



FIFTH COMMITTEE
75th meeting
held on
Tuesday, 20 December 1983
at 3 p.m.
New York

SUMMARY RECORD OF THE 75th MEETING

Chairman: Mr. KUYAMA (Japan)

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

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COMPLETION OF THE COMMITTEE'S WORK

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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)

Draft report of the Fifth Committee (continued) (A/C.5/38/L.30)

1. The CHAIRMAN invited members of the Committee who wished to do so to explain their votes on the various decisions taken by the Committee at its preceding meeting.
2. Mr. KOCATURK (Turkey) said that his delegation had voted in favour of the draft resolution on the proposed programme budget for the biennium 1984-1985. Nevertheless, the views of his Government concerning the Convention on the Law of the Sea were well known. If the items relating to the law of the sea had been put to a vote, his delegation would have voted against them. His Government would, therefore, withhold that part of its contribution which related to those items.
3. Mr. BROCHARD (France) said that the vote on the proposed programme budget was one of the most important acts of the General Assembly. It was particularly regrettable, therefore, that delegations had been unable to give the matter the attention it deserved because of the working conditions in recent days. The final figures had not been submitted until that morning. In such circumstances delegations had not had sufficient time to consult with their Governments.
4. In general, there had been some improvement in the budget preparation process and in the format of the budget document. The number of meetings held by the Programme Planning and Budgeting Board was an encouraging sign of the importance attached by the Secretariat to the budget preparation process. In accordance with the request of the Secretary-General, delegations and secretariat officials had limited the initiatives which in the past had systematically called into question the budgetary decisions taken by the Secretary-General.
5. On the other hand, there had been a number of serious problems such as the difficulties encountered by the Secretariat in submitting to the General Assembly proposals for a genuine redeployment of resources, excessive use of funds from budgetary resources to offset the reduction in voluntary resources, and the inability of the Fifth Committee to take decisions on a number of personnel questions. The task of solving those problems, which had very serious financial consequences, had been deferred to the next session of the General Assembly. It was hoped that ICSC and ACABQ would provide the necessary information on those technical questions. Lastly, the work of the Committee had been hampered by the fact that agreement on the format for statements of programme implications had not been reached until the final days of the Assembly. For that reason, the Main Committees, particularly the Second Committee, had been unable to take the necessary decisions on redeployment of programmes.
6. In view of those mixed results, his delegation had had to abstain in the vote on the proposed programme budget as it had done in the two previous years.

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(Mr. Brochard, France)

Nevertheless, he stressed that the budget which had been adopted at the preceding meeting represented a marked improvement over its predecessors. It was gratifying to note that that was primarily due to the efforts of the Secretariat.

7. Mr. KHALEVINSKY (Union of Soviet Socialist Republics) said that the size of the programme budget for the biennium 1984-1985 was unprecedented in the history of the United Nations and reflected negative tendencies in the administrative and financial activities of the Organization. It was regrettable that the contributions of Member States continued to be spent in an ineffective and uneconomical manner, sometimes for purposes which ran counter to the United Nations Charter. As a result, the unjustified high growth rates continued. The Secretariat and the competent intergovernmental bodies were not doing enough to stabilize budgetary expenditures. That was particularly true with regard to the practice of covering the effects of inflation through additional contributions from Member States. In spite of the decision of the General Assembly in that regard, the Secretariat had done nothing to eliminate or even reduce the negative effects of that practice by drawing on internal resources.

8. The size of the United Nations staff had grown and there had been unjustified upgradings of posts without any corresponding increase in the responsibilities. The Secretariat had failed to carry out a number of General Assembly decisions whose implementation would make the functioning of the Organization more rational and economical. It generally disregarded General Assembly decisions which called for a serious and consistent review of programmes, the rationalization of management, and an increase in the effectiveness of the Organization. The half-hearted steps taken in that direction were clearly insufficient. The Soviet Union, as one of the main contributors to the budget, was opposed to the tendency to shift the blame for new expenditures on Member States.

9. The work of the Committee in enhancing the cost-effectiveness of United Nations activities had been impeded by the fact that Member States had been prevented from determining which new activities could be carried out using resources released through redeployment, rather than additional appropriations. The transfer to the regular budget of posts previously financed from extrabudgetary resources had increased expenditures. His Government was opposed to that practice and would be forced to withhold from its contribution to the regular budget that part which related to such posts.

10. His country was categorically opposed to including in the programme budget appropriations to redeem the bonds issued to cover the costs of illegal activities which were in violation of the Charter. The Soviet Union bore no responsibility for such activities and did not intend to contribute towards their costs.

11. The Soviet delegation wished to reaffirm its position of principle concerning the financing of technical assistance. Under the Charter the regular budget was to be used exclusively for administrative purposes. Hence technical assistance should be financed on a voluntary basis and subsumed under the United Nations Development Programme. The position of his delegation was based on the desire to promote the

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21. Mr. PEDERSEN (Canada) said that his delegation had voted in favour of the proposed programme budget in order to enable the Organization to carry out its mandate under the Charter. In formulating the programme budget the Secretary-General had taken account of the wishes of Member States and had made optimum use of resources. Although integrated programme budgeting still required further refinement, a start had been made. Further experience was needed in order to streamline and rationalize the work of the Organization on a continuing basis. It was not easy to reach agreement on the setting of priorities, the redeployment of resources, and the elimination of marginal programmes. Nevertheless, that was a necessary task if the United Nations was to be a dynamic organization serving the goals of the Charter.

22. Mr. TOMMO MONTHE (United Republic of Cameroon) said that the Committee had taken an appropriate decision in approving the proposed programme budget. From the programmatic point of view, the budget was intended to finance specific activities of the highest priority, which were the first in a series of activities to continue beyond the biennium to the end of the period covered by the medium-term plan. It would be strange, therefore, to suggest that some of those activities might have to be curtailed, terminated or replaced if at the next session the General Assembly should decide to authorize any new activities.

23. With respect to resources, the growth rate had remained moderately low as compared with the previous budget. Some programmes had suffered, however, particularly in the sphere of technical co-operation. The Secretary-General's policy of maximum restraint in requesting appropriations was linked to the process of rationalizing the budget through the Programme Planning and Budgeting Board, which had enabled the Secretary-General to have a clear view of what was needed to implement approved activities. In future the Secretary-General must request sufficient resources to carry out the ever-increasing number of activities called for by Member States. Member States, for their part, must endeavour to indicate clearly in the resolutions they adopted a specific programme of the activities they wished to see carried out. Now that the Secretary-General had been given the resources and an indication of the programmes to be implemented, he should tackle the task promptly so that in two years' time the performance report would reflect an improved situation from the point of view of both resources and programmes.

24. Mrs. de HEDERVARY (Belgium) said that her delegation had abstained during the vote on the budget as a whole. It recognized that the Secretary-General and his associates had made commendable efforts to limit the real growth of the budget to less than 1 per cent. But the calculation of real growth did not take into account non-recurrent expenditures, which were considerable. Belgium's assessed contribution would rise from \$7,530,000 in 1983 to approximately \$8,300,000 in 1984, which was an increase of approximately 10 per cent in dollar terms. Moreover, the appreciation of the dollar could result in an even larger increase in her country's contribution in national currency, possibly as high as 35 per cent. That was too heavy a burden for her country, particularly in the current economic circumstances.

25. Mr. DITZ (Austria) said that the decision which the Committee had just taken implied a significant shift in the voting pattern, showing that the delegations were moving closer together. The programme budget for 1984-1985 was a realistic compromise between the aspirations of the majority and the position of major contributors. The Secretary-General and his advisers deserved much of the credit for that.

26. Much of the interest in the debate on the budget had centred on the financial implications. While it might be true, as several delegations had pointed out, that the Fifth Committee had added too much additional expenditure, his delegation wanted to point out that there was no delegation in the room which had not favoured one or another add-on.

27. With respect to the programmatic aspect, his delegation was disappointed that the CPC recommendations and the designation of low and high priority items had not had the expected impact. As far as redeployment was concerned, the world was changing, and the United Nations and its programmes would have to change too. Only if the members of the Committee could agree on priorities and could weed out obsolete activities would they be in a position to give the Organization the scope and focus it really needed to meet the challenge of the increasingly complex and interdependent world. It was not a question of choosing between redeployment and growth; both were needed. It was in the interest of the small and medium-sized countries to maintain a viable United Nations. It would therefore be necessary, in the interest of a common goal, to accept sacrifices which might be hard for individual delegations to accept.

28. Mr. SAGRERA (Spain) expressed his delegation's gratitude to the Secretary-General and his associates for the efforts they had made to submit to the General Assembly a programme budget for the biennium which, by and large, was reasonable and moderate. He urged the Secretary-General to pursue such a policy of moderation and prudence in future. In the current economic situation, his country had been forced to adopt a policy of budgetary austerity, but that did not mean that it was opposed to an effective United Nations. Spain had taken a flexible position on the various budgetary issues considered during the session. Breaking with its traditional support of the United Nations budget, it had abstained in the vote on the additional appropriations the previous year because it had not been able to vote in favour of the enormous amounts requested and because of the unfair and arbitrary increase in Spain's contribution. For the same reasons of principle, Spain had had to abstain again at the current session. He appealed to the Secretary-General to continue his efforts to improve the administrative machinery, make more rational use of resources, redeploy existing resources, evaluate programmes and priorities, and curtail or terminate programmes.

29. Mr. ELIASHIV (Israel) said that in the debate on the proposed budget his delegation had fully explained its position regarding activities of a one-sided political nature which ignored the sovereign rights of Member States. That position had also been reflected in his delegation's votes on individual budget sections as well as on the financial implications of various draft resolutions. It would be absurd to expect his delegation to participate in the funding of vicious

(Mr. Eliashiv, Israel)

activities directed against Israel. Accordingly, his Government had informed the Secretary-General of its decision to withhold from its contribution an amount proportionate to the expenses connected with such activities. Allocating contributions from Member States for such activities was clearly both a misuse and a waste of international resources, which should instead be used to enhance the economic and social well-being of Member States, particularly the developing countries. The United Nations should not be manipulated to serve the interests of those who did not represent the principles for which the Organization was supposed to stand. Consequently, his delegation had abstained in the voting on the proposed budget.

30. Mr. FONTAINE ORTIZ (Cuba) said that his delegation had voted in favour of the total appropriation under all sections of the proposed budget, with the exception of section 30 relating to the United Nations Bond Issue. It had expressed reservations on various items of expenditure, however, with respect to which it had abstained or which it had voted against. As to his delegation's position on conceptual questions relating to the budget his delegation endorsed the statement made by the representative of Mexico on behalf of the Group of 77.

31. Mr. JOHNSON (Benin) said that his delegation welcomed the positive vote on the proposed budget. However, he regretted that Benin had been unable to participate in the voting, owing to reasons beyond its control. Had he been present, he would have voted in favour of the budget, especially those sections on which a recorded vote had been taken.

32. Mr. KELLER (United States of America) said that throughout the session his delegation had taken the position that the regular budget should reflect Member States' interest in optimal programme delivery by using available resources efficiently. While his country was not completely satisfied with the outcome, it firmly believed that much progress had been achieved in reconciling the divergent interests represented in the General Assembly. His delegation was pleased by the strong effort of the Secretary-General to present a budget designed both to maximize the level of programme output through a better, more rational use of available resources and to exercise significant restraint in his proposals. It was also encouraged by the Secretary-General's commitment to administrative reform and his efforts to absorb some of the effects of inflation during 1983. However, his delegation was disappointed by the Assembly's failure to take any specific action with regard to recommendations of the Joint Inspection Unit.

33. His delegation had been encouraged by the strong efforts made by delegations in the substantive committees to hold down the level of budget growth. The substantive committees had a responsibility to recommend financial parameters for programmes and had the authority to recommend courses of action which set priorities and recognized the limits of the regular budget. His delegation could not understand why some delegations believed that the substantive committees had no authority in that regard. In recent years, his delegation's efforts to control add-ons in the Fifth Committee had been rejected by some delegations on the grounds that only the substantive committees could take such action. Now that the committees had acted, their recommendations had been challenged by some delegations in the Fifth Committee.

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(Mr. Keller, United States)

34. His delegation reiterated its strong objections to the use of regular budget funds for activities which were not assessable under Article 17 or were contrary to the purposes of the United Nations Charter. It noted with concern that expenditures for such activities had increased dramatically in recent years. It regretted a number of instances in which the Fifth Committee had overturned sound recommendations of the Advisory Committee.

35. Overall, the Secretariat had made an effort in good faith to adhere to the Secretary-General's policy of maximum restraint. His delegation saw no inconsistency in a maximum restraint budget for the United Nations when Member States were themselves limiting domestic spending. Unrestrained increases in the assessments of Member States might lead them to reduce their voluntary contributions to the Organization.

36. Finally, his delegation had some reservations with regard to the revised rate of "real" growth although there had been some improvement over recent years, and accordingly could not vote in favour of the budget. The technicalities involved in calculating rates of "real" growth were such as to discount major additional appropriations. The additional appropriation resulting from the consolidated statement of conference-servicing requirements was a prime example. If growth in Member States' assessments was linked to "real" rates of growth, perhaps there would be some comfort in the rate reported to the Assembly. Since no such linkage existed, the overall or nominal rate of growth must be taken into account. On that point, while the United States was pleased that external economic factors had produced less dramatic increases in assessments than in recent years, the situation could change at any time. Member States would then pay the price for the continued escalation in rates of programme growth. Consequently, the United States delegation had abstained on the proposed programme budget.

37. Mr. van HELLENBERG HUBAR (Netherlands) said that his delegation shared the views expressed by the representatives of Israel, France, Japan and the United States. It had abstained in the voting on the budget because it considered the overall growth rate of the budget to be still too high. His delegation in future years would find it difficult to support the budget if there was any further growth. It was very pleased with the efforts of the Secretary-General to exercise maximum restraint in the preparation of his budget proposals, and with the improved format and stronger programmatic character of the budget. He expressed the hope that the next budget would be presented earlier so that his Government would be able to give it the attention it warranted.

38. Mr. EL SAFTY (Egypt) endorsed the statements made by the delegations of Mexico and the United Republic of Cameroon.

39. Mr. MURRAY (United Kingdom) said that his delegation had welcomed the recognition in the draft budget proposals of the need for maximum restraint in formulating expenditure proposals. That welcome had been tempered, however, by the imprecision of the phrase "maximum restraint" and the assumption - which his delegation could not accept - that a decline in voluntary resources could be offset

(Mr. Murray, United Kingdom)

by a corresponding increase in the assessed budget. It was his understanding that the real growth in the budget over that of the preceding biennium came to approximately 0.9 per cent, as compared with the initial estimate of 0.7 per cent. He also noted that there had been little change in the inflation assumptions. While the present real growth rate was a welcome improvement over that of the previous biennium his delegation continued to be concerned that the figure might be understated because of the exclusion from the calculations of certain non-recurrent expenditures, a number of which represented expenditures on programmes and activities of long-standing which were non-recurrent only in the sense that their mandate required periodic renewal.

40. His delegation preferred the concept of zero real growth to that of maximum restraint. Such a concept should be seen not as a rigid constraint but as a framework within which it was possible to alter or reorder activities as circumstances required. Delegations had seen substantial sums added to the Secretary-General's original proposals; those additions more than outweighed the reductions proposed by the Advisory Committee. The decision-making process on those proposals would have been greatly facilitated had the Committee had available to it from the start the statements on programme, financial and administrative implications required under General Assembly resolution 37/234. He hoped that proper implementation of that resolution in the future would lead to a more rational use of resources by the United Nations. For that, the Secretariat must be prepared to propose resource deployments that were in line with existing priorities and Member States must be prepared to act on those proposals. Unless the Committee took the decisions which were required it would merely delay the day when confidence in the Organization could be strengthened.

41. The revised programme budget was not a satisfactory response to the prevailing economic imperatives. Had the budget reflected zero real growth, it would have been more realistic and would have imposed a discipline leading to the redeployment of resources to areas which all delegations agreed deserved the highest priority. For those reasons, his delegation had, regrettably, been compelled to abstain in the vote on the revised budget proposals.

42. Miss ARCHINI (Italy) welcomed the improved format of the budget. Her delegation strongly favoured stricter budgetary discipline, particularly with regard to administrative costs since increases in such costs required increased contributions to the regular budget. Such increases inevitably affected the level of voluntary contributions of Member States. The fact that her Government had recently substantially increased its voluntary contribution to the regular budget demonstrated its commitment to multilateral development efforts.

43. Her delegation had reservations concerning some aspects of the budget, particularly the repeated requests for additional appropriations for administrative costs and for additional staff, the tendency to transfer to the regular budget expenses which should continue to be financed from extrabudgetary resources, the late submission of reports and the unfavourable geographical distribution of staff at least from the viewpoint of the Italian Government.

(Miss Archini, Italy)

44. While recognizing the efforts made by the Secretary-General to contain growth in the proposed programme budget for the biennium 1984-1985 within certain limits, she said that the overall growth remained too high. The policy of restraint should be continued, and proposals for new activities not foreseen in the original budget should be financed not through additional appropriations but by redeploying existing resources.

45. While welcoming the substantive activities in the programme budget as a whole her delegation did not support all the aspects of that document and had therefore abstained in the vote.

46. Mr. NGUYEN LUONG (Viet Nam) said that his delegation had not participated in the vote on section 3 and had abstained on part A of resolution III. While it would have liked to vote in favour of the programme budget as a whole, in keeping with the spirit of the statement made by the representative of Mexico with which his delegation wished to associate itself, it was unable, because of its position of principle, to accept expenditures relating to a certain Ad Hoc Committee the creation of which constituted an interference in the internal affairs of a sovereign State. Moreover, given the financial crisis facing the Organization, such expenditure constituted a waste of resources.

47. Mr. YONIS (Iraq) said that while his delegation endorsed what others had said regarding the rationalization of programmes and the budget, he wished to raise some doubts concerning the statement made on behalf of the Group of 77. His delegation was strongly opposed to savings achieved by terminating programmes which, although adopted, had never been implemented for justifiable reasons. One third of the savings effected in the programme budget for the biennium 1982-1983 had been under section 14, which related to the Economic Commission for Western Asia. The latter had failed to implement many of the programmes which had been approved. If the same thing continued to happen in the next biennium his delegation would feel entitled to question the credibility of the new programmes approved for the Western Asian region. The Secretariat should not seek to effect savings under section 14 of the programme budget.

48. Mr. MOJTAHED (Islamic Republic of Iran) said that there had been an error in his delegation's vote on section 2A of the proposed programme budget. Its position on that section had been one of non-participation. Accordingly, its positive vote should be disregarded.

49. Mr. FORAN (Controller), answering questions raised at a previous meeting regarding the actual growth rate in the programme budget for 1982-1983, said that the Secretary-General's initial proposals for the 1982-1983 biennium had represented a decrease in real terms of 0.3 per cent compared with the base carried forward from the previous biennium. Decisions taken by the General Assembly at the thirty-sixth session had increased that to 1.8 per cent while the decisions adopted by the General Assembly at its thirty-seventh session had resulted in an increase of 2.6 per cent in real terms. Accordingly, the programme budget for the biennium 1982-1983 as revised by the General Assembly showed a real growth rate of 4.4 per cent over that of the previous biennium. None of the decisions adopted at the present session had had any impact on that rate.

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(Mr. Foran, Controller)

50. The initial estimates for the biennium 1984-1985 reflected a real growth rate of 0.7 per cent compared with the base level of resources carried forward from the preceding biennium. As a result of the revised estimates and the decisions on financial implications taken by the Fifth Committee the real growth rate was currently estimated at 0.9 per cent. In that connection he wished to point out that one tenth of 1 per cent of real growth amounted to approximately \$1.5 million. Thus the additional increases added during the current session amounted to \$3 million. That represented the recurrent growth in the resources of the Organization in terms of posts and other expenditures which might be expected to be required on a more or less continuing basis. Secondly, the present estimates contained a number of non-recurrent expenses totalling \$32.9 million, which was \$33.4 million less than the non-recurrent expenditures in the budget for 1982-1983. In view of the fluctuating nature of non-recurrent items it might be more meaningful to focus attention on the overall net programme budget for the biennium 1984-1985 as compared with the revised programme budget for the biennium 1982-1983. Measured thus the increase came to slightly more than \$90 million, which represented an increase of 7.4 per cent for the biennium. Since that figure included estimates for inflation the overall increase in financial terms and in inflation-adjusted terms could be seen to be modest.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

51. The CHAIRMAN proposed that the Committee should recommend to the General Assembly that it take note of those chapters of the report of the Economic and Social Council which had been allocated to the Committee.

52. It was so decided.

COMPLETION OF THE COMMITTEE'S WORK

53. After an exchange of courtesies, the CHAIRMAN declared that the Committee had completed its work for the thirty-eighth session.

The meeting rose at 5.25 p.m.