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at 10.30 a.m.
New York

SUMMARY RECORD OF THE 33rd MEETING

Chairman: Miss MUCK (Austria)

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

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 106: JOINT INSPECTION UNIT: REPORTS OF THE JOINT INSPECTION UNIT
(continued)

Evaluation in the United Nations system (continued) (A/33/38, A/33/225 and Add.1)

Programming and evaluation in the United Nations (continued) (A/33/38, A/33/226 and Add.1 and 2 and Corr.1)

United Nations public administration and finance programme, 1972-1976 (continued)
(A/33/38, A/33/227 and Add.1)

1. Mr. THWAITES (Australia) said that the JIU report on evaluation in the United Nations system (A/33/225) and the JIU report on programming and evaluation in the United Nations (A/33/226) represented a valuable contribution to the development of improved co-ordination and a greater sense of cohesion and direction in the activities of the United Nations. It was clear that the art of evaluation described in document A/33/225 was at an embryonic stage in the United Nations, as was indicated by the elementary and unexceptional nature of the JIU recommendations, which notwithstanding his delegation fully endorsed. The fact that efforts at evaluation were already being made in various parts of the United Nations made it all the more important for the General Assembly to endorse those recommendations at the current session in order to ensure that, through the agency of JIU, the various efforts to develop an effective evaluation system were co-ordinated.

2. Document A/33/226 provided a useful set of proposals which complemented those presented in document A/33/225. His delegation fully supported the assessment contained in document A/33/226 of the need to incorporate in programme methodology steps to enable continuing evaluation of programme implementation. Proper evaluation techniques, which involved the precise description of programmes and their expected results, were essential in any rational programming and budgeting system. They enabled better judgements to be made of the resources to be allocated to achieve given aims and of the time needed to achieve such aims. Proper evaluation techniques thus lay at the centre of the issues of methodology and allocation of resources which the Committee was discussing under item 100 and which it would discuss in adopting the programme budget at the thirty-fourth session. The criticism of current activities which his delegation would make was that they were too nebulous. Because of that, Member States were unable to make rational judgements and all key judgements were thus left to the Secretariat. The recommendations contained in document A/33/226 in regard to that situation were specific and challenging. Though some of the recommendations might be ambitious, the pressing need for progress in the area meant that demanding standards were in order.

3. With respect to the Secretary-General's comments contained in document A/33/226/Add.1, his delegation accepted that some of the recommendations

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(Mr. Thwaites, Australia)

in document A/33/226 might require modification before they were implemented. It hoped, however, that not too much emphasis would be placed on that point since it had great faith in the ability of the Secretariat to surmount problems of application as they arose. The essential thrust of the recommendations was clear and his delegation believed that the Secretariat would fully exert its considerable powers to carry them through.

4. In paragraph 16 of document A/33/226/Add.1, it was suggested that the results of an evaluation exercise must justify the effort put into it. His delegation would prefer to put the issue more positively. Without evaluation, none of the efforts of the United Nations in any area could be judged as useful, and while it would be undesirable for the Organization to spend a major part of its time evaluating itself, the existing situation was that the vast majority of the Organization's activities could not be practically assessed at all. Moreover, evaluation was an essential self-discipline for the Secretariat.

5. His delegation strongly supported the proposals contained in document A/33/226 for the establishment of time-limited objectives. It agreed with the comments contained in document A/33/226/Add.1 with regard to time-limited objectives for subprogrammes. Chapter II of document A/33/226 apparently referred to partial objectives under subprogrammes, and the implication seemed to be that while a subprogramme might contain certain objectives which could be time-limited and which were broader than programme-element objectives, the entire subprogramme objective might not necessarily lend itself to time limitation. That perhaps suggested a need for an intermediate programming level between subprogramme and programme element. However, his delegation did not wish to pursue the implications of that question at present, since it did not affect the application of the basic principle involved, namely, the identification wherever possible of objectives which could be time-limited. His delegation whole-heartedly supported that principle.

6. Australia also strongly favoured the use of achievement indicators. It accepted some of the comments contained in document A/33/226/Add.1 concerning different types of indicators and the wide range of activities to which they should be applied. It did not feel, however, that the substance of those comments was such as to prevent the Secretariat from devising effective achievement indicators to be incorporated in most of its programmes. There should ideally be a measure of uniformity among the indicators used. If that was not possible, the Organization would still be better off than formerly, since it would have some ability to monitor its own progress. His delegation could also agree with the point made in paragraph 59 of document A/33/226/Add.1 that evaluation of some activities might inevitably be subjective. Again, however, it did not feel that that was an argument against establishing achievement indicators. It believed that it was better to have an indicator which was subject to dispute than no indicator at all and that in the long run such a process would contribute to the evolution of the most appropriate achievement indicators for each case. Efforts should be made to devise achievement indicators which could be introduced in the next biennium.

7. His delegation was a little mystified by the observation in paragraph 27 of

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document A/33/226/Add.1 to the effect that outputs from a programme might also be inputs into the same programme. It was sure that the disturbing image which that conjured up of an organization chasing its own tail was not a true one and would be grateful for clarification and perhaps illustration of that point.

8. Mr. BROCHARD (France) said that his delegation attached crucial importance to the United Nations public administration and finance programme, since one of its general objectives was to assist Member States in improving the effectiveness of their public administration and finance systems for national development. His delegation generally supported the conclusions and recommendations contained in the report of the Committee for Programme and Co-ordination (A/33/38), the JIU report on the United Nations public administration and finance programme (A/33/227) and the Secretary-General's comments thereon (A/33/227/Add.1). JIU deserved special commendation for enabling the Committee to examine a programme in depth. That was not always easy, since Member States did not have ready access to all the sources of information on the activities of the United Nations system. JIU had had the courage to make a critical and objective examination of the United Nations public administration and finance programme, without passing over in silence its many inadequacies. There had hitherto been no standard evaluation methodology applicable to international programmes, and JIU could be credited with developing and using an original experimental methodology.

9. In pursuance of its aims, the public administration and finance programme worked in two areas: research and technical co-operation. It was in the field of technical co-operation that most of the difficulties seemed to arise. It was doubtful whether any one methodology in respect of public administration and finance could serve as a single model for the developing countries. The methods should be adapted to the particular conditions of each of the countries concerned. The main difficulty in implementing the programme was that it had to be addressed to the "real needs" of the developing countries. That was why his delegation favoured the further development of relations between the Division of Public Administration and Finance and the specialized agencies, and between the Division and national, regional and interregional institutions, such as those mentioned in section I.5 of the JIU report (A/33/227). An effort should be made to find more institutions which would be prepared to enter into close collaboration with the United Nations public administration and finance programme.

10. His delegation regretted the low rate of programme implementation resulting from the turnover of staff in the Division. It also regretted the inadequacies in the quality and dissemination of publications.

11. His delegation fully endorsed the seven JIU recommendations contained in document A/33/227 and the detailed comments made on those recommendations by the Committee for Programme and Co-ordination. It was pleased to note that the Secretary-General had unreservedly accepted all the recommendations and proposed to take them into account.

Implications of additional languages in the United Nations system (A/32/237, A/33/340, A/33/368)

12. Mr. BRYNTSEV (Chairman of the Joint Inspection Unit) said that the JIU report on the implications of additional languages in the United Nations system (A/32/237) had been prepared at the joint suggestion of the United Nations and the World Health Organization. As indicated in document A/33/340, the Inspectors not only had considered the question of the possible implications of additional language services, but had tried to analyse the question of the use of existing languages in the organizations of the United Nations system, bearing in mind the preparation of recommendations aimed at more rational use of the existing resources of the language services and possible financial savings.

13. The main conclusion reached by JIU on the basis of the material examined and numerous interviews with competent officials of organizations of the United Nations system was that the existing language services in the United Nations system were highly developed, quite expensive and capable of meeting all the requirements of the organizations, and that the addition of even one comprehensive language service not only would be costly in itself but would greatly increase the cost of the existing services and add to their complexity. The addition of even one new language would inevitably lead to the increase of budgetary expenditure for language services and increase the financial burden of Member States.

14. The JIU report (A/32/237) contained a number of recommendations concerning the possibility of improving the activities of the language services and making more effective and economical use of the staff in those services. The Inspectors considered that additions to or expansion of the existing language services should be avoided as far as possible and that if any addition or expansion was considered necessary, it should be based on the principle of selectivity. In other words, interpretation should be provided only for specific meetings, and only specified documents should be translated into specified languages (para. 117 (b)).

15. Further efforts should be made to reduce and control the volume of documents, especially meeting records. The Inspectors considered that it would be worthwhile for the United Nations and other organizations in the system, especially those in Geneva, to investigate the possibility of reducing dependence on temporary language staff by increasing the number of permanent staff in the language services. They also considered it advisable that the organizations should investigate the possibility of providing common language services on an interagency basis. With a view to instituting systematic training of language staff, interested Governments might consider setting up, on a national or regional basis, training centres for interpreters and translators.

16. The comments of the Administrative Committee on Co-ordination contained in document A/33/340 were, on the whole, favourable to JIU's main conclusions and recommendations. JIU was fully in agreement with ACC view that perhaps the main value of the Inspectors' report was that it presented concrete facts in confirmation of the general feeling in all organizations in the United Nations system that a point had been reached at which the addition of further languages could be counterproductive (A/33/340, para. 54). The observations of the Advisory Committee (A/33/368) reflected an objective assessment of the JIU report and did not call for any comments on his part.

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17. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) noted that the subject-matter dealt with in the JIU report was not new. The Advisory Committee had already looked into the question in the context of its report on administrative and budgetary co-ordination of the United Nations with the specialized agencies and IAEA to the General Assembly in 1970 (A/8158 and Corr.1, paras. 83-105).

18. In paragraph 82 of its report (A/32/237), JIU had indicated the major difficulties involved in the introduction of additional languages. The Advisory Committee felt that, in the final analysis, not only technical and financial but also political considerations entered into the decision whether to introduce an additional language. For that reason, several of JIU's recommendations fell within the purview of the Member States (A/33/368, para. 5).

19. He wished to draw attention to ACC's observation regarding the Inspectors' analysis of the financial implications of adding new language services to those already provided or of extending the services already available (A/33/340, para. 8). Certain financial data quoted by JIU were not fully comparable because the organizations did not have a common approach with respect to what elements should be included in the cost of language services. The Advisory Committee was of the view that notwithstanding the lack of comparative cost data, the important question of the advantages and disadvantages of recruiting free-lance/temporary language staff versus permanent language staff had not yet been adequately studied. In the past, the Advisory Committee had received proposals from the Secretary-General on the question of free-lance/temporary language staff versus permanent language staff, but had lacked accurate figures to guide it in its examination of such proposals. If the Advisory Committee's present recommendation was followed, it should be in a position to make appropriate recommendations to the General Assembly at its thirty-fourth session. In paragraph 8 of its report the Advisory Committee was accordingly recommending that the Secretary-General should study that question and reflect his conclusions in his programme budget proposals for the biennium 1980-1981.

20. In paragraph 9 of its report, the Advisory Committee recommended that the General Assembly refer the JIU report and the related observations of ACC to the Committee on Conferences, which would thus be able to examine the documents and make such recommendations as it might deem appropriate.

21. Mr. GOSS (Australia) said that the question of additional languages was an extremely sensitive issue, whose objective consideration was hampered by emotional and political factors and considerations of prestige. It was extremely important to bear in mind that no slight was attached to a language simply because it was not an official language of the United Nations and that any increase in the number of official languages would have a multiplier effect on such existing problems as the volume of documentation and relay interpretation. In his delegation's view, caution was advisable with respect to the procedure whereby Member States requesting new or expanded language services shall be invited to pay or contribute to their cost (A/32/237, para. 117 (b)). Further languages should be added only after proper

(Mr. Goss, Australia)

evaluation of a written statement of cogent reasons adducing how the addition of the language concerned would contribute to improvements in communication and the functioning of the United Nations.

22. His delegation believed that the Committee on Conferences should consider ways of reducing and controlling the production of documents and also the possibility of limiting the provision of language services to meetings, without, however, impairing the efficiency of committees or affecting the status of any of the six official languages. His delegation looked forward to any suggestions the Committee on Conferences might make concerning ways of using the existing language services more effectively by cutting out marginal activities, counteracting the proliferation of documents and reducing their length.

23. Mr. KEMAL (Pakistan) asked how many interpretation channels in the committee rooms were currently available for additional languages.

24. The CHAIRMAN said that the Chief Editor would answer that question at a subsequent meeting.

25. Mr. AYADHI (Tunisia) noted that the JIU report had been prepared at the request of the secretariats of the United Nations and WHO. He wondered what reasons had prompted the Secretary-General to request that report prior to discussion of the question of additional languages by the General Assembly.

26. Mr. RUTLEDGE (Chief Editor) said that the secretariats of the two organizations had become increasingly concerned about the problems that were posed by the addition of languages, in addition to purely financial questions. JIU had identified a number of those problems in its report, and allusion had been made to them from time to time when the addition of a specific language was being proposed. However, the representative of Australia had correctly identified one of the reasons which had prompted the United Nations Secretariat to request the study, namely, that whenever the addition of a specific language was being considered, references made by the Secretariat to any difficulties that might be experienced could be, and indeed had been, misconstrued as applying to that particular language or as an attempt to impede its introduction. Therefore, JIU had been approached and had agreed to record its views for the benefit of Member States at a time when no new language was under immediate consideration.

27. Mr. PIRSON (Belgium) said that the report prepared by JIU should be considered in a dispassionate manner and, accordingly, his delegation was in favour of the Advisory Committee's proposal in paragraph 9 of document A/33/368 that the JIU report should be referred to the Committee on Conferences. The table in annex B to the JIU report was of interest but it was unfortunately impossible to compare the data on regular language staff with the data on temporary staff. It would be desirable for JIU to improve that table prior to the consideration of the report by the Committee on Conferences; in the case of temporary staff, JIU could no doubt also supply information relating to the approximate number of man-years.

28. Mr. GARRIDO (Philippines) said that the JIU report was useful but in view of the current financial position of the United Nations it would be inappropriate to consider the addition of any new languages at the present time.

29. Mr. CUNNINGHAM (United States of America) said that his delegation agreed with the representative of Belgium that the question before the Committee should be dealt with dispassionately. The first sentence of paragraph 7 of document A/33/368 indicated that there was no uniform method of computing costs for language services in the United Nations system; yet the final sentence seemed to imply that there was a system in existence and that the Advisory Committee, without actually saying so, was recommending that all of the organizations in the system should adopt the guidelines and other improvements that had been developed by the Interagency Meeting on Language Arrangements, Documentation and Publications. He would welcome some comments by the Chairman of the Advisory Committee on that point.

30. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had indicated in paragraph 7 of document A/33/368 that there was no common method used by the agencies to determine which elements should be included in the cost of language services. He would be able to enlarge on that point more fully when he had before him the guidelines drawn up at the interagency meeting on language arrangements. In paragraph 7 the Advisory Committee was not recommending categorically that those arrangements should necessarily lead to a uniform measurement and costing system; it was stating that they were designed to attain that goal.

31. Mr. AKASHI (Japan) said that, while the language services were indispensable, they had come to assume a rather disproportionate share of the budgets of the organizations of the United Nations system.

32. His delegation endorsed the observation of the Advisory Committee regarding the need for a common approach with respect to what elements should be included in the cost of language services (A/33/368, para. 7). The JIU report did not present a picture that allowed full comparisons. His delegation wished to see a comprehensive presentation, on an interagency basis, of the costs involved, including indirect and apportioned costs.

33. The recommendations of JIU in document A/32/237 met with his delegation's full support. It agreed with the Inspectors' view that new additions to the existing languages should be avoided as far as possible and that future expansion in languages should be based on the principle of selectivity (para. 117). It would be particularly useful if the Committee on Conferences would consider the criteria that should be applied in the selective use of language services. His delegation also fully supported the recommendation that the user-payment principle should be observed (recommendation 5) and believed that that principle should be strictly applied with respect to the direct and indirect costs of all new languages.

(Mr. Akashi, Japan)

34. At the twenty-ninth session of the General Assembly, his delegation had assured the Fifth Committee that, while it reserved the right to ask, at some future time, that the same consideration be given to the Japanese language as to the German language, it would not make such a request unless there were compelling circumstances to do so and unless it was fully satisfied that such a move would not burden the budget of the Organization and reduce its efficiency and effectiveness. He agreed with the representative of Australia that there were practical as well as financial implications, and his delegation was as concerned as ever about the implications of the proliferation of languages.

AGENDA ITEM 105: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY: REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued) (A/33/304, A/33/309)

35. Mr. SERRANO AVILA (Cuba) noted with regret that the report of the Advisory Committee (A/33/309), while providing useful information regarding the budgets of the organizations of the United Nations system, did not contain specific suggestions for improving budgetary co-ordination.

36. According to the report, the budgets of the organizations of the system had trebled during the preceding nine years, with a concomitant rise in the net assessments of Member States. The primary causes of the budgetary increases were, of course, inflation and monetary instability. The organizations whose most recent budgets showed the greatest increases were ILO, IAEA, FAO and UNESCO, with the average increase being 26.4 per cent. In the case of FAO, UNESCO and WHO, inflation and monetary instability accounted for some 75 per cent of the increase. The seriousness of the situation could be seen from the fact that total losses suffered by WHO between 1971 and 1978 as a result of exchange rate fluctuations alone had been approximately \$70 million. However, three specialized agencies which calculated their budgets in Swiss francs - ITU, UPU and WIPO - were virtually immune to exchange rate fluctuations, and moreover, their headquarters were situated in Switzerland where inflation was at present negligible. The increase in the budget of UPU was due primarily to the choice of Rio de Janeiro as the venue for the eighteenth Universal Postal Congress scheduled for 1979.

37. His delegation noted with satisfaction that the Government of the headquarters country of IMCO had undertaken to defray 80 per cent of the rental costs of new office space under construction and certain other costs. That contribution would help to offset the organization's losses as a result of the high rate of inflation prevailing in the headquarters country.

(Mr. Serrano Avila, Cuba)

38. With regard to the presentation of the budgets of various organizations, he noted that provision for exchange rate fluctuations was made in separate sections of the budgets of ILO and UNESCO. An interesting feature of the budgets of FAO, WHO, UNESCO and WMO was the fact that programme costs, support costs and overhead costs were all presented separately. In addition, in the budget of IAEA, a distinction was made between programme costs and overheads. There was great merit in such an approach, and his delegation would, at a later stage of the Committee's consideration of the presentation of the United Nations budget, strongly urge the adoption of such a method by the United Nations.

39. Mr. POPAL (Afghanistan) said that the autonomy of the specialized agencies made greater co-ordination within the system an urgent necessity, especially in view of the major problems which the United Nations system had tackled in seeking, inter alia, to establish a new international economic order.

40. The trebling of the regular budgets of the organizations of the system in the preceding nine years was a cause of concern, especially since the increases had been directly related to fluctuations in currency exchange rates and to inflation. Every effort should be made to halt that unhealthy trend by absorbing increases resulting from inflation through savings and avoiding unnecessary expenditures through a reassessment of priorities and improved management.

41. His delegation noted with satisfaction the slight reduction in 1978-1979 in the rate of increase in the number of established posts in some specialized agencies, although the increases in UNESCO, IAEA and the United Nations, had, none the less, been substantial.

42. In view of the widening gap between the "haves" and the "have-nots" and the lack of sufficient extrabudgetary resources for development purposes, his delegation considered contributions to technical assistance programmes from the regular budgets of the organizations of the system to be justified.

43. There was still room for further co-ordination in the United Nations system with a view to eliminating overlapping and duplication and ensuring the more efficient use of material and human resources.

44. Mr. GOSS (Australia) noted that, according to the information provided in paragraph 16 of the Advisory Committee's report (A/33/309), the number of staff of the United Nations and the specialized agencies had increased by some 5 per cent in a one-year period. The public service in his country, on the other hand, had been cut by 7 per cent during the preceding three years. The continued growth of the United Nations and the specialized agencies was, therefore a matter of serious concern to Governments.

45. The budgets of the organizations of the system had trebled since 1970 and doubled since 1974. While inflation and currency fluctuations were doubtless partially responsible for the problem, they were not the entire explanation.

(Mr. Goss, Australia)

Growth, pure and simple, was the chief reason for the large increases in the budgets. It had been argued that the budgets of the organizations of the system as a percentage of expenditure on armaments were small, but the fact that money was wasted on armaments was not a valid argument in favour of waste within the United Nations system. If Member States were convinced that their contributions were being put to good use, they would have no objections to budgetary increases. There was, however, a general feeling that budgetary discipline and efficiency were not what they should be, and that overlapping and duplication existed in the activities of the specialized agencies. If the secretariats of the organizations of the system did not adopt some restraint, they might be faced with a revolt on the part of Member States which were forced to practise restraint at home.

46. With regard to the Advisory Committee's report on administrative co-ordination of electronic data processing and information systems (A/33/304), he said that, although computers were expensive, they did make it possible to keep proper records of highly diverse and complex data. It was essential to ensure that the United Nations and the specialized agencies adopted compatible systems and avoided duplication, and that decisions regarding computerized information systems were taken only after due deliberation. It was, nevertheless, necessary to move forward with the use of electronic data processing in the system, and his delegation endorsed the Advisory Committee's recommendation that the specialized agencies should be encouraged to contact the Inter-Organization Board for Information Systems and Related Activities regarding the application of information systems so as to ensure a maximum degree of co-ordination.

47. The central question in considering administrative and budgetary co-ordination of the United Nations with the specialized agencies and IAEA was that costs for the system as a whole were growing far faster than could be justified in a period of financial stringency. The time had come for a pause in budgetary growth and efforts should be made to ensure that existing resources were put to the best use. If those resources were efficiently used, the system could increase its programmes without requiring additional resources.

48. Mr. KHAMIS (Algeria) said his delegation endorsed the Advisory Committee's conclusions with regard to administrative co-ordination of electronic data-processing and information systems as set out in document A/33/304. It also welcomed the Advisory Committee's intention to prepare additional reports on various issues of common interest to the organizations of the United Nations system. Co-ordination among the organizations of the United Nations system was of utmost importance if optimum use was to be made of available resources for the benefit of the international community as a whole and the developing countries in particular.

49. His delegation shared the concern expressed by other delegations regarding the accelerated growth in the regular budgets of the organizations of the system. It was particularly disturbing that, while the nominal value of the budgets had trebled during the preceding nine-year period, the real level of activities had remained stable or declined. Real growth in the current budget had been only 2.2 per cent

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(Mr. Khamis, Algeria)

compared with the budget for 1976-1977, which in turn had provided for real growth of only 4.5 per cent over the budget for 1974-1975. The increases in the regular budgets were, therefore, the result primarily of inflation and exchange rate fluctuations, which were causing greater hardship for the developing countries than for the developed countries. Those States which bore a special responsibility for monetary disturbances should take the necessary measures to remedy that situation, which affected the lives of billions of human beings. His delegation was confident that a just solution would be found to that problem and that countries whose unilateral actions had placed certain specialized agencies in difficult financial straits would once again adopt positive behaviour more in keeping with the self-image they wished to project.

50. The increase in expenditure for technical assistance under the regular budgets of the organizations did not reflect any increase in the level of technical assistance activities but was the result primarily of inflation and currency fluctuations. In view of the urgent needs of the developing countries in all areas, the amounts allocated to technical assistance under the regular budgets were meagre indeed, and his delegation was disappointed at the reaction of some delegations regarding that method of financing technical assistance activities. As to the alternative proposed by such delegations, namely that technical assistance should be financed solely through UNDP, he emphasized that UNDP itself had had to cut back on its programmes owing to financial difficulties. It would be recalled, moreover, that it had been possible to reach the 1970 UNDP consensus only by maintaining the regular programme of technical assistance under the regular budget of the United Nations. In the current United Nations programme budget for the biennium 1978-1979, section 15 (regular programme of technical assistance) showed no real growth over the corresponding section in the preceding budget, the increase in the appropriation being attributed entirely to programme maintenance, at revised 1977 rates, and to projected inflation in 1978-1979. Inclusion of appropriations for technical assistance under the regular budgets was further proof of the international community's commitment to assist the poorest countries in their development efforts. Moreover, those appropriations represented only a token of international solidarity when measured against the total amount of the regular budgets or the expenditure of Member States on armaments. Accordingly, technical assistance financed from the regular budgets of the United Nations and the specialized agencies should be not only maintained but increased, and there should be resource growth for that purpose at least equal to the real growth of the budgets as a whole.

51. Lastly, his delegation noted with regret that the report contained no information regarding the budgets of the World Bank and the International Monetary Fund, which would have helped the Committee obtain a comprehensive picture of the system as a whole.

52. Mr. OREBI (Food and Agriculture Organization of the United Nations) said that, traditionally, the item on administrative and budgetary co-ordination of the United Nations with the specialized agencies and IAEA provided the Fifth Committee with an opportunity to focus its intention on some aspects of the complex pattern of interrelationships which held the common system together and to obtain an overview of the budgets and budgetary practices of individual agencies. It also provided an opportunity to learn what was being done by other organizations in areas of current concern to the United Nations. Consideration might be given to some form of dialogue between the Fifth Committee and representatives of the agencies, who could reply to the queries of delegations in an attempt to foster a better understanding of the many common problems which the organizations of the system were facing and handling each in its own way.

53. The specialized agencies followed all the proceedings in the Fifth Committee with close interest. Even those matters which on the surface might appear to be relevant to the United Nations alone were carefully analysed in order to ascertain whether they had any implications for the specialized agencies or indicated a new approach to a common problem.

54. When the Fifth Committee decided upon a scale of assessment for the United Nations, FAO was intimately involved, since it used a modified United Nations scale, amended only to take into account its different membership.

55. FAO was equally interested in the Fifth Committee's consideration of the reports of the United Nations Joint Staff Pension Board and the International Civil Service Commission since, with respect to those two matters, the Fifth Committee was mandated to legislate on conditions of service not only for the staff of the United Nations but for the staff of the system as a whole. The decisions of the Fifth Committee had far-reaching effects, and the constant presence of a representative of FAO at its meetings was recognition of that fact.

56. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), replying to questions raised by the representative of the Philippines at the 31st meeting, said that the 18 per cent of regular budgets which, according to paragraph 20 of document A/33/309, the organizations in the United Nations system expected to devote to technical assistance, did not include overhead costs.

57. Within the United Nations there were some information systems which met the requirements of specific agencies without impinging on the work of other agencies. The World Weather Watch system of WMO was one such case; it did not lend itself to interagency co-ordination.

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

Presentation of the United Nations budget (continued) (A/33/7/Add.8, A/C.5/33/10, A/C.5/33/11)

58. Mr. BLACKMAN (Barbados) said his delegation was primarily interested in a budget that was effective and flexible and best served the interests of the Organization. Salaries comprised 80 per cent of the United Nations budget, and

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(Mr. Blackman, Barbados)

40 per cent of the salaries were paid in currencies other than United States dollars. The performance of the United States dollar against the currencies of countries where salary disbursements were made was therefore a crucial factor in the preparation of the budget, as was inflation. In the circumstances, his delegation doubted the efficacy of a budget whose formulation preceded actual events by several months and which failed to provide for alternative plans when changing conditions made the original plans obsolete.

59. The UNESCO budget was not an exemplary model of semi-full budgeting because it omitted provision for inflation and variations in exchange rates in the second part of the biennium. The United Nations budget should be formulated on a base calculated similarly to that of UNESCO, with inflation forecasting for the first period of the biennium. Careful analysis of inflation in the first part of the biennium should be made, and a subsequent forecast based on the trends of the first year should determine the Organization's quantitative needs during the second year with some measure of accuracy.

60. His delegation disagreed with the position taken by ACABQ in paragraph 8 of its report, as it believed that semi-full budgeting was most appropriate for use in periods of relative instability. Only when there was comparative stability could budgeting be relatively long-term, and during such periods full budgeting would be more appropriate than semi-full budgeting.

61. Mr. ABANKWA (Ghana) said that the concept of full budgeting necessitated keeping to a minimum the need for revised appropriations and protecting working capital funds. The reports of the Secretary-General and ACABQ (A/C.5/33/10 and A/33/7/Add.8) addressed themselves only to the former point, leaving aside the problem of protecting working capital funds. Moreover, the concept of semi-full budgeting was not fully elucidated.

62. Two elements of the concept of semi-full budgeting caused concern to his delegation: the appropriation reserve and the large maintenance base. The appropriation reserve was a global amount appropriated separately from the rest of the budget specifically in order to cover currency fluctuations and the effects of inflation. The introduction of a separate item, subject to a separate vote in the United Nations budget could result in difficulties such as had already occurred in connexion with section 15 of the budget. Moreover, since many delegations had already criticized the level of the maintenance base of the United Nations budget, although it was not so high in comparative terms as that of the UNESCO budget, his delegation could not support the call for the application of semi-full budgeting. He wondered, however, whether full and semi-full budgeting were the only options open to the United Nations.

63. With respect to the implementation of the budget, his delegation agreed with the statement made by the Secretary-General in paragraph 20 of document A/C.5/33/11. Furthermore, it agreed with ACABQ (A/33/7/Add.8, para. 19) that care must be taken to ensure that the accounting system was responsive to the demands placed upon it by the allotment control procedures. It believed that the controller remained pivotal in the proper implementation of the budget.

64. Mr. LUVUEZO (Zaire) said that full budgeting should in theory permit the attainment of objectives without constant recourse to additional appropriations. Semi-full budgeting, on the other hand, should in theory allow more realistic forecasts to be made, but in two separate stages, which would rob the principle of biennial budgeting of any meaning. His delegation believed that the budget should contain as precise an assessment as possible of all expenditure and income over a given period, and for that reason it supported the principle of full budgeting and agreed with recommendations of ACABQ in that regard.

65. It was regrettable that the Secretariat continued to request further appropriations for expenses which were often foreseeable. The Secretariat should be able to balance its budget by making accurate forecasts and tightening management procedures and should obviate the need for additional appropriations except in cases of force majeure. Unless that were done, the entire budget policy of the United Nations would have to be reconsidered.

66. The implementation of the budget was the most crucial phase of the entire budgetary cycle. His delegation would have preferred the report of the Secretary-General (A/C.5/33/11) to give a fuller and clearer picture of the different phases in the implementation of the budget in the United Nations and also the specialized agencies. The basic problem remained that of financial control, which should be carried out a priori and a posteriori. In his delegation's view, the a priori control was satisfactory whereas the a posteriori control was not. Despite the arguments appearing in paragraph 8 of the report of the Secretary-General (A/C.5/33/11), it believed that a priori control was of great importance in that it could prevent expenditure in excess of allotments. It felt, however, that allotments should be controlled not only by programme but also, if possible, by subprogramme and even by individual objects of expenditure. It therefore welcomed the Secretary-General's intention to introduce a revised allotment policy (para. 14), for that policy would curb the latitude hitherto given to programme managers in the use of allotments. Funds should also be transferred between programmes when the need arose.

67. With respect to a posteriori control, his delegation believed that the Controller should play a greater role and that certifying officers should report to the Controller regarding their supervisory activities as well as the application of the Financial Rules.

68. His delegation welcomed the proposal to appoint a senior financial officer responsible for organizing the planning, introduction and evaluation of all management and financial control systems in the United Nations. It hoped that the proposal would be speedily implemented.

69. Mr. ABRASZEWSKI (Poland) said that the current trend of inflation and currency fluctuations made it difficult to forecast budget requirements for United Nations activities taking place in various parts of the world. The unstable financial situation in the developed economies had led the Secretary-General to conclude that there would be no benefit in abandoning the existing system of "full budgeting". But the Secretary-General had explored only one option - semi-full budgeting as practised by UNESCO. Yet there might be other systems which were more readily

(Mr. Abraszewski, Poland)

adaptable to the needs of the United Nations. Moreover, the reasons advanced by the Secretary-General for retaining the current system were neither clear nor convincing.

70. The system currently used by the United Nations was designed to take account of inflation, rather than all cost and price increases. It was not really "full" budgeting in the proper sense of the term, as the amount and frequency of supplementary appropriations clearly demonstrated. If Member States were asked to provide additional contributions, the name given to the budgeting system made no difference; and it was difficult for Members which paid in non-convertible currencies to justify to their domestic tax-payers appeals for additional contributions occasioned by monetary instability in countries with a different economic system. While the United Nations budget was growing at a higher rate than outside circumstances would seem to justify, it was important for the budget to have a built-in factor encouraging economy. The Secretariat should give special consideration to implementing measures conducive to savings and should use its ingenuity to absorb increases in costs, irrespective of their cause.

71. The Secretary-General favoured the retention of the current system of budgeting; ACABQ did not disagree with that view, although it felt that further consideration should be given to the question if circumstances changed. His delegation believed that it should in any case be possible to consider alternatives to the existing system, which did not meet the requirements of full budgeting.

The meeting rose at 1.05 p.m.