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SUMMARY RECORD OF THE 16th MEETING

Chairman: Mr. TOMMO MONTHE (Cameroon)

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

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The meeting was called to order at 11.10 a.m.

AGENDA ITEM 122: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/40/11 and Add.1)

1. Mr. ALI (Chairman of the Committee on Contributions) said that the current system of apportioning expenses was based on the capacity to pay of individual States. Accordingly, while he could give clarifications necessary for a better understanding of the decisions made by the Committee, he could not explain why the share of the countries with centrally planned economies continued to decline while that of the OECD and Group of 77 countries continued to increase.
2. Noting that some States wished to go back to a simple formula for calculating rates of assessment based on national income while others emphasized the need to take into account other economic and social indicators as well, he said that the Committee had tried to determine the capacity to pay using national income in conjunction with other indicators as far back as 1969. In 1983 and 1984 the Committee had tried a methodology that contained variants of the current one but again the results had been less than favourable for most developing countries and the Committee had decided to set that methodology aside temporarily.
3. Several delegations had asked whether the Committee had taken sufficient account of the serious problems facing developing countries, particularly the African ones. It was clear from paragraph 25 of the report that it had. According to the proposed scale, 41 of the 51 African countries were assessed at the lowest rate. Aside from South Africa, whose assessment had increased by three points, only two (Algeria and Gabon) had had theirs increased - by one point each.
4. Certain delegations had said that the proposed scale had not taken into account the particular economic difficulties of the OPEC countries which relied on the export of one non-renewable commodity and that the increase in assessment incurred by some OPEC countries was not justified. The decline in petroleum prices had not had the anticipated impact on the rates of assessment of OPEC countries because the base period was 10 years; thus the effect of a decline in national income over two years had been diluted. Moreover, the rate of assessment reflected the relative not the absolute capacity to pay of a Member State. Absolute decline in national income did not necessarily mean that a country was worse off than its neighbours unless one compared its overall situation with that of its neighbours. The Committee had done that at its June session. That explanation was also applicable to the economic losses caused by the floods that had resulted in a decline in Ecuador's national income statistics in 1983. With regard to the "non-renewable" character of the commodity he said that the Committee would continue to investigate the depletion concept in the measurement of the national income.
5. Even among the Western countries those States which had had their rates increased - the United Kingdom and Norway - were those with oil. Widespread economic recession, combined with the strong value of the dollar, had adversely

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affected national incomes expressed in United States dollars and hence many European countries had seen their rates of assessment lowered.

6. Regarding the ad hoc decisions made by the Committee with respect to the implementation of paragraphs 1 (c) and 1 (e) of General Assembly resolution 39/247 B, he said that since paragraph 1 (c) asked the Committee to apply a limit to the relief burden borne by certain Member States, the Committee had had to decide to what extent the developing countries with a per capita income above \$2,200 should share in the relief burden. To that end, it had examined various machine scales. Those scales had been deemed too technical to be included in the report. Furthermore, the overlapping effects of applying paragraph 1 (f) concerning Scheme III, and paragraphs 1 (e) and 1 (c), as well as the scope of paragraph 1 (c) itself, called for a high degree of caution. That same cautious and pragmatic approach had been extended to the methodology used to take account of indebtedness. It would have been foolhardy for the Committee to adopt a methodology that would be binding for future scales on the basis of inadequate and crude data.

7. In response to the representative of Indonesia, he said that in order to take into account the high levels of indebtedness the Committee had used a weighted ratio of 80 for debt/export and 20 for debt/national income (para. 19). The Committee had chosen the index of 100 as a cut-off point (para. 20). Since Indonesia's percentage ratio had been only 95 per cent, it had not qualified for relief.

8. The Committee had then decided to deduct a certain percentage of debt from national income. Citing Argentina (external debt \$46 billion) as an example, he said that 10 per cent of the debt (\$4.6 billion) had been deducted from that country's average national income of \$54.3 billion, yielding an adjusted national income of \$49.7 billion. An adjusted per capita income of \$1,800 had been obtained by dividing the adjusted national income by the average population of 27.6 million. Then a deduction from national income had been calculated using the low per capita income allowance formula - 15.4 per cent of the adjusted national income. In other words the assessable income for Argentina would be 84.6 per cent of the adjusted national income of \$49.7 billion, in other words \$42 billion. The total deduction for Argentina on account of both indebtedness and low per capita income allowance had been \$12.3 billion (the difference between its national income of \$54.3 billion and its assessable income of \$42 billion). Had Argentina not been selected to receive a deduction on account of indebtedness its assessable income would have been \$49.4 billion. In terms of index points, Argentina would have received a reduction of nine points on account of indebtedness had it not been for Scheme III limits, which had wiped out six of the nine points.

9. Responding to the claim made by the representative of Finland that indebtedness had been taken into account three times, firstly as an element of national income, secondly in the outcome of the methodology to take into account indebtedness and, finally, as a central element in the mitigation process, he said that the current concept of national income did not include indebtedness. In the case of Argentina, the benefit from deduction for indebtedness had been reduced by

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two thirds due to the application of Scheme III. Brazil and Mexico, two highly indebted countries only appeared to benefit from the deduction for indebtedness. The effects of Scheme III limits had outweighed that deduction. The Committee had made an effort to take that fact into account in the mitigation process.

10. Responding to the representatives of Bahrain, Ecuador and Oman, he said that a better way of determining the relative change in rates of assessment would be to compare the machine scale for 1983-1985 for those States with that for 1986-1988, the latter prior to the application of Scheme III limits.

11. With respect to the question from the representative of Venezuela regarding the exchange rate used for converting the national income of Venezuela for 1983 from bolívares into United States dollars, he drew attention to paragraph 34 of the report. The average exchange rates reflected in the IMF International Financial Statistics for May 1985 had varied between 4.2925 bolívares per US dollar for the first quarter of 1983 to 7.5000 bolívares per US dollar for the second and subsequent quarters of 1984.

12. The most difficult problem encountered by the Committee was that of conversion factors. It would be studied the following year.

13. Mr. SEFIANI (Morocco) asked on what basis the mitigation points had been distributed.

14. Mr. DE ROJAS (Venezuela) recalled that he had proposed that a new mitigation round be held so as to make the proposed scale more balanced and fair. In that connection, he asked how often such mitigation rounds had occurred in the Committee on Contributions and whether such a mitigation round had ever been held in the Fifth Committee.

15. Mr. ALI (Chairman of the Committee on Contributions) said that the mitigation had been effected by an ad hoc group created for that purpose. He did not know what criteria the group had used. However, the aim had been to temper sharp increases in order to keep rates of assessment more or less at the previous level.

16. Replying to the question put by the representative of Venezuela, he said that the mitigation process had only once taken place in the Fifth Committee.

17. The CHAIRMAN said that, while delegations seemed to feel that it would not be appropriate to reopen the discussion of the proposed scale of assessments, they were unanimous in their belief that steps must be taken to improve future scales of assessment.

18. Accordingly, he suggested that consultations be held as soon as possible to explore what measures the Committee on Contributions could consider to ensure that future scales were more fair.

19. It was so decided.



AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1986-1987 (continued)

AGENDA ITEM 117: PROGRAMME PLANNING (continued)

GENERAL DEBATE (continued) (A/40/3, A/40/6, A/40/7, A/40/38 and A/40/262)

20. Mr. KOBAYASHI (Japan) said that his delegation had been impressed by the strong personal interest taken by the Secretary-General in administrative and budgetary matters. In his introductory statement to the Committee, the Secretary-General had noted that a firmer consensus was needed on three points relating to the financing of United Nations activities, namely the level and programmatic content of the budget, the scale of assessments, and the payment of assessed contributions, and he had asked Member States to embark on an effort to bring that about. Japan was prepared to make a positive contribution to such an effort, in the belief that the creation of a stronger and more efficient Organization was the direct responsibility of Member States and of the Secretary-General. It would help in forming the consensus that all delegations desired if the Secretary-General would undertake bold initiatives and draw up sound proposals, on the basis of which Member States could conduct consultations, particularly in respect of the level of the budget and its content and procedures, and of the administrative structure and management of the secretariat.

21. The fortieth anniversary session was a good opportunity to consider new measures to ensure the efficient operation of the United Nations. Over the past 40 years, the Organization had constantly expanded its activities and structures, but it had not always adjusted them sufficiently to meet changing needs and requirements. One example was the serious weakness in the appeals system for staff, which had had a significant impact on United Nations operations and personnel, as the ACABQ had pointed out. There were signs that the United Nations system was losing the support of people around the world. It was imperative, therefore, for all the organizations to make a determined effort to achieve administrative and financial reform so that they could function more efficiently. Although the Secretary-General's continuing efforts to improve administration and management were welcome, much remained to be done to make the United Nations more efficient in resource management, raise its productivity, redirect its resources to the areas of greatest need, and make it more responsive to the pressing needs of the people of developed and developing countries alike. It was for those reasons that the Minister for Foreign Affairs of Japan had proposed in plenary session that a small group of eminent persons, drawn from developed and developing countries, should be established to work on making the United Nations a more efficient Organization. His delegation hoped that the proposal would facilitate the search for consensus to which the Secretary-General had referred.

22. Turning to the proposed programme budget for the biennium 1986-1987, he said that his delegation supported the basic approach described by the Secretary-General. The programme and budget of the United Nations could not be unaffected by the fiscal retrenchment that was being carried out everywhere, and must reflect the serious efforts that many Governments were making to trim their national budgets through wide-scale redeployment and increased productivity.

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23. The proposed programme budget contained a number of improvements in programmatic analysis and presentation. Higher priority was placed on the regional commissions and on such global concerns as disarmament, refugees, the environment and human settlements, and for the first time priorities had been designated in some areas of common services. His delegation particularly welcomed the Secretary-General's stated policy of keeping the staffing establishment at the current level, holding the reclassification of posts to a minimum, and strictly controlling requests for consultants and staff travel.

24. Unfortunately, the Secretary-General's initial estimate, and his calculation of the rate of real growth, did not provide a comprehensive picture. Estimates of a non-recurrent nature amounting to \$20 million had been excluded from the calculation of real growth. The treatment of those items should be re-examined and the category should include only those activities that would not be continued after the coming biennium. Further, the initial estimates contained many sections which represented a maintenance level and were thus obviously provisional. Additional requests had been and were continuing to be submitted in the form of revised estimates for many sections, including the Department of Technical Co-operation for Development, the Office of the United Nations High Commissioner for Refugees, the International Court of Justice and numerous subsections of common support services. Over-indulgence in that practice made general analysis and comprehensive review more difficult and resulted in an incomplete picture of budgetary requirements. The construction projects of two regional commissions would significantly increase the total budgetary estimates. Consequently, the 0.4 per cent estimated rate of real growth and the initial estimate of \$1,743 million was not a relevant basis on which to judge the proposed programme budget. The Secretary-General should present as comprehensive a picture as possible of resource requirements for the coming two years in his initial estimate and should limit the practice of revised estimates to very exceptional circumstances. That was the procedure normally followed in national budgetary practice and the General Assembly might well adopt a rule to that effect.

25. The problem of dealing with additional requirements arising from General Assembly resolutions proposed by Member States was a third aspect of the currently fragmented process of programme budgeting. It was to be hoped that the review of statements of programme budget implications would facilitate programmatic analysis of the proposed activities in relation to existing programmes and to the medium-term plan. Moreover, both Member States and the Secretary-General should try to keep additional requests for resources to cope with more activities to a minimum. It was time to consider a more systematic way of dealing with such additional activities, since it was not clear under the current procedure, even towards the end of the General Assembly session, what level of budgetary resources would be required. The possibility should be explored of setting aside resources within the initial estimates to meet requirements for additional activities decided upon by the General Assembly during its regular session. Any search for more rational budgetary procedures should aim to strengthen the reviewing functions of the existing bodies, however, rather than weaken them.

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26. Staff costs constituted more than 80 per cent of the total estimates. No real savings could be made unless effective ways were found of controlling both the size of the staff and personnel costs. The continued expansion of established and temporary posts was a matter of concern. In addition to the requests in the initial estimates, 18 additional posts had already been requested, and a number of new posts had been proposed for areas such as the environment, which in effect meant transfers from extrabudgetary to regular posts. The number of posts being proposed for reclassification to senior grades posed a special problem. The proposal to create three Assistant Secretaries-General and five D-2 officials was unfortunate, given the Organization's serious financial situation. The delayed classification of the general service category was another cause for concern. His delegation would support further efforts by the Secretary-General to halt the continual increase in staff costs through effective redeployment and the exercise of tighter control over expenditure. Although there had been some improvement, requests for consultants and staff travel were still excessive. The number of external consultants employed could be reduced if staff members were better utilized and productivity higher. Extended staff travel, particularly at the senior level, frequently hampered the smooth operation of activities. It was to be hoped that the Secretary-General would exercise the utmost discipline in regard to those expenditures.

27. Increased emphasis on modern technology was another major feature of the proposed programme budget. Expenditure on communications, computers and word-processing equipment showed the second greatest increase in growth. The desire to achieve greater cost-effectiveness and streamline work programmes through those expenditures was understandable, but such proposals should be advanced only after a comprehensive review had been conducted and a coherent policy formulated on the specific requirements of the offices concerned, so that their justification could be demonstrated. As long as existing equipment enabled it to meet the specific requirements identified, the United Nations had no need to keep pace with the state of the art in office equipment. The requests for new computers for certain regional commissions were a perfect example of the way in which that fact could be lost sight of, and his delegation strongly endorsed the ACABQ's recommendation on the subject. It also felt that much could be done to realize savings in staff costs through the streamlining of work programmes.

28. Japan had always strongly supported programme planning, in the belief that, properly utilized, it could be a useful instrument for rationalizing activities. It had participated actively in developing methodologies and conceptual and legal frameworks for programme planning. With the establishment of the central monitoring and evaluation units, a refined system of planning, programming, monitoring and evaluation had finally been put in place. Nevertheless, the new and elaborate system did not seem to be functioning fully and little benefit seemed to have been gained from it. It was essential that the outcome of monitoring and evaluation should be more systematically reflected in the preparation and implementation of the programme budget. In future, programme and budget performance reports should be more comprehensive and informative and the Assembly and other review bodies should give them more careful attention. The United Nations programme managers should make full use of the system that had been

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developed, since it would open the way to increased efficiency and productivity. His delegation hoped that the Secretary-General would provide strong leadership in that regard. It also hoped that, in future, the CPC would treat the work of reviewing how effectively the system of programme planning was functioning, and how far it was contributing to the rationalization of activities, as one of its most important responsibilities.

29. Mr. MICA (United States of America) said that, in the aftermath of the Second World War, the people of the United States had placed their faith in the United Nations as an instrument of global peace, economic development and social progress. Over the years, the country had provided more than \$14 billion to the United Nations system in pursuit of those goals, including generous contributions to United Nations voluntary programmes. In some areas, such as emergency relief for famine or natural disasters, aid to refugees and world health, the United Nations had made a significant contribution. In other areas, however, the record was less positive. Regional wars and conflicts had raged unchecked. Ideology and rhetoric often triumphed over practicality in the struggle for development. Those who advocated international terrorism had too often been glorified in the General Assembly, while those opposing it had been vilified. The recent statement by the Security Council condemning the recent hijacking of the Italian cruise ship was a welcome departure from the norm.

30. In the circumstances, it was not surprising that the positive feelings of the post-war period had been lost. There was growing doubt among the people of the United States and, to judge from the remarks of other delegations, elsewhere in the world, about the relevance and effectiveness of the United Nations and its programmes. Those doubts were reflected in recent action by the United States Congress. He assured the Committee that there was every intention to reduce the United States financial commitment to the Organization unless genuine reforms were instituted. There was a widespread perception that the Organization had lost sight of its goals and that many activities were undertaken more for the benefit of the bureaucracy than for any noble end. While the budget seemed to grow and grow, the output seemed only to shrink.

31. Growth in itself seemed to have become a major goal, though it was naïve to equate size with quality and effectiveness. At the same time, many delegations were making every effort to minimize their own share of the burden of budgetary increases. If such attitudes represented the majority view, the Organization's foundation had indeed turned to quicksand. Only if its programmes could be solidly grounded in effectiveness and efficiency would the United Nations credibility and viability be fully restored.

32. The budget for the biennium 1986-1987 was the second to be submitted on the basis of the medium-term plan for the period 1984-1989. It included funding for every single programme and sub-programme in that plan. Although forward planning was important, too rigid an adherence to the plan could well result in the use of substantial resources to finance activities of little value. There should be a more flexible approach towards planning and greater stress on the termination of ineffective programmes. Major reformulations of programmes and sub-programmes

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should be submitted to CPC's next session and ineffective ones eliminated from the plan and from the next biennial budget.

33. Although, according to the Secretary-General, the process of identifying and terminating marginal or ineffective programmes was all but completed, only 30 programme outputs, or about 0.5 per cent of the nearly 6,000 outputs in the current budget, had been proposed for termination and in only a quarter of the budget sections had at least one programme element or output been terminated. His delegation would like to know the total amount of resources released or redeployed as a result of those terminations. It was concerned that after several years of effort to establish it, the process itself was being terminated. It should instead be intensified to include the continuous identification of activities to be terminated so that those of higher priority could be carried out.

34. The proposed budget contained little evidence of a substantial shift of resources to address changing priorities, although such reallocation was essential for their optimal use. Redeployment was not a means of reducing the United Nations budget, but rather a management tool for directing effort towards higher-priority programmes of greater use to Member States.

35. The Secretary-General's initial budget proposals for the biennium 1986-1987 were somewhat encouraging. Fewer new posts had been requested than in some previous submissions, growth in spending on consultants and travel had been brought under better control, and increased emphasis seemed to have been placed on administrative efficiency.

36. Excluding the amount budgeted for inflation, the Secretary-General's expenditure request, as revised by the recommendations of ACABQ, appeared to be some \$4 million higher than the revised appropriations for 1984-1985. Although his delegation recognized the difficulty of restraining budget growth, it could not accept that increased level of expenditure. Furthermore, if past practice was followed, the 8.1 per cent nominal growth envisaged would be substantially increased by budget add-ons and would also be affected by exchange-rate and inflation adjustments. In addition, the 0.6 per cent real growth figure calculated by ACABQ was based on a methodology that measured the increase in the permanent programme of the United Nations rather than the finances required for the regular budget as a whole. So-called non-recurrent items of expenditure were excluded from the measure of real growth. The Advisory Committee should consider seriously recommending the inclusion of such items in the measure, so that Member States would have a more accurate picture of actual growth.

37. Traditionally, the initial budget proposal was treated as a base to which the Secretary-General and delegations added freely. In some cases, that practice went so far as to encompass committees and programmes whose budgets were determined largely outside the regular budget process. For example, the budgets of the Council for Namibia, the Committee of 24, the Special Committee against Apartheid and the Division for Palestinian Rights were in many respects exempt from the rigorous internal Secretariat review applied to other programmes. Much of their funding, over 40 per cent in the 1984-1985 biennium, was provided through budget



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add-ons approved by the General Assembly on the recommendations of the bodies themselves. The Organization was harmed rather than helped by excessive expenditures that were not consistent with overall budget policy.

38. Turning to the staffing proposals for 1986-1987, his delegation was pleased to note that fewer new permanent and temporary posts had been requested than in previous budget submissions. Also, ACABQ had recommended a reduction in the number of new posts requested by about two thirds. Some posts, however, were proposed for transfer from extrabudgetary funding to the regular budget. His delegation was opposed to such transfers, which encouraged Governments to reduce further their voluntary contributions.

39. Efforts to control the number of permanent staff should not be undermined by creating posts outside the staffing table. The 44 non-recurrent temporary posts requested should have been reflected in the staffing tables of permanent and temporary posts.

40. The Secretary-General's proposals to upgrade a number of existing posts had been modified by the Advisory Committee. The cumulative impact of such upgradings could be seen in the Professional category pyramid, which now resemble a diamond. Twenty-five per cent of Professional staff were graded at the P-5 and D-1 levels, which was excessive. The number of entry-level Professional posts at the P-1 and P-2 levels as a percentage of total Professional staff had declined from 14.7 per cent for the biennium 1980-1981 to 13.6 per cent for 1986-1987. Good management required that that trend be reversed.

41. At the time the proposed programme budget had been submitted, the classification exercise for the General Service category had not been completed. However, \$2.7 million had been included to finance implementation of the results of that exercise, suggesting that its net result would be a large number of upgraded posts. The Fifth Committee and ACABQ should receive a detailed report upon completion of the exercise so that its results could be examined prior to implementation.

42. Measures to control the number of permanent staff should not be undermined by greater reliance on experts and consultants, especially at the end of budget periods when funds would soon no longer be available. Both ACABQ and CPC had agreed that the proposed use of consultants was not in all cases adequately justified and his delegation believed that no additional expenditures for consultants should be approved for the biennium.

43. The Secretary-General planned to restrict increases in administrative costs while improving the overall efficiency of Secretariat operations. His delegation was encouraged by the proposed reductions in Secretariat travel costs, but the savings - less than \$1.5 million - represented only about 5 per cent of total travel costs. Travel by Government representatives and members of expert groups financed out of the regular budget was not subject to those reductions. United Nations bodies entitled to such travel and per diem allowances should be required to reduce expenditures in the same way as the Secretariat.

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44. Word processors, computers and advanced telecommunications equipment should be introduced in an orderly and cost-effective manner, bearing in mind the need for compatibility between systems to achieve maximum productivity. While some savings in staff costs could be expected during 1986-1987, his delegation hoped that further reductions would be demonstrated as more new technologies were introduced in technologies the conference-servicing and administrative areas. The Fifth Committee should request periodic reports from the Secretary-General on planned or actual savings resulting from technological innovations.
45. The Advisory Committee had recommended reductions in expenditures totalling \$16.4 million. Those recommendations were sound, although deeper cuts could usefully have been made in most budget sections. The Fifth Committee would, however, benefit from an even more comprehensive analysis in future budget. The Advisory Committee's reviews seemed to concentrate mainly on requests for additional resources, while the established budget base did not come under the same close scrutiny. That base required the same justification for inclusion in the budget as new programmes, and ACABQ should devote more efforts to the consideration of resource levels for existing activities and the identification of savings which could be used for other, higher-priority programmes.
46. The past few years had seen only marginal shifts in staffing and little effort to redeploy or abolish redundant posts. Given the high vacancy rates in many departments, existing posts could be reduced without terminating the contracts of present staff members. The Advisory Committee should review current staffing levels in more detail in its analysis both of biennial budgets and budget add-ons.
47. The review of the proposed programme budget by the Committee for Programme and Co-ordination (CPC) had not produced results commensurate with the time and effort involved. It had made no real changes to proposed programmes and its recommendations had only a marginal impact on the reduction of expenditures. Unless CPC could make its programme budget review more effective, Member States would need to decide whether another mechanism might better serve their interests. Processes which on paper represented programme budget control but in practice had no effect should not be perpetuated.
48. The United Nations must learn to focus its efforts effectively on the Organization's common goals without resorting to ever-increasing expenditures. The initial budget proposals already represented real growth over the 1984-1985 level. Construction costs for the conference facilities in Addis Ababa and Bangkok, upward revisions of budget sections originally presented on a "maintenance" basis, revised exchange rates and the financial implications of resolutions adopted during the present session could well add over \$100 million. The possibility of such a large increase required decisive action by the General Assembly.
49. The era of unrestricted budget growth must end. Spending should be frozen at the 1984-1985 expenditure level with as much absorption as possible of any exchange rate losses and inflation. That approach meant hard choices should the General Assembly decide to approve new programmes or activities, which should be
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implemented only to the extent that those of lower priority could be reduced or eliminated. The United States Congress had acted to curtail many domestic and foreign programmes, and Government salaries had been frozen. Other nations faced with deficits had adopted austerity measures. Their peoples and elected representatives expected the United Nations to do the same.

50. There was a serious and increasing concern in the United States Congress about the overriding need for reforms in the budgetary procedures of the United Nations system. As members of the Fifth Committee would be aware, the recently enacted Kassebaum Amendment required the United States to press for voting rights proportionate to the financial contribution of each Member State. Budgetary reforms designed to make the Organization more effective were in everyone's interest. His delegation had been pleased to hear the Japanese Foreign Minister, in his recent statement to the General Assembly, stress the need for the United Nations to make a major effort towards effective administrative and financial reform. His specific suggestions should be given serious consideration. The United States delegation was prepared to discuss other suggestions, too, in that regard.

51. The way in which the Fifth Committee and the General Assembly dealt with the proposed programme budget for 1986-1987 would send an important message to budget-conscious Member States. The message would either be that everyone could work together to implement, in a cost-effective manner, the higher-priority programmes that best embodied the ideals set forth in the Charter, or that the trend of recent years to maintain and increase all United Nations programmes, regardless of relative worth, was to continue for the next biennium. The choice, if difficult, was clear, and he hoped that the Fifth Committee would rise to the challenge.

52. Mr. FERM (Sweden), speaking on behalf of the Nordic countries, said that a programme budget of some \$1.7 billion represented a very small amount when set against the national income of Member States or global military expenditure. The entire United Nations system, with some 50,000 staff, was modest in size compared with most national administrations and many large corporations. While national financial and economic constraints had an impact on the level of resources, the fundamental purposes and principles of the Charter should continue to guide consideration of the programme budget.

53. The Nordic countries were prepared to pay their fair share in the common effort. They respected the policy of maximum restraint and objected in principle to zero real growth, which had no clear impact on efficiency or effectiveness and which, if applied through successive budget periods, would result in stagnation.

54. Growth, too, could have its problems and limitations. For one thing, it was impossible to disregard entirely the general economic and financial situation in the world. Another factor to consider was whether there existed a saturation point for certain kinds of activities, such as in respect of conferences and meetings. Section 29 of the budget, regarding conference services, demanded ever-increasing resources while delegations were already overwhelmed by heavy meeting schedules and

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a flood of documentation. In that regard, biennial consideration of certain agenda items could help to avoid the phenomenon of diminishing returns, and the Fifth Committee itself might wish to adopt that practice. Furthermore, insistence on growth in the regular budget might discourage efforts to mobilize voluntary contributions aimed at dealing with natural or man-made emergencies.

55. The Nordic countries believed that, by and large, the regular budget had reached a level that permitted the implementation of mandates given by Member States. Marginal increases or decreases in the aggregate level of financial resources did not have a significant impact on activities. Far more important was to enhance efficiency, which required a combination of restrictive budgetary policies and measures aimed at rationalizing administration and management as well as improving the planning, programming, budgeting, monitoring and evaluation process.

56. There was a need to achieve a more coherent, unified and efficient management of the Secretariat. The suggestion made by the Japanese Foreign Minister in his statement to the General Assembly on 24 September regarding the establishment of a group of eminent persons for a more efficient United Nations deserved further consideration. Performance could also be improved if Member States and the Secretary-General joined in a review of the major priorities of the United Nations for the years ahead, thereby helping to avoid the danger of undertaking too many tasks and spreading the resources of the United Nations too thinly. The Nordic countries were ready to co-operate in exploring new ideas in the proper context, one of which would be the Committee for Programme and Co-ordination.

57. Individual Member States or groups of Member States could not, with credibility and self-respect, promote new activities and general budget growth and at the same time argue in favour of an unreasonable limitation of their share of the common expenses. The compelling logic of interdependence between the budget, the scale of assessments and the pattern of payments showed the opposite: the greater any country's interests and involvement of the Organization, the greater the benefit it derived; and the greater its insistence on new activities, the more willing it should be to accept a fair share of the financial burden.

58. The Nordic countries, like the Secretary-General, were deeply concerned at the practice of certain Member States of selectively withholding their duly assessed contributions or of questioning their treaty obligations with respect to the financing of peace-keeping operations. The example which they were setting was disappointing and damaging to the United Nations and they should be urged to reflect on the consequences.

59. On the occasion of the fortieth anniversary of the Organization, a wind of reform was indeed blowing and even more ominous storm clouds would loom over the coming biennium. The Nordic countries shared the Secretary-General's assessment of the situation and remained ready to contribute constructively to the process of reform.

The meeting rose at 1.20 p.m.