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FIFTH COMMITTEE  
17th meeting  
held on  
Tuesday, 25 October 1983  
at 3 p.m.  
New York

SUMMARY RECORD OF THE 17th MEETING

Chairman: Mr. KUYAMA (Japan)

later: Mr. AMNEUS (Sweden)

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

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31 October 1983

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

AGENDA ITEM 109: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (continued)

AGENDA ITEM 110: PROGRAMME PLANNING

(a) REPORT OF THE COMMITTEE FOR PROGRAMME PLANNING AND CO-ORDINATION (continued)

(b) REPORTS OF THE SECRETARY-GENERAL (continued)

Administrative and financial implications of the draft resolution contained in document A/38/L.2 (A/C.5/38/33)

1. Mr. FORAN (Controller) said that reference to the cost of financing the Ad Hoc Committee of the International Conference on Kampuchea was made in paragraphs 4 to 6 of document A/C.5/38/33. The requirements of the Committee secretariat were referred to in paragraph 3.30 (a) of the proposed programme budget. It was, for the moment, anticipated that the D-1 and the General Service staff members in question would spend approximately two thirds of their time servicing the Ad Hoc Committee and helping the Secretary-General to exercise his good offices, as specified in paragraph 9 of the draft resolution. The remaining third of their time would be spent on the fact-finding and other functions outlined in paragraph 3.28 of the proposed programme budget. The related costs at 1984-1985 rates were estimated at \$101,900 for salaries and \$35,500 for common staff costs over the biennium; those amounts representing two thirds of the total cost. Provision in the amount of \$14,200 had also been made for related general operating expenses and supplies requirements.

2. A provision of \$113,400 at 1983 rates (\$122,900 at 1984-1985 rates) had been made for travel of representatives in connection with missions of the Ad Hoc Committee. Reference to travel by staff members was made in paragraph 3.33 of the proposed programme budget: \$102,400 at 1983 rates was provided for travel under section 3B as a whole; approximately \$30,000 of that amount was expected to be used for travel by staff members in connection with missions of the Ad Hoc Committee.

3. The conference servicing requirements had already been taken into consideration in the preparation of the calendar of conferences for 1983-1984.

4. Mr. VISLYKH (Union of Soviet Socialist Republics) said it was clear that draft resolution A/38/L.2 had significant financial implications that were not reflected in the Secretary-General's statement. His delegation still entertained doubts as to the procedure the Fifth Committee should follow in considering them. Probably the most appropriate course would be for the Committee to take up the financial implications in full immediately, including the relevant requests in the proposed programme budget. Later, when it came to discuss section 3B of the proposed programme budget, it should proceed on the understanding that a decision on the amounts concerned had already been taken, and no further action would be necessary.

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(Mr. Vislykh, USSR)

5. The figures submitted by the Secretariat referred to the biennium 1984-1985. Under the draft resolution, however, the General Assembly would renew the mandate of the Ad Hoc Committee for only one year, and paragraphs 4, 5 and 6 of the statement of administrative and financial implications (A/C.5/38/33) also referred only to 1984. The Fifth Committee's decision should accordingly relate only to 1984, appropriations for 1985 being excluded entirely from consideration.

6. Mr. RUEDAS (Under-Secretary-General for Administration and Management) said that the Controller had read out the financial implications for the biennium 1984-1985 of activities in regard to the servicing of the Ad Hoc Committee of the International Conference on Kampuchea. The inclusion of activities in the programme budget in anticipation of a political decision was not unique to the particular question under discussion. For example, in the case of the co-ordination of humanitarian assistance, a provision had been inserted in the current programme budget for 1982-1983 for the entire biennium with the assent of the Fifth Committee although, in fact, the authorization for the activities concerned was renewed by the General Assembly every year.

7. There were two ways in which to deal with the problem that had been raised. The financial implications of servicing the Ad Hoc Committee of the International Conference on Kampuchea for 1984 in fact amounted to \$152,000, or approximately half of the figure to which the Controller had referred. Those financial implications would be reported to the General Assembly as the estimate of the Fifth Committee of what the draft resolution entailed. At the same time, the General Assembly would be advised that a provision of \$152,000 had already been made in the proposed programme budget, so that no additional appropriation would be required. There would remain the other question, namely what to do about the amount of \$152,000 for 1985. The representative of the USSR had suggested that the Fifth Committee should decide at the current stage to delete it, in which case it would not be included in the figure to be considered by the Fifth Committee when it took up section 3 in first reading. He himself had felt that, alternatively, the Fifth Committee could immediately take a decision on the 1984 amount and leave the decision on the 1985 amount until such time as it discussed section 3, on the understanding that the Secretary-General himself would at that time take the initiative of proposing to the Committee that the amount in question would be taken out from section 3 in anticipation of any action by the General Assembly in 1984. Whichever course of action was followed, the General Assembly would be informed that \$152,000 should be included in the programme budget for 1984 and the amount for 1985 would not be included in the estimates to be considered in first reading by the Committee.

8. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Committee could decide whether it wanted to approve a portion of section 3 immediately or to approve the amount for the Ad Hoc Committee when section 3 was taken up. He noted that the Committee had not been told the exact amount that would be required for the Ad Hoc Committee for 1984. He appreciated the point raised by the representative of the USSR, who wanted the Committee to know the exact amount it should appropriate for 1984.

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(Mr. Mselle)

9. A possible solution would be for the Committee to approve a figure amounting to one half of \$304,500, on the understanding that if that amount proved to be insufficient that fact could be reported to the General Assembly at its thirty-ninth session when it would be discussing the question of the possible renewal of the Ad Hoc Committee's mandate for 1984 and 1985.

10. Mr. GARRIDO (Philippines) said that his delegation had no objection to the procedure suggested by the Under-Secretary-General for Administration and Management. He suggested that the Chairman should decide how the Committee was to proceed.

11. The CHAIRMAN proposed that the Committee, at the current stage, should approve, under section 3B an appropriation of \$152,000 for the servicing of the Ad Hoc Committee, in 1984, on the understanding that, if necessary, an additional amount would be requested at the thirty-ninth session. He would put that proposal to the vote.

12. Mr. VISLYKH (Union of Soviet Socialist Republics), explaining his vote before the vote, said that his delegation had always voted against the allocation of resources to international conferences on Kampuchea. Experience had shown that the activities of the Ad Hoc Committee had in no way served to strengthen security in South-East Asia and there was no hope that they would do so in 1984. The approval of any appropriations for that Committee was therefore unjustified.

13. Mr. NGUYEN LUONG (Viet Nam) requested that the recommendation on the servicing of the Ad Hoc Committee and the question of the appropriations for the co-ordination of humanitarian assistance in South-East Asia should be put to a separate vote.

14. The CHAIRMAN invited the Committee to vote first on his proposal concerning the servicing of the Ad Hoc Committee.

15. The Chairman's proposal was adopted by 85 votes to 19, with 9 abstentions.

16. The CHAIRMAN proposed that, on the basis of the recommendation of the Advisory Committee, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/38/L.2, additional appropriations totalling \$273,400 would be required for the biennium 1984-1985 - \$257,900 under section 3B; and \$15,500 under section 28D - and that an additional appropriation of \$62,700 would be required under section 31 (Staff assessment), to be offset by an equal amount under income section 1.

17. The Chairman's proposal was adopted by 89 votes to none, with 25 abstentions.

18. The CHAIRMAN, referring to section B of document A/C.5/38/33, proposed that, should the General Assembly decide to reconvene the International Conference on Kampuchea in 1984, the Secretary-General should be authorized to enter into the necessary commitments with the prior concurrence of the Advisory Committee, in

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(The Chairman)

accordance with the resolution on unforeseen and extraordinary expenses to be adopted by the General Assembly at its current session. If there was no objection, he would take it that the Committee wished to adopt his proposal.

19. It was so decided.

20. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) said that his delegation was opposed to any consideration of the so-called situation in Kampuchea in the United Nations. Without the agreement and participation of the Kampuchean people and their legitimate Government, such action was a direct violation of the principle of non-interference in the sovereign affairs of States as laid down in the Charter of the United Nations.

21. The States of Indo-China had categorically rejected the proposal for an International Conference on Kampuchea, which was intended to impose the will of the Pol Pot clique on the peoples of the region. His delegation had voted against providing any appropriation for extending the mandate of the Ad Hoc Committee. Humanitarian assistance should be provided to the people of Kampuchea but care should be taken to ensure that such assistance was actually received by those who needed it. The countries which were attempting to divert that assistance to other groups thereby revealed their true face and made clear the hypocrisy of their professed concern for the fate of the Kampuchean people.

22. Mr. NGUYEN LUONG (Viet Nam) said that the position of his country with regard to the situation in Kampuchea was well known. The events of the current year had confirmed the correctness of that position.

23. His delegation was firmly convinced that appropriating funds for the International Conference on Kampuchea was a waste of the Organization's resources since the purposes of that Conference ran counter to the principles of the Charter, in particular the principle of non-interference in the domestic affairs of sovereign States. Especially in view of the financial emergency, the Conference should be regarded as useless, obsolete, even harmful. His delegation had therefore voted against the recommendation relating to the servicing of the Ad Hoc Committee.

24. As to humanitarian assistance, as long as it was provided in the framework of an ill-conceived resolution on Kampuchea, it could serve no useful purpose. There was a need to ensure that humanitarian assistance was properly administered. His delegation had therefore abstained in the voting relating to humanitarian assistance.

25. Mr. ERDENECHULJUN (Mongolia) said that at the preceding session his delegation had stated that the holding of an International Conference on the so-called situation in Kampuchea without the agreement of the Kampuchean people and the adoption of decisions without the participation of their legitimate representatives constituted blatant interference in the domestic affairs of the country and a violation of international law. His delegation condemned the holding of the

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(Mr. Erdenechuluun, Mongolia)

Conference and viewed its decisions as null and void. He had therefore voted against the appropriation of any resources which would be used to interfere in the domestic affairs of the People's Republic of Kampuchea and had abstained in the voting on the proposal relating to humanitarian assistance.

26. Mr. FONTAINE ORTIZ (Cuba) reaffirmed his country's well-known position concerning the so-called situation in Kampuchea. It was regrettable that United Nations resources had been used for purposes that were entirely unrelated to the principles and objectives of the Charter. His delegation had therefore voted against the proposal concerning the Ad Hoc Committee. The activities of that Committee, carried out without the participation of the authentic representatives of the Kampuchean people, were doomed to failure and constituted unacceptable interference in the domestic affairs of the countries of South-East Asia.

27. His delegation had abstained in the voting on the proposal relating to humanitarian assistance, since only part of the assistance previously approved had reached those who truly needed it, namely the victims of the Pol Pot clique, while some of that assistance had been used for political purposes opposed by his delegation.

28. Mr. NGASYUATHN (Lao People's Democratic Republic) said that his delegation saw no useful purpose in renewing the mandate of the Ad Hoc Committee, which would only place an added strain on the budget. The very existence of the Ad Hoc Committee was an obstacle to peace and stability in South-East Asia. On humanitarian grounds, his delegation favoured the provision of assistance to the people of Kampuchea but was concerned at the fact that United Nations assistance had previously been used to maintain the remnants of the Pol Pot clique and other reactionary elements opposed to the renaissance of the Kampuchean people. Accordingly, his delegation had abstained in the voting on such assistance.

General debate (continued) (A/38/6, 7, 38, A/38/133 and 133/Corr.1; A/C.5/38/6 and Corr.1, A/C.5/38/7 and 11; A/C.5/38/SR.7)

29. Mr. ERDENECHULUUN (Mongolia) said that the steep annual increases in the budget outstripped the Organization's real needs. If the tendency persisted, the developing countries would naturally be the first to suffer. His delegation recognized that the activities of the Organization increased year by year, but that should not presuppose an automatic increase in the budget. The United Nations had sufficient internal reserves to deal with the tasks confronting it. In that connection, his delegation agreed with the many other delegations that had commented on the need to identify and delete from the budget obsolete, ineffective and only marginally useful programmes. The cost of new programmes could then be met by redeploying existing resources. The importance of a rational co-ordination of activities, bearing in mind the Organization's principal tasks and, in particular, the maintenance of international peace and security needed to be stressed.

(Mr. Erdenechuluun, Mongolia)

30. One significant contributing factor to the growth of the budget was inflation. His delegation believed that the cost of inflation should be borne by the countries whose economic policies lay at the heart of the problem and in which the headquarters duty stations of the Organization were situated. His delegation was looking forward to the report of the Secretary-General on the impact of inflation and monetary instability on the United Nations budget, to be submitted at the thirty-ninth session.

31. The growth in the budget was principally due to increasing administrative expenditure and growing staff costs, instead of expanding operational activities. Such a tendency was not in the interests of Member States, particularly developing countries. His delegation was amazed at the proposals for the establishment of new posts, which had apparently been made without due regard for the already inflated staffing table and the large sums spent on temporary assistance, experts and consultants. It would have difficulty in supporting the transfer to the regular budget of posts previously funded from extrabudgetary resources and the unwarranted reclassification of 55 posts.

32. He wished to reaffirm his country's objection on principle to expenditure that conflicted with the provisions of the Charter; in particular, it could not support the costs associated with the United Nations bond issue.

33. Mr. TRUSCOTT (Australia) welcomed the informative foreword and introduction to the proposed programme budget, and noted with appreciation the Secretary-General's comments on the need for restraint and efficiency. Many countries, while maintaining a commitment to the objectives of the United Nations, had lost some of their confidence in its capacity to implement its mandate effectively. One reason was a feeling that the Organization was wasteful and expensive. Certainly, the United Nations cost only a small fraction of world expenditure on armaments: but public perceptions were important, and perceived financial responsibility could help significantly in changing public attitudes.

34. Ensuring the effective and economic use of United Nations resources was the shared responsibility of the Secretary-General and Member States. The late appearance of the budget documents had hindered the study of the issues by Member States. The Secretary-General's undertaking to ensure timely issuance of budget documents, and to examine ways of simplifying the budget documentation, was especially welcome.

35. His country generally supported the budgets of international organizations where they reflected efforts to implement, efficiently and economically, the programmes adopted by the governing bodies concerned. To that end, it encouraged greater fiscal responsibility on the part of secretariats and sought to keep real growth as near as possible to zero - not as an end in itself, but in order to encourage greater control, eliminate waste, and develop a system of priority-setting between programmes. It applied the same approach domestically, and its experience had been that tight control over staffing and resource levels in the end produced a more efficient work force.

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(Mr. Truscott, Australia)

36. His delegation endorsed efforts to set priorities and redeploy resources between and within United Nations activities. So far, there had been much talk of priority-setting but little action. The setting of priorities was, of course, a difficult and politically sensitive subject, and a convergence of view among States could not always be expected. If progress was to be made, Member States must be prepared to grant the Secretary-General some discretion in implementing General Assembly decisions, since the Secretary-General was surely in the best position to take an objective approach to the problem. It would be regrettable if efforts by the Secretary-General to slow down or cut back activities which he regarded as having lower priority were to be frustrated by Member States. His delegation welcomed the initiative to prevent lobbying by Secretariat members, and hoped that all delegations would co-operate.

37. The proposed programme budget, as modified by the recommendations of the Advisory Committee, met his delegation's primary concerns, and represented a realistic compromise between the majority of Member States and the major contributors. It was to be hoped that the unfortunate situation at the thirty-sixth session, where the major contributors had voted against the budget for the biennium 1982-1983, would not be repeated. The real problems were likely to arise with the inevitable requests for additional appropriations. New activities should be funded with savings from other areas.

38. His delegation supported the high priority accorded to substantive economic, social and humanitarian activities and to increasing the peace and security functions of the United Nations. It particularly welcomed the emphasis on disarmament matters and the development of a wider and more systematic capacity for fact-finding in areas of potential conflict. His Government attached the highest priority to progress in disarmament and to restoring the fundamental role of the United Nations as a peacemaker.

39. The request for 211 new established posts was a matter of concern: the Advisory Committee had done a valuable service in recommending reductions. At the same time, a tendency towards rigidity in staffing should be avoided. In view of the particular importance attached to disarmament, for example, he hoped that the Advisory Committee's recommended reduction of the Secretary-General's proposals would be further examined to ensure that resources would be adequate for the tasks entrusted to the Secretariat in that area. His delegation also shared others' concern about the transfer of extrabudgetary posts to the regular budget. It supported the continued introduction of modern technology so long as it improved the efficiency of the Organization. The Secretariat should, however, resist the tendency to become fascinated by new technology. Word processors, for example, should lead to savings, not provide opportunities to increase the total volume of documentation. Compatibility between equipment was also essential. Finally, his delegation endorsed the Advisory Committee's recommendations on the recalculation of the existing resource base and the reflection of future inflation, and it urged that continued efforts should be made to improve programme planning in the United Nations and strengthen the internal monitoring and evaluation functions in the Secretariat.



40. Mr. GHIKAS (Greece), speaking on behalf of the 10 member States of the European Economic Community, said that the proposed programme budget was the first drawn up on the basis of an approved medium-term plan and in accordance with the rules and regulations on programme budgeting elaborated over the past few years. The Secretary-General's commitment to remedy the problem of late issuance of budget documentation was welcome; much remained to be done, especially through conciseness and clarity in drafting, to improve the quality of information provided.

41. The Secretary-General's budget proposals represented real growth as being 0.7 per cent over the revised estimates for the previous biennium. Inflation and the assumptions made about its level had a significant effect on the overall size of the budget. In dollar terms, the increase amounted to 9.6 per cent and it should not be forgotten that with the strengthening of the United States dollar against the great majority of currencies of developing and developed countries the impact of the increase was all the greater.

42. The proposed budget introduced an important innovation in that it established priorities in a number of areas and identified some programme elements as obsolete, ineffective or of marginal usefulness. Redeployment of resources in line with changing priorities was not always a simple matter, for both technical and political reasons. While some redeployment had been achieved, much more could be done. When new tasks arose, the necessary resources should, to the maximum extent possible, be found by redeployment, between sections as well as within them. For example, the process of decentralization should mean that an increase in non-Headquarter posts should lead to a decrease in Headquarter posts; yet, a large number of new posts had been requested. There were many transfers to the regular budget of posts previously financed from voluntary resources. In that connection, the 10 EEC countries had certain reservations about the implications of the observation in the Secretary-General's foreword (para. 10) that a certain degree of growth often did little more than compensate for the reduction in the overall level of the resources made available to the Organization. There was room there for argument as to which was cause and which effect. Those remarks suggested that the process of priority-setting and redeployment had a long way to go. However, the 10 EEC countries acknowledged the efforts made by the Secretariat to limit the increase of the expenses of the Organization and they urged Member States to exercise maximum restraint and concern for an efficient use of resources in the course of the deliberations of the General Assembly.

43. Change in a large managerial structure was never easy. Nevertheless, with experience and close co-operation between the competent intergovernmental bodies and the Secretariat, programme planning, budgeting, monitoring and evaluation would surely become more effective. An essential element in that process was the provision of integrated statements on programmatic, administrative and financial implications, as requested in General Assembly resolutions 36/228 A and 37/234 and Economic and Social Council resolution 1983/49.

44. It was a pity that the Secretariat had departed from the procedure followed in previous years in establishing the resource base of the budget. The provision for inflation appeared to have been reduced by \$28.5 million to take into account the undervaluation of staff costs in the resource base. That created distortions in

(Mr. Ghikas, Greece)

the calculation of both real growth and the impact of inflation. The 10 EEC countries had noted ACABQ's comment to the effect that recent trends in world-wide inflation were such as to call into question the rates proposed in the draft budget for 1984-1985. They had also noted that the annual inflation rate assumed for Geneva was 5.5 per cent, whereas the OECD forecast for Swiss inflation, as contained in Economic Outlook published in July 1983, was 2.5 per cent. That discrepancy was not insignificant. The figures for inflation should be reviewed before the end of the session. The 10 EEC countries agreed with ACABQ that, if necessary, an adjustment should be made at the end of the session to reflect the latest exchange rates.

45. The 10 EEC countries were particularly concerned at the implications of the comment of ACABQ that it was not always satisfied that proposed consultancy appointments were justified or that the work could not be done by regular staff. They also agreed with ACABQ that swift action should be taken by the Secretariat to rationalize the use of word processing. Like other delegations, they were concerned at the continued relative increase in the share of total resources absorbed by support and common services; the need to bring that area of expenditure under control was obvious.

46. The references to administrative issues in the annual report of the Secretary-General on the work of the Organization (A/38/1) were of particular interest, and the 10 EEC countries welcomed his intention to look in depth at the whole area of administration in the course of the coming year through the establishment of a high-level advisory group on administrative reform (ibid., p. 11). They were ready, in principle, to co-operate with him in his appeal for a moratorium on organizational changes or on further detailed programme, budget and personnel regulations. At the same time, they expected that the Fifth Committee, would have the opportunity to consider the findings of the advisory group before any proposals for significant changes were decided upon.

47. Mr. MEYER (Mexico) said that it was necessary to consider the proposed programme budget in a broad context in order to put it into proper perspective. The world economy was in a state of crisis, while a precarious international political situation made greater activity and efficiency on the part of the United Nations imperative. At the same time, financial restraint was limiting the opportunity for greater activity. In order to break the vicious circle, the United Nations must have, through its budget, sufficient flexibility to be able to deal with the new challenges confronting it. In that light, some of the suggestions put forward by various delegations seemed inappropriate. Freezing resources, setting artificial ceilings and maintaining "zero growth" were all unacceptable. Inflation would have a still more restrictive effect on the Organization's substantive activities if any of them were adopted. In his delegation's view, the budget should be adjusted to fit the tasks of the Organization, not the other way around.

48. He welcomed the programmatic approach that had been adopted in preparing the proposed programme budget. The methodology used was still far from perfect, however, and if the further changes proposed were to be successful, enough

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(Mr. Meyer, Mexico)

flexibility must be allowed. He agreed with the Secretary-General that the meaning of "budgetary growth" was debatable, and that the figures on budgetary growth should be analysed with extreme caution. It was important to pay attention not only to the growth of programmes as such but also to the growth of their separate administrative and substantive components. His delegation was concerned at the increase in administrative costs and the corresponding reduction in substantive expenditure.

49. The efforts to rationalize the expenditure of the Organization and make its operations more effective were thoroughly commendable. Improvements in the way the Organization functioned might not, by themselves, be sufficient to cope with all the complex tasks of the Organization; however, sufficient resources must also be provided. His delegation was concerned at the possible effects of budgetary restrictions on programmes of interest to the developing countries. Some political and social problems that necessitated greater United Nations involvement were based on anachronistic and inequitable economic structures that needed to be modified. The United Nations could and must be instrumental in introducing a new international economic order, which would automatically lead to reduced social tension and hasten the establishment of a true and lasting peace. Accordingly, extreme caution must be exercised when priorities were set. Programmes that were not accorded high priority should not automatically be regarded as useless and eliminated in order to release the resources for new programmes. The establishment of priorities should be an exercise in rationalization, not a qualitative assessment of programmes.

50. Since the Fifth Committee had to consider draft resolutions with financial implications, it must co-ordinate its work closely with that of the other Main Committees. A precise definition of the concepts embodied in the proposed programme budget would facilitate the tasks of the other Main Committees.

51. Mr. EKBLOM (Finland) said that his Government had constantly emphasized the role of the United Nations as an indispensable instrument for furthering international peace and security and economic and social development. It was in the light of those ultimate goals that his delegation appraised the budget of the United Nations. The basic aim was to relate improved resource planning to the strengthening of the Organization. He stressed the comprehensive character of resource planning, which had four interdependent components: budgeting, programme planning, the agreed apportionment of the expenses of the Organization and stable and predictable financing. The absence of any of those factors was likely to hamper the planning of budgetary resources.

52. His delegation had noted with satisfaction the progress made, especially in the past few years, in the area of programme planning methodology. The programme budget before the Assembly was the first to be based on an approved medium-term plan and the new programming regulations annexed to resolution 37/234. The procedures used in drawing up the proposed programme budget were the result of thorough deliberations over more than a decade in different intergovernmental and expert bodies, as well as in the Secretariat.

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(Mr. Ekblom, Finland)

53. The role of the Fifth Committee in the budget process was to determine how effectively mandates issued by the General Assembly had been translated into programmes and activities, and to assess, on that basis, the proposals for the allocation of resources. The reports of CPC and ACABQ provided a good basis for that appraisal. His delegation welcomed the Secretary-General's emphasis on the need to strengthen the capacity of the United Nations. The three areas emphasized by the Secretary-General in his budget proposals, namely disarmament, economic and social progress and humanitarian affairs, accurately reflected the mandates issued by the General Assembly. His delegation also welcomed the Secretary-General's efforts to exercise maximum restraint in his budget requests and to avoid basing his proposals on any predetermined rate of growth.

54. He expressed his delegation's gratitude to the Advisory Committee for its careful examination of the budget proposals and its comments and recommendations, especially with regard to the resource base, currency exchange and inflation rate adjustment. The real rate of growth of the proposed budget was modest, although decisions adopted during the session might increase the expenditures somewhat. However, the new programme planning methodology replaced the previous more or less abstract discussion based on predetermined growth rates by assessments linked to clearly identified activities, and offered a more rational basis for dealing with the budget.

55. The programme planning system could be further developed by establishing priorities, thereby arriving at a more explicit assessment of the programme structure. An effort could also be made to streamline activities by terminating those identified as obsolete, of marginal usefulness or ineffective. The Secretariat had made commendable efforts to employ such resource planning techniques in preparing the proposed budget. It had provided the Committee with a better framework for its decisions, giving a clearer picture of the managerial alternatives available within the limits of the legislative mandates laid down by the General Assembly. Programme budgeting now rested on a firmer basis but problems remained. It was important to avoid a too mechanistic approach to the new methodology. It was to be hoped that the intergovernmental organs concerned could in future be more involved, for example, in priority-setting. The redeployment of posts had so far been confined to the economic and social sector. He hoped that redeployments could be practised more widely in the future.

56. Evaluation was important to the efficiency of the Organization, and his delegation therefore commended the work of CPC and JIU in developing meaningful evaluation procedures. It supported the CPC recommendations concerning the strengthening of the evaluation capacity of the United Nations and the rules governing the process of programme planning, budgeting, monitoring and evaluation. Those rules would facilitate the effective implementation of the programme planning regulations and should be promulgated as soon as possible.

57. The development of programme planning techniques was a difficult and ongoing process, and the Organization must be willing to reformulate its approaches, and even to change its methods, in the light of new policies and experience. The

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(Mr. Ekblom, Finland)

implementation of the approved programme planning procedures was the crucial task at the current time. Special attention should be paid to the relevant institutional machinery, both intergovernmental and Secretariat. His delegation would be following very closely developments in that regard, which should faithfully reflect the policy decisions adopted in recent years and the goals set in General Assembly resolution 32/197 on the restructuring of the economic and social sectors.

58. The attitude of Governments towards resource questions largely reflected the degree of their confidence in the Organization's ability to carry out its mandates. Indeed, the ultimate goals of the United Nations were at stake in the discussion of its resource situation. That point should be kept in mind at a time when the strengthening of the Organization was the Secretary-General's main concern, a concern which was shared by the Governments of the Nordic countries, as reflected in the letter they had addressed to the Secretary-General in June 1983 (A/38/271-S/15830).

59. The new programming procedures had greatly facilitated the development of resource planning and should thereby contribute to the strengthening of the Organization as such. He hoped that progress would soon be made in such other areas of immediate relevance as reaching consensus on the scale of assessments and securing recognition of the collective responsibility of all Member States for the financing of agreed United Nations activities. The size of the budget and the size of the contributions paid by Member States had traditionally been a subject of lively discussion in the Committee. However, the actual sums involved must be seen in their proper perspective: the proposed expenditures of the United Nations in 1984, which were designed to further peace, security and co-operation, were less than one thousandth of the annual amount currently being spent on an arms race which created such fear and insecurity in the world.

60. Mr. HEPBURN (Bahamas) said that his delegation's basic preoccupation was with the actual results achieved at the end of the biennium. There was a need to reconcile programme budgeting as a complex managerial tool with the moral and legal necessity of implementing the Charter. The aim must be to demonstrate responsiveness to ongoing and new programmes in a responsible fashion. The response of the United Nations to date was the machinery for medium-term planning, programme budgeting and evaluation described in General Assembly resolution 37/234. As to the functioning of that machinery, his delegation considered that programme budgeting had not yet realized its full potential. While the sixth proposed programme budget was indeed the first to be based on an approved medium-term plan and to be submitted within the framework of approved programme planning and programme budgeting regulations, a major component was lacking, as could be seen from documents A/38/133, A/C.5/38/7 and A/38/38 (Part I, paras. 189-197). His delegation was not optimistic that the expectations created by the undertakings summarized in table 1 of the introduction to the programme budget and the increased rates of real growth proposed for certain programmes would be realized. His delegation's misgivings were confirmed by the Advisory Committee's assessment of the Secretary-General's efforts at redeployment. From

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(Mr. Hepburn, Bahamas)

both the conceptual and the practical standpoints, evaluation was an essential component of the exercise of identifying activities which had been completed, were obsolete, of marginal usefulness or ineffective, and an incomplete or partially functioning evaluation system rendered the redeployment exercise unscientific.

61. Without an effectively functioning evaluation system, the data on actual expenditure, income and the total quantitative impact could not be used to maximum effect in reviewing new and continuing programmes with a view to ensuring the short and long-term results desired by Member States. For example, the "delayed impact" and "turnover factor" procedures used in regard to vacancies in staffing tables, while they did not hinder recruitment at any time, did imply, when deductions exceeded the standard rate of 5 per cent, serious constraints on programme delivery. It should be recalled in that connection that the Secretary-General had described the current proposals as the minimum for effective and efficient implementation. Moreover, the budget sections most affected (ESCAP, ECWA, UNEP and Habitat) had been designated as priority areas. Further, the persistently high allocation for inflation, about which nothing could be done in the short term, continued to underline the need for concerted external and internal action by Member States to hold it at a steadily lower level.

62. Past experience had shown that, despite the Secretary-General's candid affirmation in his foreword that, while he had taken the positions and views expressed by Member States into account, the programme budget proposals reflected his own perceptions, those views and positions, would undoubtedly be reasserted during the next stage, as the budget was reviewed section by section. That fact demonstrated the limitations on viewing the programme budget as a purely technical managerial tool. Doing so also tended to mask an important consideration, which was that the budget of the United Nations did not reflect the total absolute resources available.

63. Those divergent positions and views were the outward manifestation of the legal, political and psychological questions underlying the United Nations budget, which could not safely be ignored in assessing and adopting it. They included: the current crisis of multilateralism and the related rejection of positively functioning interdependence; the image of the United Nations and its impact on the action taken by citizens at large and national decision-makers to influence their Governments' views of the Organization; and the cumulative results of the use and abuse of United Nations machinery. In that sense, the prerequisites for satisfactory programme budget implementation were more fundamental and at the same time more complex than such ad hoc techniques as across-the-board reductions, freezes and redeployment.

64. Those concerns and considerations must be addressed, so that the current proposed programme budget might become a turning-point, in the sense that it would go beyond the financing of the conspicuous consumption of special conferences to the promotion of the improved quality of life for the nationals of every Member State represented in the United Nations.

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65. Mr. LOURENÇO (Portugal) congratulated the Secretary-General and his collaborators on having successfully put together an immensely complex programme budget in record time, while at the same time consulting the various regional groups and coping with the day-to-day management of United Nations business. It was the first programme budget submitted to the General Assembly by the present Secretary-General and carried the unmistakable imprint of his personality. As such, it merited the Committee's special consideration.

66. Although the Secretary-General had assured the Committee that the total amount requested in his budget proposals represented only a 0.7 per cent increase in terms of real growth, paragraph 21 of the introduction to the programme budget contained details of a supplementary programme budget that would be presented to the General Assembly in the near future. In the final analysis, therefore, the actual growth rate was bound to be considerably more than 0.7 per cent, and the General Assembly could hardly be held responsible for the increase.

67. The Advisory Committee had recommended reductions in the Secretary-General's estimates amounting to some \$18 million. The reductions were essentially symbolic and, as that Committee itself had stated, in some cases provisional only. It had, however, in keeping with its mandate, subjected the estimates to a very thorough analysis.

68. It would appear, therefore, that in drawing up the programme budget the Secretary-General and his collaborators, while keeping in mind the need for economy, had not completely adhered to a policy of zero or even restricted growth and had allowed themselves to be guided by a desire to avoid stagnation in the progress and management of the Organization. In the process, they seemed to have partially ignored the fact that the grave economic difficulties faced by Member States throughout the world had not yet been fully overcome. Many developing countries faced great difficulties in meeting their debt obligations on time, and the evils of recession and of inflation accompanied by unemployment continued to afflict the peoples of many industrialized States.

69. Portugal, which was undergoing an acute economic crisis that had forced it to adopt a régime of almost unmitigated austerity, would have welcomed a substantial reduction in its financial responsibilities towards the United Nations. It was disappointed, therefore, to see the Secretary-General's proposals depart from a strict containment of expenditure growth. Nor could it disregard the natural desire of those few Member States, some 20 or so out of a total membership of 158, which had to bear the brunt of financing 85 per cent of budget expenditures, to see those expenditures restrained to the utmost.

70. Nevertheless, it must be admitted that the programme budget before the Committee was a fair reflection of the framework laid out in the medium-term plan for the period 1984-1989. Despite the uncertainty resulting from continued tensions in various parts of the world, the architects of the programme budget had preferred to be optimistic and had taken what they described as the first steps along the path towards building a civilized and peaceful order, in which international problems could be tackled and resolved in a rational and co-operative

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(Mr. Lourenço, Portugal)

fashion, on the lines laid down in the United Nations Charter. Thus, they were resolved on implementing as far as possible the objectives both of the Second Disarmament Decade and the Third United Nations Development Decade. If they achieved their aim, the task of development would be made easier, especially for the less-favoured nations, while the substitution of conciliation for confrontation would, it was hoped, help to foster North-South co-operation and the realization of more harmonious economic relations all round.

71. His delegation fully endorsed the Secretary-General's belief that the key to success in fashioning a new and more equitable international order lay in enhancing the Organization's capacity to maintain international peace and security in the current climate of undiminished tension. It was perhaps inevitable, therefore, that the problems covered by the various sections of the programme budget should reflect a preoccupation with the ever-present task of controlling and, if possible, resolving political disputes. Such matters as the situation in the Middle East, the problems of southern Africa, the question of aid to refugees, human rights, disaster relief, decolonization and the advancement of women all found their place in the estimates, and were, of course, in addition to the recurrent heads of expenditure related to the management of the Organization.

72. It had been aptly said that the budget exercise was designed primarily to lay the financial foundation, in other words to support the continuing activities of the United Nations as mandated by its Member States through their representatives in its various organs. The General Assembly was the chief of those organs and, in considering the programme budget, it could not lose sight of the constraints and limitations imposed by the social, political and economic conditions prevailing in the world at a given time. The control of expenditure and the husbanding of resources had been one of the Assembly's main preoccupations since 1980, when it had made provision in its resolution 35/209 for the identification of activities that were obsolete, of marginal usefulness or ineffective, in order to determine priorities and to redeploy the resources released by their discontinuation or postponement. The special review of the Organization's work programme carried out in pursuance of the subsequent resolution 36/239 had resulted in a decision to curtail or terminate certain activities and a number of specific steps had been taken in that direction, as recommended. It would be unreasonable to expect the Secretary-General to discharge the ever-broader mandates given him by the General Assembly without correspondingly greater financial means. One way of providing them was to cut out any unnecessary fat in the expenditure sections. His delegation noted with satisfaction, therefore, that considerable importance had been attached to determining priorities, although, in the view of some critics, little had been achieved. A beginning had been made, however, and there would be further progress in the years ahead. In the meantime, he welcomed the Secretary-General's attempts to contain expenditure through the redeployment of resources where he deemed it possible and wished that the process could have gone further.

73. Certain obvious facts could not be ignored. Although the Assembly continued, year after year, biennium after biennium, to delude itself that budgetary

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(Mr. Lourenço, Portugal)

expenditure was being contained, in point of fact the opposite appeared to be the case. There was a sort of creeping expansion of the United Nations establishment, in terms of personnel, construction and other elements. The Chairman of ACABQ had referred in his address to the Committee to the "steady growth of support and common services" (A/C.5/38/SR.7). The programme budget for 1984-1985 contained demands for over 200 new posts, in addition to requests for the reclassification of some 53 existing temporary posts and a number of new temporary posts. Thus, despite promises to the contrary, the increases continued, to the great disappointment of his delegation.

74. Mr. FONTAINE ORTIZ (Cuba) said that all Member States, to a greater or lesser extent, had an interest in the Organization's finances. The budget was the basis on which the United Nations functioned and the legislative duty entrusted to the Fifth Committee should be carried out, therefore, with all the necessary seriousness and farsightedness. The various approaches of the Member States to budgetary and administrative matters reflected, in the final analysis, their different perceptions of the Organization's role. Since all Members contributed to the budget, all had an interest in seeing that efficiency, effectiveness and the rational use of resources were the basic criteria for the formulation of the budget and the subsequent use of financial resources. He categorically rejected the argument that the developing countries, which contributed less to the budget, did not take those criteria into account in approving programmes and other activities that would have to be paid for to a large extent by those who contributed more. The aim of such an argument on the part of some Members seemed to be to evade their responsibilities in respect of the basic purposes of the Organization, namely, the maintenance of international peace and security and the promotion of economic and social development, particularly of developing countries. If any group of countries had a special interest in the efficiency of the Organization, it was the developing countries. His delegation could not agree to the division of Member States into larger and smaller contributors. Each State contributed in accordance with its capacity to pay, which was to a large extent a reflection of the distribution of economic power among the various countries. He looked forward to the time when membership or sovereignty would be the main parameter in establishing the scale of assessments, for it would mean that inequality among nations had disappeared. Those who regarded the United Nations as a hindrance in their drive for world domination used every possible means to diminish the authority of the Organization or to channel its decisions along paths beneficial to them. Pressure on the budget had become one of the main means of exerting pressure on the United Nations.

75. Given current international tensions and the critical world economic situation, the figures submitted to the Committee were modest indeed. That did not, of course, mean that they should be accepted without analysis, section by section. The \$1.3 billion of net expenditure represented, as many speakers had already pointed out, an infinitely small proportion of the resources wasted on armaments. If the envisaged real growth rate of 0.7 per cent, which did not reflect the reductions proposed by the Advisory Committee, was compared with the 9 per cent increase in dollar terms, it would be seen that the main factor in the budget

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increase was the effect of inflation and currency fluctuations on the Organization's expenditure. Inflation during the biennium was expected to cost \$113,590,300. At the previous session, the General Assembly had adopted resolution 37/130 on the impact of inflation and monetary instability on the United Nations budget; in that resolution, the Assembly had made clear its view that many States bore no responsibility for those phenomena and had urged that steps should be taken to remedy the serious losses resulting from them. It would be only just if those responsible for inflation and monetary instability were required to cover the losses suffered by the United Nations budget as a result of their policies.

76. In drawing up the budget, the Secretary-General had not based his estimates on any preconceived rates of growth. The Cuban delegation welcomed that methodology, since it meant that the zero-budgeting concept had not been taken into consideration in the drafting process. In his statement to the Committee, the Secretary-General had stressed two major points: first, the importance of attaining maximum efficiency and effectiveness in the conduct of activities with the minimum of resources; and secondly, the need for a balance between budgetary restraint and the strengthening of the Organization's capacity for action. There could be no opposition to those guiding principles.

77. The budget and the activities included in it should be judged on their intrinsic merits. Though his delegation did not favour a zero base, it did believe in studying the budget section by section from a global perspective. Such a procedure would reveal the relevance of the various programmes and bring to light those which were obsolete, marginal or ineffective and ought therefore to be discontinued or modified. In that connection, he stressed that a serious attempt to identify such activities implied a detailed analysis of the reasons for their ineffectiveness, since sometimes activities lapsed for lack of will, while others were badly planned from the start. His delegation was not in favour of establishing a mechanical ceiling for the budget and rejected the idea of zero growth per se. There had not so far been any in-depth study of the causes for the steady growth in the Organization's budget. Only by diagnosing the real causes of that growth and taking the necessary corrective measures could the vicious spiral of budget growth and efforts to restrain it be halted. As long as there was pressure, blackmail and hegemonism in international relations, the United Nations would have to increase its activities on behalf of international peace and security. As long as colonialism, apartheid and other forms of racial discrimination existed, activities to eliminate them would have to be continued or increased. As long as human rights were violated and hunger, malnutrition, illiteracy and other evils plaguing humanity subsisted, efforts to eradicate them would have to be maintained. Those States which refused to comply with the purposes and principles of the United Nations and persisted in intensifying international tension and the arms race lacked any moral ground from which to challenge the financial consequences.

78. A number of speakers had expressed anxiety about the relative decline in expenditure on substantive activities and the relative increase in personnel costs. In fact, personnel costs offered the greatest opportunity for savings.

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(Mr. Fontaine Ortiz, Cuba)

Without affecting the legitimate rights and interests of the staff, there were a number of areas in which bureaucratic growth could be restrained through the adoption of regulations, restrictions and other measures. Unjustified reclassifications, salary increases, the transfer of posts financed from extrabudgetary resources to the regular budget and the improper use of experts and consultants were some examples. The reclassification of a post or the promotion of an official should be expected to result in greater efficiency and a slowdown in the creation of new posts. Requests for the transfer of posts to the regular budget should be judged on their merits, case by case. Generally speaking, each proposal implying an increase in the budget should be considered individually.

79. The Secretary-General had requested a moratorium in order to put into effect a set of organizational, administrative and financial measures designed to correct distortions and make the Secretariat more efficient. It had been said that the Secretary-General was caught between the directives of Member States, the interests of the Staff and the decisions of the General Assembly. However, his actions should be guided by the resolutions of the General Assembly. Cuba, which was ready to support his request as a gesture of confidence, hoped that, if the moratorium was granted, the Secretary-General would submit a detailed report on the managerial results at the next session of the General Assembly.

80. The Committee for Programme and Co-ordination had been unable to arrive at any definitive conclusions at its twenty-third session on the question of the programme implications of draft resolutions. Given the complexity of the subject, its failure to reach a decision was understandable. Until the practical implications of such a decision could be studied in greater detail, it would be preferable to follow the existing practice.

81. Many delegations had paid particular attention to the question of the use of experts and consultants. Cuba was in favour of the rational use of experts and consultants in United Nations activities, but only when the work could not be performed by permanent staff. In that connection, it joined in the call to make the fullest possible use of experts and consultants from developing countries. In addition to their expert knowledge, consultants from developing countries had the additional advantage of being familiar with those countries' problems at first hand.

The meeting rose at 6.10 p.m.