



SUMMARY RECORD OF THE 21st 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 a.m.

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

AGENDA ITEM 117: PROGRAMME PLANNING (continued)

General debate (A/40/3, A/40/6, A/40/7, A/40/38 and A/40/262)

1. Mr. MOHI EL DIN (Sudan) said that the increase in resources provided in the proposed programme budget for economic, social and humanitarian activities (\$48 million), which represented a real growth rate of 0.6 per cent, was clearly insufficient in view of the problems of the low-income countries, in particular the least developed countries and the sub-Saharan African countries. To help the developing countries, it would be necessary to allocate more resources to the regional commissions; however, no effort had been observed in that direction. For example, the resources allocated to the Economic Commission for Africa (ECA) had increased by only \$7 million, which represented a real growth rate of 1.6 per cent, despite the immense problems which the Commission had to tackle, in particular the famine and drought in Africa.
2. As for the overall growth of the budget, he noted that it represented an increase of \$280 million between the biennium 1982-1983 and the biennium 1986-1987 alone. Out of those \$280 million, \$260 million were for staff costs. Thus, only \$20 million remained for the substantive activities of the Organization. Taking account of inflation and exchange rate fluctuations, it could be seen that substantive activities actually showed a negative growth. That was a disturbing phenomenon which should be remedied without further delay.
3. His delegation felt that the reports on programme performance and financial results should appear at the beginning of the session, so that the Fifth Committee could consider them at the same time as the revised estimates and at the same time as the proposed programme budget. The Committee would then be in a position to exercise effective financial control at all stages of the budgetary process.
4. With regard to the method of preparing budget estimates, which was the subject of paragraphs 13 to 25 of the introduction to the proposed programme budget, his delegation felt that it concentrated far too much on the quantitative aspects of the use of resources and not enough on the qualitative aspects. Revised amounts, inflation, growth rates and non-recurrent expenditures were indicated very precisely. On the other hand, the precise destination of the appropriations did not appear clearly, thus opening the way to all kinds of interpretation. The sections of the budget were the principal instrument for implementing policies established by Member States. They should therefore be unambiguous, to permit effective financial control.
5. Extrabudgetary resources (\$2.2 billion) represented 130 per cent of the regular budget (\$1.7 billion). However, there was no integrated programme encompassing the distribution of the resources in the regular budget and the

(Mr. Mohi El Din, Sudan)

distribution of extrabudgetary resources. The earmarking of the latter could thus very easily be influenced by the donor countries, or by the Secretariat, without the knowledge of the Fifth Committee and without its being able to intervene. To correct that anomaly, it would suffice to elaborate a single programme.

6. For the foregoing reasons, his delegation proposed the establishment of a committee of experts responsible for reviewing the method of preparing the proposed programme budget. The Committee's tasks would be the following: to consider budgetary policies, to review the method of preparing estimates, to consider the proposed programme budget section by section, to co-ordinate the activities included in the regular budget with those financed by extrabudgetary funds, to integrate the different phases of the budgetary process, to consider the current financial regulations, to develop a conceptual framework for the reports on financial results and reports on programme performance, and to strengthen the ties between ACABQ and CPC.

7. Mr. CHOWDHURY (Bangladesh) welcomed the improvements in the budget's format, which had made it clearer. Basically, the proposed programme budget should reflect the decisions of the General Assembly and the objectives of the United Nations Charter, in particular in Article 55, concerning the promotion of economic and social progress. That fact necessarily raised a number of basic questions: could United Nations activities be reduced without jeopardizing the objectives being pursued by the Member States? What was the goal: to spend less or to spend more wisely? His delegation, for its part, felt that the budgetary restraint policy should never be seen as an end in itself, but only as a means to improve resource management.

8. To ensure better use of resources, certain elementary management principles must be respected. In the first place, it was essential to make a correct determination of priorities and eliminate superfluous programmes. Secondly, systematic recourse to redeployment of personnel in order to carry out programmes must be avoided, in order to remain within the parameters of the medium-term plan. Thirdly, co-ordination between the regional commissions and the Secretariat must be improved. Fourthly, the cost of personnel services and administrative overheads, which accounted for 80 per cent of the Organization's budget, must be reduced; to that end, the use of consultants must be rationalized, in the light of the guidelines of the Committee for Programme and Co-ordination (CPC) and the Advisory Committee on Administrative and Budgetary Questions (ACABQ). At the proposal of Bangladesh, CPC and the Economic and Social Council had made some extremely relevant recommendations in that regard.

9. The idea of an amendment to the Charter which would give a preponderant voice to the main contributors was completely inappropriate. It was unacceptable that such contributors should establish programme priorities, thereby acquiring a monopoly over the Organization. Budget growth was not really a problem, since the current United Nations budget was, for example, less than that of the New York City Police Department. It was not so much a question of financial restraint as of political will to see the Organization play the role which it had initially been intended to play.

10. Mr. DJOUDI (Algeria) underlined the highly political nature of the discussion which the Fifth Committee was devoting to the programme and budget, in that the provision of sufficient resources determined the capacity of the Organization to carry out its mandate effectively. In determining budget growth, it was essential to be guided by the dynamics of the Organization's activities, while maintaining the democratic rules and operational principles governing it, and to stop the erosion of the principle of Member States' real capacity to pay as a basis for establishing their assessed contributions.

11. His delegation welcomed the improvements made in the format of the proposed programme budget; its subjection to the principle of maximum restraint, however, raised some doubts. The growth rate of 0.4 per cent was indeed similar to the idea of zero growth which his delegation had rejected, at the time when it had been raised, because of the priority of the programme, which could not be adapted to any sort of arbitrary ceiling on resource growth. Actually, it was paradoxical, to say the least, that the programme budget proposed for the United Nations Conference on Trade and Development (UNCTAD) continued to shrink, while the severity of the problems of trade, indebtedness, currency and finance was unprecedented and the situation in the least developed countries was more precarious than ever. Moreover, the insignificant growth in the budget for the regional commissions and, in particular, for the Economic Commission for Africa, did not seem likely to be able to give the necessary impetus to development in the developing countries and to reflect the priority attached to the economic situation in Africa. In fact, budgetary restraint was based on an approach which jeopardized the achievement of judicious planning and would inevitably lead to the proliferation of supplementary estimates, thus multiplying the sources of controversy and confrontation among Member States.

12. Of course, the slow growth in the rate of expenditures did not necessarily mean improvements in the administrative and financial management of the Organization; it did, however, undoubtedly mean a slow growth in programmes at a time when the challenges presented by the burden of debt, the economic situation in Africa, the drought, protectionism, etc., were far from being met. Moreover, by attempting to impose a policy of resource redeployment in order to finance the programme, there was a risk of transforming the corrective measure into a main source of financing.

13. His delegation noted that the proposals concerning priorities and the termination of activities regarded as of marginal usefulness, ineffective or obsolete had chiefly been made in the economic, social and humanitarian sectors. The establishment of priorities among activities must, however, remain the prerogative of the intergovernmental bodies themselves and should not be dependent on arbitrary procedures.

14. The Secretary-General had made an appeal to the Fifth Committee in 1983 for a moratorium on the Organization's structures, indicating that he had called upon an internal advisory committee to assist him in structuring his services to achieve better management and improve the effectiveness of the Organization, and his delegation hoped that the Secretary-General would keep all delegations regularly informed about progress made in that respect. For the time being, it was important to take into account resolution 32/197 and the results of the main international conferences which had recently been held under the auspices of the United Nations.

(Mr. Djoudi, Algeria)

15. The same approach should be applied to post reclassifications and the promotion of staff. The reclassifications proposed by the Secretary-General met with the approval of his delegation since they were designed to improve the functioning of the structures concerned. Nevertheless, Secretariat policy in that regard should be clearer so as to reduce controversy and take account of the need to ensure the proper career development of staff while providing the Secretariat with the necessary means to carry out its functions in the best possible way.

16. The Secretary-General had referred to a wind of reform blowing through the Organization. In the view of his delegation, the alarmism concerning the effectiveness and rationalization of the Organization was excessive and to a large extent reflected the weakening, that it had more than once deplored, of the political will to give multilateral co-operation its rightful place in international relations. He was nevertheless convinced that the basic causes of the crisis of multilateralism did not lie in mere frustration caused by the administrative or management defects of international organizations. The rehabilitation of the United Nations called above all for a renewed commitment to the principles and ideals of the Charter and appropriate action for genuine multilateral co-operation in support of the aspirations of the international community as a whole.

17. Mr. OTHMAN (Jordan) said that, given the host of problems facing the world, it was tempting to make the United Nations into a scapegoat. On the fortieth anniversary, therefore, it was more essential than ever for Member States to reaffirm their faith in the Organization and their adherence to the universal principles of the Charter. Medium-sized and small countries, including Jordan, should, to the same extent as the large countries, assume their responsibilities and contribute to making the Organization more effective. His delegation believed that budget content and performance were infinitely more important than the level of resources, especially when a real growth rate of only 0.4 per cent was anticipated. Regarding the policy issues underlying the budget, there could hardly be any argument about the priority given to the problems of least developed and low-income countries, and more particularly to the critical situation in Africa. However, the regional commissions would have to be strengthened so that they could respond better to those needs. Economic and technical co-operation between developing countries was also a priority sector.

18. His delegation believed that maximum budgetary restraint must be exercised but, like the Nordic countries, it felt that the target of zero budgetary growth was stifling. Given the limitation of resources, programming must be placed on a sound footing while remaining sufficiently flexible to take account of changing needs and situations. The termination of activities and the redeployment of resources could help to achieve that flexibility. However, like the delegation of Iraq, his delegation was concerned about the relatively large number of elements and outputs intended for termination in the programme of the Economic and Social Commission for Western Asia. In addition, it was not sure that it was always desirable or appropriate to seek the prior agreement of the decision-making bodies concerned when terminating programme elements, as had been called for by some delegations.

(Mr. Othman, Jordan)

19. The redeployment of resources and staff was an excellent management tool provided that it was not simply an offshoot of the termination of activities. The automation and computerization of administrative procedures could, for example, permit the redeployment of staff and thus contribute to increasing the effectiveness of the Organization.

20. In strictly budgetary terms, the updating of exchange rates and of the inflation factor by the end of the present session would certainly have an effect on the level of resources and thus on programmes. However, extrabudgetary resources were estimated at \$2,249 million, a much larger amount than the regular budget. Considering the size of the sum involved, his delegation was surprised that the Fifth Committee did not have more detailed information on those resources and their utilization.

21. The staff clearly played a decisive role in the pursuit of greater effectiveness. As the Secretary-General had stressed, the quality and independence of the Secretariat staff must, therefore, be guaranteed. It was certainly important to limit the increase in the number of posts and reclassifications, but it was even more essential to ascertain whether the United Nations could secure the services of persons of the highest quality, whether the situation in that regard should be improved and whether Member States interfered in appointments or, even worse, in promotions and reassignments.

22. His country was prepared together with other Member States to consider ways of making the Organization more effective and it joined in the appeal launched by eight other countries for all Member States to rededicate themselves to the principles of the Charter.

23. Mr. JEMAIEL (Tunisia) felt that the modest increase in the proposed programme budget for the biennium 1986-1987 compared with that of the previous biennium showed that the gradual introduction of new working methods and modern equipment in the Secretariat was beginning to yield tangible results. Efforts should be continued in that direction with a view to preparing a document for future bienniums that was more manageable and better suited to the needs of delegations, and to ensuring maximum cost-effectiveness in budget allocations. It was reassuring to note, in that regard, that the Secretary-General had requested programme managers to explore every means of achieving internal savings while maintaining the quality of substantive programmes.

24. While it had always advocated continuing improvement in the United Nations system, his delegation still remained convinced that the idea of zero growth was hard to accomplish in a rapidly developing world where problems continually reappeared and increased. It was those problems that in fact justified the existence of the Organization and the strengthening of its action.

25. To improve personnel management, his delegation suggested that there should be a final settlement of the question of the use of consultants, who should be employed as best suited the Organization's interests.

(Mr. Jemaiel, Tunisia)

26. On the matter of assessed contributions, his delegation noted that the delays in paying such contributions could largely be explained by the fact that the economic level of most of the developing countries was still relatively low. In that connection, his delegation reaffirmed its support of the principle whereby Member States' real capacity to pay continued to be the most realistic criterion for determining the scale of assessments. The best means of ensuring a better balance in the apportionment of the Organization's expenses would be to help the young countries to reach the economic take-off point. For that reason, in addition to disarmament and the maintenance of peace, Tunisia attached high priority to solving the problems of the developing countries in general and the African countries in particular. In that connection, it regretted that, midway through the International Development Strategy for the Third United Nations Development Decade, the chief goals set for the Decade by the international community had not been achieved.

27. In the circumstances, his delegation considered that the General Assembly should in future participate much more directly in establishing priorities. Furthermore, activities in implementation of General Assembly resolutions and decisions should not be eliminated without consulting the Assembly.

28. Mr. LEWIS (Canada) said that the financial crisis which the United Nations had been experiencing for almost 10 years was currently moving into an acute phase. Certain Member States were withholding increased amounts out of their contributions: at the end of 1985, cumulative withholdings by 25 States would total \$340 million, of which almost \$100 million was arrears on the regular budget. Moreover, though contributions for 1985 had been due in mid-February, less than 54 per cent of the amounts assessed had been paid by the end of September, and only 50 Member States had paid their full assessment. Some of the States which espoused reform most volubly should begin by paying off all their financial obligations to the Organization. In addition, other States were threatening in turn to withhold large amounts during the coming biennium; such withholdings would not be directed at specific items of which they disapproved but would be aimed rather at securing fundamental changes in the Organization itself. He emphasized that Canada did not approve of that approach. Neither late payments nor withholdings of regular assessments were legitimate pressure tactics. Apart from the fact that they added to the costs of running the United Nations and penalized those States that paid on time, such practices were contrary to the terms of the Charter and, above all, sapped the very foundations of multilateralism.

29. The debate on the scale of assessments had revealed further cleavages among Member countries, going beyond mere questions of methodology and reliability of data. Some Members were questioning the fairness of the proposed scale and others were wondering whether there should be a lower fixed ceiling on the maximum amount which any one State paid. For the first time, there was even a question of the validity of the principle of real capacity to pay. It was lamentable to hear Member States arguing over single points each of which represented a net amount of less than \$70,000. The issue, by and large, was less a dispute over the general level of expenditure - several countries actually favoured increases in the

(Mr. Lewis, Canada)

budget - than over the definition of equity itself. Those were serious problems, and the search for effective solutions required not the adoption of unilateral measures but political will on the part of all Member States without exception. Canada's position was clear: reform was essential, but not reform at any price. Member States must seek to protect the Organization rather than deal it a mortal blow.

30. Turning to the budget itself, he said that the proposed growth rate of 0.4 per cent, while still above the target of zero growth, was consistent with the declining trend of the last few years and was certainly lower than the current rate of growth in many national budgets. The Secretary-General was to be commended for his efforts to contain the budgetary process. However, the provisional character of the figure called for caution. It was well known that in the course of the current session the General Assembly would adopt resolutions that would have financial implications. Similarly, in the course of the biennium, Member States would identify new priorities which would require additional funding. In theory, additional expenditures should be offset by corresponding reductions in expenditures on existing programmes, but in practice that rarely happened. It was also well known that the regional commissions could devise resolutions whose implementation would involve large sums without being subject to the normal procedures of budgetary control, and that the expenditures of certain committees dealing with political and institutional problems were subject to virtually no control. Such practices could only undermine the Organization's credibility. His delegation therefore believed, like others, that it was vital to solve the question of add-ons. For example, there might be an arrangement whereby the proposed add-ons would take effect only after a year, which would allow the Secretariat and Member States to scrutinize them with the same care as the rest of the budget.

31. Since the figures in the budget proposal often represented only maintenance-level expenditures, it was to be anticipated that the Secretariat would submit revised estimates that could significantly change the rate of budgetary growth. His delegation believed that the practice of using revised estimates should be limited, and that initial budget proposals should more accurately reflect the final resources requirement. Moreover, to have a proper appreciation of the real rate of growth, non-recurrent costs should also be taken into account. The current budget estimate of non-recurrent costs for 1986-1987 amounted to almost \$20 million, but that figure did not include the expenditure on the conference centres in Bangkok and Addis Ababa. His delegation shared the view of several others, particularly that of Japan, that the treatment of non-recurrent costs in the budget should be re-examined.

32. On the budget's qualitative aspect, he stressed that the establishment of programme priorities was of primary importance at a time of limited budget growth. In that connection, his delegation considered that the monitoring and evaluation of all programmes should be strengthened. It also believed that an approach based on the notion of a "resource envelope" would make it possible to limit add-ons and revised estimates, while at the same time grounding the budget more thoroughly on priority programmes. Member States would be required to agree on the overall

(Mr. Lewis, Canada)

budget and the amount of funding available for each section, or group of sections, such amounts forming the "resource envelope" for the activities involved. The approach would require a serious consultation process at the outset in order to allocate resources in the light of priorities; it would also require close co-operation between the Fifth Committee and the substantive committees both to develop the original budget and to ensure that expenditure did not go beyond the resource envelope limits. The formula, which was not new, had worked effectively for various national Governments. Whether or not the idea was adopted by the Organization, it was essential to continue to apply the programme planning methodology and in particular to continue the submission of statements of programme budget implications, as a means of improving programme effectiveness.

33. Some organs might require a change in their mandate. In that connection, his delegation had noted with interest the proposal made by the representatives of Austria and of Trinidad and Tobago to establish a single financial/programmatic body: in effect an amalgamation of the roles of ACABQ and CPC. The proposal merited further study. In addition, the members of the Fifth Committee could and should identify programmes in the existing budget that required evaluation prior to the preparation of the budget for 1988-1989.

34. Canada noted with approval the decline in the rate of growth in staffing. The number of established posts had increased by only 0.3 per cent by comparison with the biennium 1984-1985. However, it should be possible to further reduce the new posts proposed without affecting programme integrity, since the Advisory Committee was recommending approval of only seven of the 43 posts proposed in the programme budget. His delegation further noted that several requests for new posts (one at ESCAP, three at ECLAC and five at ECA) were a direct result of a decline in the number of posts financed from extrabudgetary resources. Canada strongly believed that a reduction in the financing of certain extrabudgetary activities should not be automatically offset by a corresponding increase in regular budget appropriations. In a related vein, there was a persistent trend to reclassify posts, the Secretary-General having proposed 50 reclassifications. His delegation agreed with the analysis of the representative of the United States and called upon the Secretary-General and ACABQ to continue their efforts to keep that trend in check.

35. The acquisition of data-processing equipment and other advanced technology should certainly help to improve the Secretariat's efficiency but should take place within an overall plan that took into account such factors as staff training and health risks. Finally, Canada was pleased to note that travel expenditure showed a net reduction of 3.2 per cent and that the proposed financing for consultants and experts showed a decrease of 2.5 per cent. Similarly, it was heartening to note that the costs of administrative and support programmes were, on average, growing at half the rate of the costs of substantive programmes.

36. In a broader perspective, it should be noted that the regular budget of the United Nations was not that large and that the Secretariat was not poorly administered compared to other multilateral institutions, or indeed, to many Governments. Canada would venture to suggest that many States that were quick to criticize the budgetary methods of the Organization would be hard-pressed to apply the same vigorous criteria to their own national budgets.

(Mr. Lewis, Canada)

37. It was good that a wind of reform was blowing, but it should be recognized that administrative and budgetary reforms could not by themselves eliminate all problems and that all States, including the super-Powers, must accept the obligations of membership. The quest for consensus and collective action was the key to a solution of the crisis. It was in that spirit that his delegation welcomed the proposal by the Japanese Minister for Foreign Affairs to establish a group of eminent persons to consider means of making the Organization more efficient. Canada was willing to pursue any other idea which might help to re-establish the United Nations on a firm and enduring financial basis and to place the Organization beyond reproach in terms of administrative and budgetary practice.

38. Mr. ENGO (Cameroon) said that, for several countries, mainly developed countries, the Organization's budget was extravagant. Since the world was becoming increasingly interdependent, the Organization's responsibilities were also increasing. A budget of \$1.7 billion could not be considered extravagant given the problems faced by the international community. Indeed, the proposed budget, which was less than that of the New York City Fire Department, would be insufficient even to purchase five modern strategic bombers. Member States should thus refrain from feeding public opinion in their respective countries with the idea that the Organization's costs were excessive.

39. Similarly, it was pointless to seek to determine who was the greatest contributor, the only objective criterion being the degree of sacrifice made with respect to capacity for payment. The gap between the highest contributions and the lowest should not be a matter for concern for all countries pursuing the lofty ideal of making the Organization the true centre for achieving a consensus on international peace and security. For those countries with a contribution of 0.01 per cent of the budget, namely some \$70,000, the amount represented the sacrifice of three rural schools and the education of several hundred children.

40. Budgetary increases were another subject on which Member States disagreed. Over the past four bienniums there had been hardly any increase. That was why zero growth underlined the difficulties facing the Secretary-General in drawing up a resource strategy and in finding ways of implementing the decisions taken by Member States. Some countries maintained that initial estimates were usually surpassed because of decisions having financial implications which were adopted later by the General Assembly. As the Controller had stressed, budgetary increases were not due to new decisions having financial implications, but to monetary fluctuations and inflation, which could not be controlled by the Secretariat. It would be interesting to consider the analyses of past budgetary increases prepared by ACABQ in its evaluation of the budget performance report and to determine the consequences of inflation and fluctuating exchange rates.

41. On the occasion of the fortieth anniversary of the Organization, it was even more urgent for Member States consciously to reverse the trend to impose zero growth and to strive, on the contrary, to provide it with the means which would enable it to play a more effective role, particularly in the maintenance of international peace and security and in the field of economic and social development as well as in the harmonization of the views and actions of States.

(Mr. Engo, Cameroon)

42. While considering the proposed programme budget for the biennium 1986-1987 an improvement over previous years, his delegation thought it necessary, in future budgets, for the level of implementation of the medium-term plan and the contribution of the proposed budget to its implementation to be summarized in the foreword to the proposed programme budget, since that would facilitate preliminary consideration of the document by Member States.

43. With respect to transfers of posts formerly financed from voluntary contributions, he noted that such transfers had been brought about by the crisis which threatened to affect certain programmes owing to the dearth of resources. In that connection, it was regrettable that certain economic and social programmes, particularly those concerning regional commissions, had not shown any growth. That was true for some programmes of the Economic Commission for Africa, which the international community had unanimously decided merited particular attention.

44. His delegation would very much like to see a re-evaluation of the travel entitlements of Ambassadors or Permanent Representatives who were called upon to participate in important missions in support of the United Nations Council for Namibia. It was unattractive for representatives of Heads of State to the United Nations to travel in tourist class or even in business class, and it was important to equip them with the means of providing the best possible service.

45. In conclusion, while supporting any measure to avoid waste and duplication or to improve the management of the Organization, his delegation stressed that great care should be taken to avoid any measure which would cripple the United Nations by reducing its resources.

The meeting rose at 1.05 p.m.