countries had been established. It was only fair for the international community

(Mr. Kouyate, Guinea)

to take into account the situation resulting from years of colonial rule. For those reasons, his delegation had been pleased to vote in favour of the Mexican proposal.

45. Mr. BRODODININGRAT (Indonesia) said that, had his delegation been present during the voting, it would have voted in favour of the Mexican proposal.

46. Mr. STUART (United Kingdom) said that his delegation had voted against the proposal for the reasons clearly stated by the representative of the United States of America.

Draft resolution A/C.5/34/L.15

47. Mr. RAMZY (Egypt), speaking on a point of order, said that, since draft resolution A/C.5/34/L.15 did not appear on the Committee's agenda for the day, his delegation was not prepared to discuss it.

48. The CHAIRMAN said that draft resolution A/C.5/34/L.15 had been issued on 15 November. He invited the representative of the Soviet Union to introduce it.

49. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that draft resolution A/C.5/34/L.15 was self-explanatory. The tendency to constant increase in the budgetary appropriations for the travel expenses of United Nations staff had been eloquently confirmed throughout the consideration of the proposed programme budget. The draft resolution was very clear and specific and would benefit the entire Organization.

50. Mr. DENIS (France) asked what the short-term, medium-term and long-term tendencies were in the increase in budgetary appropriations for travel expenses, and what percentage of the budget those appropriations represented.

51. Mr. BUJ-FLORES (Mexico) asked what criterion had been used to reach the figure of \$1 million in the operative part of the draft resolution.

52. Mr. KEMAL (Pakistan) said that it was difficult to assess the impact which the draft resolution would have on the United Nations budget. His delegation noted from one of the annexes to the foreword to the proposed programme budget for 1980-1981 that the Secretary-General had proposed total amounts of \$13.9 million for the travel expenses of staff on official business and \$2.9 million for the travel expenses of staff attending meetings. However, it would take time to ascertain the amounts actually approved by the Committee in first reading. Furthermore, the draft resolution failed to indicate precisely how the reduction in appropriations for travel would be distributed. It was to be feared

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(Mr. Kemal, Pakistan)

that an across-the-board cut could adversely affect programme delivery. Thus, although his delegation was sympathetic to the thrust of the proposal, it felt that the implications needed to be clarified.

53. Mr. MAJOLI (Italy) said that his delegation shared the Soviet delegation's concern for economy but had difficulty in supporting draft resolution A/C.5/34/L.15 because it called for a reduction in the over-all amount recommended by the Advisory Committee and because the idea of an across-the-board reduction was inconsistent with the principles of programme budgeting. In that connexion, it would be interesting to know whether the tendency to increase in travel expenses was absolute or relative compared with the growth of the budget as a whole. If the increase was relative, it should be determined whether it corresponded to the normal development of the international work of the United Nations or whether there was some waste or duplication. In the latter case, the Joint Inspection Unit should investigate the question of official travel.

54. Mr. BLACKMAN (Barbados) said that the draft resolution posed major problems for his delegation, and in that regard he fully endorsed the remarks made by the representative of Pakistan. It was unclear how the reductions would be made, and it could be very detrimental to certain activities if the Secretary-General was given a free hand.

55. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that the budgetary appropriations for the travel expenses of United Nations staff were increasing every year in both absolute and relative terms. That could be ascertained simply by comparing recent biennial budgets. Some representatives seemed to have forgotten, or consigned to oblivion, the report prepared by the Joint Inspection Unit on the question of the travel expenses of the United Nations and the specialized agencies, which gave a clear picture of the expenditure involved and contained many valuable recommendations. During the general debate on the proposed programme budget for 1980-1981, many representatives had eloquently cited instances of excessive estimates, including those for travel, yet when a concrete proposal on the subject was submitted, those delegations seemed to have forgotten their earlier positions. The total provision for travel of staff on official business in document A/34/6 was almost \$14 million, and the revised estimates would add a considerable amount to that total. The Secretariat seemed to be requesting funds to be used as a reserve, as could be deduced from the recommendations of the Advisory Committee proposing reductions for travel expenses under many sections of the budget. It was in the light of all those considerations that his delegation had submitted the draft resolution.

56. Mr. HOUNA GOLO (Chad), speaking in explanation of vote before the vote, said that his delegation was surprised that the draft resolution, which would overturn Advisory Committee's recommendations regarding travel expenses, had been submitted. It seemed to have come from nowhere, and did not take account of previous decisions on travel. Furthermore, the Soviet representative's answer to the

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(Mr. Houna Golo, Chad)

question by the representative of France had not been sufficiently precise, as it had not contained any figures. He endorsed the comments made by the representative of Italy and said that his delegation would not be able to support the draft resolution.

57. Mr. LAHLOU (Morocco) said that his delegation would have liked to support a proposal along the lines of the one made by the Soviet Union, because it felt that the Secretariat sometimes exceeded the desirable limits as far as travel expenses were concerned. For technical reasons, however, it could not support the draft resolution. The figure of \$1 million was arbitrary, and more precision was required.

58. Mr. PAL (India) said that his delegation shared the concerns that had prompted the Soviet delegation to submit the draft resolution. Adoption of the draft resolution, however, would mean overturning the ACABQ recommendations on travel. Moreover, the operative part of the draft resolution requested the Secretary-General to distribute the reduction of \$1 million among the sections of the programme budget for the biennium 1980-1981. That left many options open to the Secretary-General without any control by ACABQ or the Fifth Committee; in other words, the Secretary-General would have a completely free hand in deciding how to use the funds released. For those reasons, his delegation could not support the draft resolution under consideration.

59. Mr. RAMZY (Egypt) said that his delegation could not support draft resolution A/C.5/34/L.15 because it contradicted the principle of programme budgeting. Furthermore, it was not satisfied by the Soviet delegation's explanation as to how the figure of \$1 million had been arrived at.

60. His delegation shared the concerns expressed by the representative of India on how the savings of \$1 million would be distributed. It was surprising that the USSR delegation, which had repeatedly stressed the importance of adhering strictly to the recommendations of ACABQ, was now sponsoring a draft resolution that would overturn those recommendations.

61. Mr. TOMMO MONTHE (United Republic of Cameroon) said that the process of restructuring and decentralization naturally led to increased travel by United Nations staff; his delegation believed that the draft resolution should not be adopted.

62. Mr. KOUYATE (Guinea) said that, as the United Nations expanded its activities, budgetary costs were bound to increase. However, such increases should be controlled so that they would not hinder the efforts of the United Nations to achieve its goals. Clearly, United Nations employees needed to travel as part of their job; but when the total cost of that travel was equivalent to the cost of two or three development programmes for least developed countries, it was clear that a reduction in travel expenses was necessary. For that reason, his delegation would fully support the Soviet draft resolution contained in document A/C.5/34/L.15.

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63. Mr. SADDLER (United States of America) said that his delegation would vote in favour of the Soviet proposal to conserve United Nations resources that would otherwise be used for travel. United Nations staff travelled too often and too far; they neglected their headquarters duties -- important studies were not carried out and documents were not prepared on time -- and they often invented excuses for travel simply to spend holidays in pleasant locations. United Nations travel procedures were loosely applied, and currently there was very little control of United Nations travel expenditures. For those reasons, his delegation fully supported the Soviet proposal, and would have wished the amount specified to be larger.

64. Draft resolution A/C.5/34/L.15 was rejected by 54 votes to 13, with 27 abstentions.

65. Mr. MBAZOA (Central African Republic) said that his delegation had voted against the draft resolution because the Central African Republic supported, and was a beneficiary of, United Nations assistance programmes for economic and social development, which required missions to developing countries. Like some other delegations, his delegation was surprised that the proposal sought to reduce travel expenses, rather than other items of expenditure.

AGENDA ITEM 97: PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Budget and programme performance of the United Nations for the biennium 1978-1979 (A/34/842; A/C.5/34/79 and Add.1-27 and Add.10/Corr.1)

66. The CHAIRMAN drew particular attention to the statement in paragraph 5 of the report of the Advisory Committee (A/34/842) that the Advisory Committee had been unable to consider the Secretary-General's report in detail, in view of its late submission.

67. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee was recommending approval of the revised estimates for the biennium 1978-1979 submitted by the Secretary-General in his report (A/C.5/34/79 and Add.1-27 and Add.10/Corr.1) and of the draft resolutions contained in document A/C.5/34/L.49.

68. As reported in paragraph 5 of document A/34/842, the Advisory Committee had not had sufficient time to examine the Secretary-General's report as thoroughly as it would have wished; however it was prepared to continue its consideration of that report, if necessary, in the light of the report on programme implementation to be submitted by the Secretary-General to the Committee for Programme and Co-ordination and subsequently to the General Assembly at its thirty-fifth session.

69. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation attached considerable importance to the question of budget and programme performance for the biennium 1978-1979, and much regretted that it had to be handled so hastily. In view of the fact that the Advisory Committee had been unable to examine the

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(Mr. Palamarchuk, USSR)

matter in detail, he requested that the Secretariat should officially state why, in preparing the report on budget and programme performance for 1978-1979, it had ignored the provision of General Assembly resolution 33/204 that requested the Secretary-General to include in performance reports relevant information on the staff and resources released as a result of the reorganization, merging and elimination of United Nations activities.

70. Mr. AYADHI (Tunisia) said he deplored the fact that the Committee was expected to consider such an important question as the budget and programme performance for the biennium 1978-1979 in so short a time, and that the Secretary-General's report had been submitted too late to enable the Advisory Committee to consider it in detail. He therefore proposed that the words "if need be" be deleted from the last sentence of paragraph 5 of the Advisory Committee's report, since there was an obvious need for that Committee to continue its study. He welcomed the fact that the Committee for Programme and Co-ordination was also to consider the Secretary-General's report. It might in future be useful if the question of budget performance could be considered by the Fifth Committee in off-budget years.

71. As far as the content of the Secretary-General's report was concerned, it was not enough to state that there had been a decrease in expenditure. On the contrary, the procedures for adjusting credits approved by the General Assembly required proper and full consideration.

72. Mr. SADDLER (United States of America) said that even though there were savings on the gross budget of some \$5.9 million, and of approximately \$1 million on the net budget, the performance report before the Committee gave his delegation a number of specific difficulties.

73. The document was a large one and had been submitted late; it should not be hastily considered by the Committee. He fully understood the difficulties of the Advisory Committee in being presented with so large and complex a document so close to the end of the session; it was to be hoped that that would not recur.

74. It was the belief of his delegation that the flagrant under-estimation of income shown in the introduction to the Secretary-General's report (A/C.5/34/79) was cause for serious concern, since it was a deceptive and not a commendable budgetary practice.

75. The table on page 3 of that introduction was **extremely** misleading. The figures under the "inflation" column led to the assumption that they represented the totality of the provisions under that heading, which was not at all true. The requirements attributable to inflation shown in the table had been calculated or devised by the Secretariat after the Committee had adopted the revised appropriations, which had contained every possible provision for inflation. The same could be said of the other columns. For instance, the figure of 0.2 per cent shown under "Decisions of policy-making organs" related to policy decisions taken since the previous session of the General Assembly. The validity of changes in estimates attributable to those policy decisions was questionable, since the

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(Mr. Saddler, United States)

General Assembly was the proper body to appropriate funds. The most disturbing column was that entitled "Other changes", since it clearly represented a "cushion" built into the Secretary-General's budget and used to offset other items - a "cushion" whose purpose was to deceive Member States into believing that prudent management had somehow resulted in a surplus being refunded. In the view of the United States delegation, a saving of \$23.6 million indicated careless budgeting practice which allowed programme managers to operate with considerable freedom and in an uncontrolled laissez-faire manner. The overbudgeting which had permitted such a saving merely put into proper perspective ACABQ recommendations concerning amounts as little as \$25,000, which regularly aroused intense emotions.

76. Furthermore, hidden in the voluminous report of the Secretary-General, there were a number of substantial policy decisions being presented for the first time. It would have been more appropriate if the Secretary-General had abstracted them for the benefit of Member States, since they were the kind of policy decisions which would subsequently be referred to as having been deliberately endorsed by the Assembly, and consequently used as a precedent for future action. If the practice of submerging such details in so large a document was continued, there could be considerable embarrassment all around.

77. It was to be hoped that the Committee for Programme and Co-ordination and the Advisory Committee would carefully review the report currently before the Fifth Committee, together with the report on programme implementation, when the latter became available, and would provide a synthesis which would highlight the hidden policy decisions and would be of value to all Member States.

78. Mr. AKSOY (Turkey), referring in particular to paragraphs 14.3 and 14.4 of the addendum on international drug control (A/C.5/34/79/Add.14), reminded the Committee that when the expenditure to be incurred by the removal of Secretariat units to Vienna was discussed at the thirty-third session of the Assembly, his delegation had expressed concern over the ability of the Fund for Drug Abuse Control to cover such expenditure, which did not fall within the Fund's terms of reference. It had in particular been concerned by the fact that the important programmes being financed by that Fund would thereby be adversely affected, but the representatives of the Secretary-General had assured the Committee that that would not be the case. It was clear, however, from the report on accommodation in Vienna, that the Commission on Narcotic Drugs had questioned the advisability of existing arrangements. Moreover, the Economic and Social Council had, at its spring session, decided to request the Secretary-General to seek the approval of the General Assembly for financing the costs of the transfer to Vienna from existing regular budgetary resources. Had the Committee been rather more liberal in its attitude towards the transfer the previous year, a good deal of unnecessary work would have been avoided. The Turkish delegation therefore supported the Secretary-General's revised estimate in paragraph 14.3 (b) of document A/C.5/34/79/Add.14.

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79. Mr. HOUNA GOLO (Chad) fully supported the proposal made by the representative of Tunisia to delete the words "if need be" from the last sentence of paragraph 5 of the Advisory Committee's report (A/34/842). As all delegations were clearly interested in the question of budget and programme performance, they needed before them the carefully considered opinions of the Advisory Committee; the deletion of that phrase would ensure that the necessary preliminary work would be done and that the General Assembly at its thirty-fifth session would be provided with the information it needed to take decisions.

80. Mr. LAHLOU (Morocco) said that his delegation also regretted having to take a decision on so vital a subject with so little time in which to read the reports. The Committee would undoubtedly have to take a decision, but it should be clearly understood that the ultimate responsibility in the matter would rest with the Secretariat and with the Advisory Committee, which had promised to continue its consideration of the Secretary-General's report in document A/C.5/34/79 and addenda in the context of its discussion of the forthcoming report on programme implementation.

81. The CHAIRMAN said it was most unfortunate that the Committee should have had too little time to deal properly with the Secretary-General's report on budget and programme performance. In the circumstances, however, the best thing was to appeal to the Advisory Committee to study the report in the coming year in the light of the report to be prepared by the Secretary-General on programme implementation. It should also be noted that the Committee for Programme and Co-ordination would have before it the report on programme implementation at its twentieth session. Furthermore, the Secretary-General should be asked to ensure that future reports on budget and programme performance reached the Committee at least one month before the end of the General Assembly session. He fully recognized the validity of the Tunisian suggestion that the Committee could usefully consider questions of budget performance in years when it did not have to adopt the budget.

82. He suggested that the Committee should recommend to the General Assembly that it approve the revised estimates submitted by the Secretary-General as shown in paragraph 4 of the Advisory Committee's report (A/34/842) and take note of the comments in paragraph 5 of the same report.

83. It was so decided.

84. Mr. AYADHI (Tunisia) requested that the Chairman's summary be reflected in the Fifth Committee's report to the General Assembly.

85. It was so decided.

86. Mr. BEGIN (Director, Budget Division), replying to points raised by the representative of the United States of America, pointed out that the reduction in the estimates of income resulted from a decrease in the total amount of staff assessment. That item was difficult to forecast and an over-estimate had in fact been made. As far as inflation was concerned, the Secretariat might not have been

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(Mr. Begin)

sufficiently precise in its report, in particular in its introduction where it was stated that the increase in expenditure had been due to inflation. That statement, however, referred exclusively to salaries, since adjustments in salaries as a result of increases in the cost of living in a number of countries had been higher than expected.

87. The representative of the United States had expressed regret that decisions of policy-making organs should be buried in the many addenda attached to the Secretary-General's report. The Secretariat had prepared the introduction with the express aim of giving an over-all view of the situation so that concerns of the kind expressed by the United States representative would not arise; it was regrettable that it had not achieved its purpose.

88. Mr. RUEDAS (Assistant Secretary-General for Financial Services), replying to the question raised by the representative of the Union of Soviet Socialist Republics in connexion with the implementation of resolution 33/204, said that, as stated in the second paragraph of the Secretary-General's report (A/C.5/34/79), the report was essentially a financial one and would be supplemented by a report on programme implementation in accordance with resolution 33/118. It was quite clear therefore that resolution 33/204 calling for the inclusion in reports on budget performance of information on the results of eliminating United Nations programmes or projects could apply only to reports on programme implementation and not to the strictly financial reports currently before the Committee. In his view, the Organization had not yet achieved an exact balance between programme and budget as far as the presentation of results was concerned. He therefore welcomed the suggestions made concerning the need for further study of such information in the course of the coming session, since the results were meaningful only if accompanied by information on programme implementation.

89. Mr. SADDLER (United States of America) expressed satisfaction that his delegation's comments had been noted by the Budget Division. He wished, however, to make it abundantly clear - since the full import of his earlier statement had apparently eluded the Director of the Budget Division - that his reference to the decisions of policy-making organs (see A/34/79, p. 3, table), and his observations on specific policy decisions that lay buried in the report's addenda had been separate and unrelated comments. The former had referred to the apparent totality of the decisions involved. The latter had referred to the fact that all the addenda attached to the report contained a number of issues of which the Committee should be made specifically aware; he had also stated that in future documents such issues should be extracted and given specific presentation to ensure that they were not overlooked.

90. Mr. MAJOLI (Italy) recalled that in January 1979, his delegation had had to vote against the revised budget estimates for 1978-1979 because, although it supported the United Nations and in particular its activities to benefit developing

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(Mr. Majoli, Italy)

countries, promote peace and further social and economic progress, it was opposed to the continuous growth of bureaucracy and the continuation of certain activities which did not serve the interests of the international community or of developing countries. Document A/C.5/34/L.49 showed that his delegation had been right, since there had been an over-estimate of approximately \$6 million. In any case, his delegation could not vote in favour of draft resolution A because of the lack of time available to consider it; it would therefore abstain in the vote on that resolution.

91. Mr. AYADHI (Tunisia) said that, in the light of the statement made by the Assistant Secretary-General for Financial Services, he wondered whether there was really any urgent need for the Committee to take action on the draft resolutions in document A/C.5/34/L.49. His delegation was not prepared to take a decision that represented the final word on the programme budget for the biennium 1978-1979 without full knowledge of the facts. It would therefore have to abstain in the vote on the two resolutions in document A/C.5/34/L.49.

92. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said it was essential that the General Assembly should approve the revised estimates in document A/C.5/34/L.49; otherwise, it would not be possible to prepare the accounts in accordance with the Financial Regulations of the United Nations and to complete the auditing and reporting procedures.

93. Mr. LAHLOU (Morocco) said it was regrettable that the Secretariat was proposing reductions in expenditures for the biennium 1978-1979, since that indicated a lack of absorption capacity. It was unfortunate that there should have been a decline in activities.

94. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that his delegation was not satisfied with the reply given by the Assistant Secretary-General for Financial Services. It noted in that connexion that General Assembly resolution 33/204, which had been adopted unanimously at the thirty-third session of the General Assembly, had not been implemented; that meant that the Secretariat was not respecting the collective will of the States Members of the United Nations.

95. Referring to document A/C.5/34/L.49, he said that his delegation would abstain in the vote on draft resolution A, since it had voted against the proposed programme budget for the biennium 1978-1979, for reasons which it had explained in detail at the time, and against the revised estimates for 1978-1979. It would also abstain in the vote on draft resolution B.

96. Mr. AKSOY (Turkey) said that his delegation would vote in favour of draft resolution A because it believed that the figures represented a realistic reflection of programme performance during the 1978-1979 biennium.

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97. Mr. HILLEL (Israel) recalled that at the thirty-second and thirty-third sessions of the General Assembly, his delegation had expressed strong reservations about certain elements of the budget which were of a one-sided political nature and involved unnecessary expenditure. His delegation reiterated its reservations and would abstain in the vote on draft resolution A.

98. The CHAIRMAN invited the Committee to vote on draft resolutions A and B in document A/C.5/34/L.49, which made provision for a total revised appropriation for the 1978-1979 biennium of \$1,084,186,200 and revised estimates of income in the amount of \$190,856,900.

99. A recorded vote was taken on draft resolution A.

In favour: Algeria, Austria, Bahrain, Barbados, Benin, Bhutan, Brazil, Burundi, Cape Verde, Central African Republic, Chad, Chile, Costa Rica, Cuba, Cyprus, Democratic Yemen, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Greece, Guinea, Guinea-Bissau, Guyana, India, Indonesia, Ireland, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait, Lesotho, Liberia, Libyan Arab Jamahiriya, Malaysia, Mali, Mauritania, Mexico, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Philippines, Portugal, Rwanda, Saudi Arabia, Senegal, Singapore, Spain, Sudan, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Against: Bulgaria, Byelorussian Soviet Socialist Republic, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics.

Abstaining: Australia, Belgium, Canada, France, Germany, Federal Republic of, Israel, Italy, Romania, United Kingdom of Great Britain and Northern Ireland, United States of America.

100. Draft resolution A was adopted by 77 votes to 8, with 10 abstentions.

101. A recorded vote was taken on draft resolution B.

In favour: Algeria, Australia, Austria, Bahrain, Barbados, Belgium, Benin, Bhutan, Brazil, Burundi, Canada, Central African Republic, Chad, Chile, China, Costa Rica, Cuba, Cyprus, Democratic Yemen, Denmark, Ecuador, Egypt, Ethiopia, Finland, France, Gabon, Germany, Federal Republic of, Ghana, Greece, Guinea, Guinea-Bissau, Guyana, India, Indonesia, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait, Lesotho, Liberia, Libyan Arab Jamahiriya, Malaysia, Mali, Mauritania, Mexico, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Philippines, Portugal, Romania, Rwanda, Saudi Arabia, Senegal, Singapore, Spain, Sudan, Sweden, Syrian Arab Republic, Thailand, Trinidad and Tobago, Turkey, Uganda,

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United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire, Zambia.

Against: None.

Abstaining: Bulgaria, Byelorussian Soviet Socialist Republic, Cape Verde, German Democratic Republic, Hungary, Mongolia, Poland, Togo, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

102. Draft resolution B was adopted by 85 votes to none, with 12 abstentions.

103. Mr. KHAMIS (Algeria) said that his delegation had voted in favour of both draft resolutions. It did not share some of the views which had been put forward, particularly about the problem of completed, obsolete or ineffective activities because the Committee had already taken a decision on the report on that question submitted by the Secretary-General. His delegation was surprised that some delegations had voted against draft resolution A but had abstained on draft resolution B, since income was linked with expenditure.

104. Mr. SADDLER (United States of America) said that, for the reasons he had stated earlier, his delegation had abstained in the votes on the programme budget for the biennium 1978-1979. Its abstention was consistent with the position it had taken at the thirty-third session of the General Assembly.

105. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) expressed his delegation's dissatisfaction at the lack of time available to the Committee to consider document A/C.5/34/L.49. The figures in draft resolution A convinced his delegation that its earlier position on the programme budget and the revised estimates for the biennium 1978-1979 had been well-founded. It was quite clear that unjustified and inflated requests had been made, and his delegation was convinced that further savings were possible through economy and the efficient use of resources. His delegation had therefore voted against draft resolution A.

The meeting rose at 12.10 a.m.