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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 3.25 p.m.

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

AGENDA ITEM 117: PROGRAMME PLANNING (continued)

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

1. Mr. KHAN (Pakistan) said that, on the Organization's fortieth anniversary, Member States had once again renewed their commitment to the principles enshrined in the Charter, including the promotion of international economic and social co-operation and development. The proponents of zero growth should note that the pursuit of the Organization's goals was vital to the survival of mankind. Those who were committed to the Charter should be concerned with the benefits derived from United Nations programmes, rather than the size or rate of growth of the budget.
2. The proposed programme budget was modest in view of the increasing demands of promoting international peace and security and economic and social development. Although his delegation fully appreciated the need for financial discipline, the Secretary-General's declared policy of maximum budgetary restraint should not become an end in itself. If zero growth continued, belief in the ability of the United Nations to fulfil its mandate would be undermined. In that connection, his delegation had noted that personnel and administrative costs accounted for 80 per cent of the budget, an untenable situation which required prompt action in order to achieve greater programme concentration.
3. His delegation was open to constructive initiatives for the good of the Organization, but did not consider the Fifth Committee to be the proper forum for amending the Charter or changing the structure of existing bodies. Any reforms should be aimed at revitalizing the United Nations and not at undermining its very foundations.
4. Pakistan appealed to Member States to arrive at a consensus and let the United Nations play the role it was intended to play, instead of forcing it to conform to each Member State's perception of what it should be. His delegation agreed with the Secretary-General that the United Nations existed to promote common interests, the most important of which was the prevention of war, and that it surely made sense to improve its effectiveness rather than to diminish its potential through disinterest or tendentious condemnation.
5. Mr. FALL (Senegal) said that his delegation welcomed the progress made in applying a programme approach to budgeting and to priority-setting, in conformity with General Assembly guidelines.
6. According to the Secretary-General, the proposed programme budget had been based on two principles: the rigorous justification of programme expenditure, and the policy of maximum restraint in accordance with the concept of zero growth. Senegal recognized that, at a time when States faced particular economic and financial difficulties, the United Nations should take into account the efforts

(Mr. Fall, Senegal)

made by those States to limit their expenditure. The United Nations had no alternative but to implement a dynamic policy of budgetary austerity. Given such a policy, new priority activities could be financed from the resources that would be released by improved programme co-ordination and greater co-operation within the United Nations system. Improved personnel administration with simplified procedures, would also enhance efficiency, while appropriations for external consultants and experts could be reduced by making better use of the Secretariat. Travel costs could be further reduced, and savings would also accrue from the rationalization of the calendar and pattern of conferences, for example, by adopting a biennial cycle for subsidiary organs.

7. The policy of maximum restraint might, in the long run, mean that the Secretary-General would be unable to discharge his many responsibilities, owing to a lack of resources. It should be noted that there was no explicit mandate for such a policy. In fact, a majority of Member States disavowed the concept of zero growth and its underlying philosophy. Application of zero growth would harm the interests of the poor countries and undermine United Nations endeavours to promote economic and social development. His delegation was particularly concerned over the meagre increase in resources requested for the regional economic commissions, notably ECA, which was not commensurate with commissions' increased responsibilities. Senegal trusted that the Secretary-General would still give priority to the needs of the least developed countries, particularly those of sub-Saharan Africa. His delegation regretted that there had been a negative real rate of growth under sections 19 (Habitat), 20 (International drug control) and 21 (UNHCR), despite the increasing seriousness of the problems facing the international community in those areas.

8. Some delegations had emphasized the impact of subsequent decisions of the General Assembly on the rate of budgetary growth. In fact, the real causes of budgetary growth lay in the adverse effects of inflation and exchange rate fluctuations, as evidenced by the fact that 6.4 per cent of the budget for the next biennium had been earmarked to offset inflation, an amount which represented 84 per cent of the increase over the revised estimates approved at the thirty-ninth session. In the same vein, those who protested that the regular budget was astronomical should maintain a sense of proportion. Extrabudgetary resources, amounting to \$2.25 billion, were in themselves greater than the total of assessed contributions. The entire budget represented only a small fraction of the amounts expended on arms.

9. There were those who sought to exploit the Organization's financial crisis by introducing reforms which would undermine the authority of the General Assembly. Such an approach would vitiate the principle of the sovereign equality of States, undo the progress made in rendering international relations more democratic, and shatter the fragile balance established in the Charter between the two principal organs of the United Nations.

10. Mr. SHERVANI (India) said that, in considering the proposed programme budget, the emphasis should be on ensuring that the United Nations had sufficient means to carry out the mandates entrusted to it. The concept of zero growth was, in that light, an ill-advised political statement with no technical or financial basis. Any budgetary system had to take account of inflation and the normal costs of running an institution. The zero growth concept would erode the programme structure painstakingly developed over the past decade. India did, of course, agree that proper management practices should be employed, and that the Organization should be cost-conscious.

11. The suggestion had been made that a mandate arising from a resolution adopted by consensus had greater weight than one arising from a resolution adopted by voting. No such distinction was permitted under the Charter. A resolution, once adopted by the General Assembly, had to be implemented by the Secretariat as an expression of the collective will of the community of nations.

12. The Committee for Programme and Co-ordination (CPC) had recommended continuing the provision of statements of programme budget implications during the fortieth session. At the thirty-ninth session, the Assistant Secretary-General for Programme Planning and Co-ordination had noted the constraints imposed by the absence of a fully operational monitoring system. India harboured serious reservations concerning the provision of statements of programme budget implications given the lack of such a system. Further, the rules governing programme planning, budgeting, monitoring and evaluation should be re-examined by CPC in the light of experience in order to eliminate any inconsistencies. If programme planning was to succeed, it would be necessary to frame acceptable rules, since they served as the basis for instructions to programme managers in their formulation of programme budget proposals.

13. His delegation concurred with the Chairman of the Advisory Committee that there was an absence of agreed criteria governing priority-setting. Member States had to resolve the problem so that the Secretariat could perform its duties effectively. It was also obvious that the question of priority-setting within subprogrammes had to be resolved, but that the concept would provide a useful management tool once monitoring and evaluation functions had been placed on a sound footing.

14. Proper use of the proposed evaluation machinery would help to improve the effectiveness of the Organization. However, the evaluation process must be independent and objective, with recommendations clearly indicating the reasons for poor performance as well as remedial action to be taken. Qualitative appraisals of the implementation of activities would be useful in future performance reports, and the Secretariat should continue efforts to improve the methodology for estimating extrabudgetary resources so that activities were not terminated or postponed because the anticipated funds failed to materialize. CPC would consider the improvement of its work at its twenty-sixth session and delegations should be urged to participate in the process of consultation on that subject, taking into account the nature of that Committee's mandate.

(Mr. Shervani, India)

15. His delegation endorsed the Advisory Committee's recommendation with regard to funding for the General Service reclassification exercise, which must be completed in accordance with the new structure recommended by ICSC.
16. His delegation also shared the views of ACABQ regarding the Secretary-General's recommendations to change the format for the submission of future estimates. However, it had serious doubts about the continued application of the policy of maximum restraint since it emphasized financial aspects at the expense of the objectives mandated by Member States. At a time when multilateralism was under attack and the Organization was showing signs of stress and strain, the proposed programme budget might well be construed as yet another indication of a retreat from commitment to multilateralism on a programmatic level.
17. Mr. MORENO-SALCEDO (Philippines) said that the size of the programme budget should be sufficient not to constrict the important activities of the Organization while taking into account the financial capacity of Member States. There was a need for strict economy, increased efficiency and greater cost-effectiveness, and his delegation welcomed the initiative taken by the Secretary-General in that regard.
18. The real growth rate of the proposed programme budget would, of course, increase as a result of add-ons, exchange-rate fluctuations and adjustments for inflation. His delegation shared the concern expressed by ACABQ and other delegations about the fragmented approach to programme budgeting and the presentation of provisional estimates, which made analysis and comparisons more difficult. Clear guidelines for programme priority-setting would help to ensure economy and efficiency in the utilization of the Organization's limited resources. The Secretary-General should continue consultations that would lead to consensus on the order of priorities. It was to be hoped that the process of terminating marginal and obsolete programmes would receive greater attention and that resources thus released could be used for new or higher-priority programmes.
19. With regard to the Secretary-General's staffing proposals, his delegation believed that costs could be further reduced through the fuller use of existing staff. The Secretary-General had made commendable efforts to limit expenditures for consultants and experts and to reduce travel costs. His delegation supported the views expressed by ACABQ concerning the reclassifications and new posts requested by the Secretary-General.
20. The upgrading of office equipment could improve efficiency but, before major investments were made, there should be a comprehensive review of the capacity of present facilities, a cost-benefit analysis of new equipment to be acquired and a study of the compatibility of the new equipment with the United Nations global communications network. In conclusion, when many Governments were adopting stringent economy measures, there was no substitute for efficiency and productivity in the operations of the United Nations system. At the same time, sight should not be lost of the larger concern of promoting the noble purposes and principles for which the Organization had been established.

21. Mr. VALDEZ (Peru) said that the proposed programme budget should be viewed in the light of the priority objectives of the Organization and the need for the effective use of its limited resources. Considering the importance of the United Nations as an instrument for international co-operation and development, his delegation could not support a policy of zero growth. Neither, however, was it possible to allow unrestricted budget increases. The net estimates for the biennium 1986-1987 represented a comparatively modest budget, particularly in comparison with global arms spending, and the main concern should be to ensure maximum cost-effectiveness.
22. Management efficiency in the Secretariat should be evaluated objectively with a view to revitalizing the efforts of the staff while reducing unnecessary costs, and the reform process should focus on optimum effectiveness. Management achievements should be highlighted in recognition of their contribution to enhancing the prestige and credibility of the United Nations, on the fortieth anniversary of its service to peace.
23. Holding budget growth over the next biennium to the level estimated by the Secretary-General would presumably require the termination of some programme activities already under way, but no risk would be involved provided that the activities affected were obsolete, of marginal usefulness or ineffective. Full support should be given to CPC so that it could carry out its mandate with regard to the termination of programmes in accordance with priorities that reflected the interests of all Member States. In conclusion, although the Secretariat and Member States had a joint responsibility for the proper functioning of the Organization, it was for the latter, through their responsible participation and dedication, ultimately to set the tone of management.
24. Mr. DOLJINTSEREN (Mongolia) commended the efforts of the Secretary-General aimed at the rational and cost-effective use of the Organization's resources. The policy of maximum budgetary restraint reflected the fundamental principles of maximum economy and greater effectiveness. His country was in favour of containing the budgetary growth of the international organizations, including the United Nations. Maximum restraint should be based on a critical appraisal of real needs and requirements, particularly in respect of the increase in the number of Secretariat staff, the recruitment of temporary assistance, experts and consultants and other costly items.
25. Considerable real budgetary growth above the original estimates, as in the current biennium, showed that decisive steps were not being taken to achieve the economic and rational use of available resources. In that regard, particular significance was attached to the reorganization of various programmes and projects, taking into account their importance and relevance, and the termination of ineffective or obsolete programmes. That process should be carried out on the basis of decisions by the intergovernmental bodies and not merely at the discretion of individual Secretariat departments.
26. His delegation had no objection in principle to the introduction of technological innovations, provided that they served to improve efficiency and

(Mr. Doljintseren, Mongolia)

economize human resources. His delegation shared the view of the Advisory Committee and many delegations regarding the need to draw up guidelines for the purchase and utilization of computer equipment.

27. The effects of inflation on budgetary growth should be offset by means of strict resource savings and through the application of necessary adjustments and the redistribution of various programmes within budgetary estimates. His delegation disagreed in principle with the inclusion in the programme budget of expenditures to finance activities contrary to the provisions of the Charter. In conclusion, there was a real opportunity to accomplish the programme activities of the United Nations in the next biennium without increasing the Organization's budget.

28. Mr. FONTAINE ORTIZ (Cuba) said that his delegation welcomed the substantive improvements in the format of the programme budget and in the budget preparation process, although further improvement was still necessary. The statements of previous speakers showed that the majority of Member States understood that the budget was not a policy but an instrument of policy. The concept of zero growth could not be allowed to become an end in itself. His delegation had always taken the position that programmes and activities should be agreed upon and implemented on the basis of their intrinsic merits and not forced into a predetermined financial framework. It was certainly in favour of maximum efficiency, maximum budgetary restraint and the effective use of resources, on the understanding that such guidelines could not be used to justify undermining the implementation of programmes and activities agreed upon by Member States.

29. The United Nations was the greatest universal and democratic political body available to the international community. Its mandates were the outcome of all the ideological and political trends represented in it and threats and unilateral measures should not be used to force it into a single line of thought. To do so would be to destroy the basic principles on which the Organization had been founded. The United Nations must represent the wishes of the majority of peoples and thwarting those wishes by outside pressure constituted an attack on the international community.

30. There were two main groups opposing budgetary growth: those whose aim was to make administrative management more efficient, and those who sought to exercise pressure on the United Nations to force it to bend to their selfish interests. Unfortunately, on many occasions the methods used by the two groups took the same shape, thus creating confusion as to the real political attitude of both sides. His delegation's position was willing to engage in a realistic dialogue but would continue to oppose the arbitrary ceilings and restrictions that some were seeking to impose on the United Nations budget. An irrational redistribution of resources was not the best way to make savings. His delegation would continue to work with all those who had a real interest in making the United Nations more efficient and effective in order to strengthen its role and not in seeking to divert it from its principles and ideals. It would oppose attempts to force through unilateral measures of any kind, particularly the declared intention of the largest contributor to reduce its payments to the Organization.

31. Mr. PIRSON (Belgium), speaking on behalf of the States members of the European Community, said that the Committee for Programme and Co-ordination performed a dual function, namely, to examine the medium-term plan and the programme budget, make recommendations concerning the relative priority of programmes, and examine and develop evaluation procedures, on the one hand, and to ensure that the mandate given to the Organization was properly implemented through an optimal use of resources, on the other. That task, necessary at any time, became crucial in a period of financial stringency for Member States as well as international organizations. The correct fulfilment of that task would maintain the confidence of the international community, which must be able to count on the efficiency of the system and its capacity to regulate itself.

32. There were several ways in which CPC might be strengthened. First, the documents provided to it should be improved. The reports submitted by the Secretariat were often too descriptive and not sufficiently critical. In its conclusions, the Secretariat should always give a clear statement of its objective views and avoid drawing, as it sometimes did, conclusions that met with general agreement but lacked substance and clarity. The European Community therefore supported Economic and Social Council resolution 1985/76, section II, paragraph 3, concerning cross-organizational programme analyses and evaluations submitted to CPC so that the latter would be able to formulate the conclusions and recommendations which were the *raison d'être* of the whole process. A way to strengthen the link between programming and budgeting would be to improve the statements of programme budget implications by providing the information needed by Member States to set priorities in full knowledge of the facts. It was regrettable that CPC had not been able to make any recommendations on that point. In that connection, the States of the European Community wished to emphasize the need for high quality statements of financial and programme implications which would facilitate the programmatic analysis of additional activities proposed by the substantive committees of the General Assembly that might result in adjustments to programmes. Lastly, CPC must be provided with reports from the organs that enjoyed statutory independence. The European Community had high hopes of the study CPC had requested, in paragraph 758 of its report, on the existing expert bodies within the United Nations system, composed of members serving in their personal capacity and established by the General Assembly outside the structure of the Secretariat to provide independent expert evaluation and advice to the Secretary-General and/or intergovernmental bodies.

33. Secondly, to make CPC more efficient, all institutions of the United Nations system must make a real effort at co-ordination. The members of the European Community therefore attached great importance to Economic and Social Council resolution 1985/77 on joint meetings of CPC and the Administrative Committee on Co-ordination. In paragraph 3 of that resolution, the Economic and Social Council stressed the need for more vigorous observance of the responsibilities laid down in the Charter of the United Nations and the agreements between the United Nations and the specialized agencies, bearing in mind problems which had arisen in co-ordination and the pressing need for effective co-ordination among all the organizations of the United Nations system, particularly co-ordination between the

(Mr. Pirson, Belgium)

United Nations and the specialized agencies. For example, reports under Articles 63 and 64 of the Charter to the Economic and Social Council should in future be submitted on a regular basis and constitute one of the instruments for co-ordination.

34. Thirdly, CPC should review its working methods. By reorganizing its agenda and rethinking its methods, CPC would be able to function better and to carry out an in-depth review of all reports submitted to it. The agenda should be redesigned so as to give maximum attention to the programme budget in budget years. CPC also needed to have more precise methods, as it had itself requested. Joint meetings of ACC and CPC could be more efficient if they concentrated on a single, well-defined topic.

35. A more fundamental change was also necessary. The practice of taking decisions in CPC on the basis of consensus was sometimes not conducive to change and reform. There should be a consensus in which Member States would trust each other enough to dispense with the least worthwhile features of the past in order to embrace the most promising ones of the future. Such a change could come about only through a constructive dialogue between Member States based on trust.

36. Lastly, the implementation of CPC's recommendations must be improved. Those recommendations were communicated to the relevant departments of the Secretariat but apparently no procedure had been devised to monitor the follow-up, particularly when the recommendations called for concrete action and not the preparation of reports. It was essential that the Secretariat, at a high level, should take the steps necessary to implement CPC's recommendations and an appropriate procedure should be instituted for that purpose. Implementation could also be considerably improved if, in each organization or institution of the system, the administrative unit in charge of co-ordination was strengthened or created if such a unit did not already exist. The examination by all governing bodies of a yearly report on co-ordination should also become general practice, and each year CPC should review those examinations. The review's conclusions, in the form of recommendations, should be submitted to the joint meetings of ACC and CPC.

37. Mr. DIALLO (Guinea) endorsed the appeal made by the Secretary-General in his statement introducing the proposed programme budget in the Fifth Committee for a more solid agreement, on the fortieth anniversary of the United Nations, among developed and developing Member States alike, on the level of the budget, the scale of assessments, and the payment of contributions to the Organization.

38. His delegation welcomed the improved format of the budget document and the greater budgetary realism shown, although it recognized that much remained still to be done in that regard. Efforts to set priorities and improve implementation should be pursued. In that connection, ACABQ, CPC and the General Assembly should be given more information in order to be able to review the proposed programmes properly and take enlightened decisions where resources were to be deployed to priority programmes, especially in developing countries. The Joint Inspection Unit, the Board of Auditors and the internal auditors could make a valuable

(Mr. Diallo, Guinea)

contribution in that regard. It was vital that there should be full co-ordination among all the organs and bodies of the United Nations system on behalf of programmes to achieve the common objectives of peace, development and a more just and equitable new international economic order. All countries and regional groups must display determination and good will so that the means agreed upon to achieve those ends could be employed with success.

39. His delegation welcomed the proposal to increase the resources to be allocated to Africa and the Economic Commission for Africa with a view to implementing the resolutions of the twenty-first Summit Meeting of the Organization of African Unity. The African continent was currently beset by a myriad of serious problems. Unless the emphasis on the redeployment of resources was placed in proper perspective, however, it could have very adverse consequences for the developing countries. He hoped that the appropriate adjustments would be made in the proposed programme budget in the light of the discussion in the Fifth Committee and that it could be adopted in the spirit of the fortieth anniversary of the United Nations.

40. Mr. ZIDOUEMBA (Burkina Faso) said that the budget documents before the Committee were a marked improvement over those for previous years and the Secretariat was to be commended for its efforts to help delegations understand so difficult and complex a topic. His delegation looked forward to the still simpler document in two parts, referred to in paragraph 43 of the introduction to the programme budget. The timely issue of the programme budget and its introduction by the Secretary-General had made the work of ACABQ and CPC delegations in the Fifth Committee easier.

41. The review of the proposed programme budget for the biennium 1986-1987 was being undertaken at the very moment when the world was enthusiastically celebrating the fortieth anniversary of the United Nations. The occasion called for deeper reflection and a redefinition of the strategies for attaining the purposes and objectives of the United Nations Charter. Member States should be distilling the experience that had been acquired and starting again with fresh determination. Unfortunately, that did not seem to be the case in the Fifth Committee. The statements made by a number of delegations raised doubts about the determination of all Member States to continue to provide the United Nations with the means of carrying out its task to the satisfaction of all. Much had been made of the trend towards continued budget increases and of the need for a policy of zero growth. The same delegations which took every opportunity to stress the weaknesses and failures of the Organization seemed to forget that its results depended on the means that States were willing to make available to it. That forgetfulness was the only explanation for the criticism and the threats uttered by certain delegations simply because the Secretary-General's budget estimates for the coming two years had increased by a mere 0.4 per cent. The delegation of Burkina Faso was in favour of budgetary restraint, but not if it crippled programme delivery. More dynamic action by the United Nations on behalf of development and international co-operation could not come to pass without the necessary resources.

(Mr. Zidouemba, Burkina Faso)

42. His delegation endorsed the view of CPC, in paragraph 24 of its report, regarding the use of consultants. Consultants' fees sometimes accounted for such a large share of programme budgets that the impact of the programmes themselves was negligible. His delegation would therefore like to see detailed information provided for each programme concerning the work commissioned and the monthly fees to be paid. In recruiting consultants, the principle of equitable geographic distribution could well be applied without impairing the quality of work or the proper implementation of programmes.
43. Concerning the determination of an order of priority among the programmes and subprogrammes of the proposed programme budget, his delegation endorsed the suggestion that priority should be given to the development problems of the developing countries in general, and those in Africa in particular. Africa was going through an unprecedented crisis that called for a special effort by the international community to finance its rehabilitation efforts, as urged in the Declaration on the Critical Economic Situation in Africa adopted by the General Assembly in resolution 39/29. Setting an order of priority, however, did not mean the outright termination of activities not regarded as priority, particularly when they derived from decisions of the General Assembly. The normal procedure should be followed for the termination of programmes and in each case a report should be submitted to the General Assembly, which was the only organ competent in the matter.
44. In view of the severe famine from which many African countries, including Burkina Faso, were suffering, he thanked the Secretary-General for stressing in his budget proposals that continent's agricultural problems, especially food problems. One of the main causes of the food crisis in Africa was the enormous transport and communications difficulties under which most African States laboured. His delegation also welcomed the importance attributed to that sector in the proposed programme budget. As a regional road and rail transport centre and transit country, Burkina Faso gave the transport and communications sector pride of place in its five-year development plans and programmes.
45. Mr. ABRASZEWSKI (Poland) said that the overall financial situation of the Organization was deteriorating at an alarming pace. The atmosphere had become even more charged following the announcement by one country that it intended to withhold a sizeable part of its contribution. It could be concluded from the general debate on the budget and on the scale of assessments that Member States were generally dissatisfied with their financial obligations vis-à-vis the Organization.
46. The Fifth Committee must draw the proper conclusions from that situation and find some way of restoring the financial solvency of the Organization. In that connection he noted the interesting proposal made by the representative of Japan regarding the establishment of a group of eminent persons to prepare a set of workable proposals.
47. Turning to the proposed programme budget for the biennium 1986-1987, he said that there had been a notable improvement in the format and content of the budget documents, and in meeting the deadlines for submitting them to the various bodies

(Mr. Abraszewski, Poland)

concerned. The Secretary-General deserved commendation for his efforts to contain the budget. While the proposals before the Committee showed a real rate of growth over the previous biennium of 0.4 per cent - a marked improvement over previous years - the final growth rate was likely to be higher since the Assembly would undoubtedly adopt some resolutions that had financial implications. In that connection he said that requests for additional appropriations should be subjected to greater scrutiny, for existing procedures often led to hasty, unwarranted decisions. Accordingly, he proposed that, when adopting resolutions having financial implications, the Fifth Committee should simply take note of the statements of preliminary financial implications. The following year, all the financial implications would be examined by the Advisory Committee in the context of the total budget appropriations and then submitted to the General Assembly for approval. The methodology used tended to understate the rate of growth of the budget. Changes were needed in the method for the revaluation of the resource base and in the treatment of non-recurrent items. Many such items extended over several years or reappeared on a regular basis.

48. He could not believe that, as paragraph 6 of the introduction to document A/40/6, would seem to imply, every programme element in the proposed programme budget was fully useful and reflected actual priorities. Indeed, there was a broad feeling among Member States that there was ample room for improvement, internal redeployment and reassessment of priorities. What the United Nations lacked was the machinery for maintaining that process on a continuing basis. He noted that some programme managers appeared reluctant to subject their activities to the continued process of change and adaptation. In a situation of serious financial constraints, meaningful results could be achieved only by concentrating the scarce resources on selected priorities. A new impetus must be given to the identification of activities that were obsolete, of marginal usefulness or ineffective. He regretted the lack of progress on that issue in the Committee for Programme and Co-ordination and hoped that CPC would revise its position on the matter. Any future administrative and financial reforms should take into account the need to identify and terminate activities that were obsolete or ineffective.

49. He was pleased to note the interest shown by CPC in the reduction of expenditure on outside experts and consultants and noted the comment made by the Advisory Committee in paragraph 60 of its report (A/40/7) to the effect that the provision for consultants in the proposed programme budget should be adequate to cover any unanticipated requirements. Finally, he pointed out that the number of requests for reclassification of posts seemed excessive. A number of such requests might give the impression that reclassification was being used for purposes of promotion.

50. Mrs. KNEZEVIC (Yugoslavia), speaking on behalf of the Group of 77, commended the efforts made by the Secretary-General to improve the format and content of the proposed programme budget.

51. The pursuit of "maximum budgetary restraint" had substantially distorted the concept of the programme budget, which had been in existence for more than a decade. The integrated management system, composed of programme planning and

(Mrs. Knezevic, Yugoslavia)

budgeting and systematic monitoring and evaluation of activities, was a management tool. However, it did not represent an unchanging system of rules that could be automatically implemented and it did not exist outside the context of the political reality of the Organization. It should be used as a tool in a decision-making process in which the Member States participated. If the role of the United Nations in restoring multilateral co-operation and protecting the vital interests of the developing countries was to be enhanced the programme budget concept could not be transformed into the rigid policy of maximum financial restraint.

52. The Group of 77 felt that the main objective of programme implications statements was to focus attention on the programme side of the budget within the overall context of the integrated management system. They were not meant to be used to curtail low-priority programmes or to identify activities that were obsolete, of marginal usefulness or ineffective in order to provide funds for new activities. They should be confined to the programme budget of the United Nations and should not deal with those of the specialized agencies. The competence of the Fifth Committee regarding administrative, budgetary and programme budget matters should be preserved and CPC and the Advisory Committee should also continue to play their respective roles.

53. The setting of priorities and the identification of obsolete, ineffective or marginally useful activities was done in the context of the preparation of the programme budget and the review of medium-term plans by Member States and intergovernmental bodies. Priority-setting was a political choice; programme managers, however qualified should strictly observe the priorities set by Member States. Greater emphasis should be placed on programme concentration and CPC should be given a greater role to play in that regard.

54. The Group of 77 found it hard to comprehend why the Secretary-General proposed to decrease in real terms the resources to be appropriated under sections 5A, 5B, 7 and 15. Those decreases would all be directly detrimental to the developing countries, the vast majority of which were still experiencing severe economic difficulties. In that connection the Group of 77 stressed the need to strengthen further the work of the regional commissions. The 1.6 per cent growth rate proposed for the Economic Commission for Africa seemed quite inadequate given the fact that the critical economic situation in the continent had been given high priority by the Assembly.

55. The Group of 77 expressed support for the efforts made by the Secretary-General to further improve the efficiency of financial and human resources management. Such improvement could be effected by strengthening co-ordination among the various parts of the United Nations system and avoiding duplication of programmes and by exploring other areas where economies could be effected. As a matter of principle, efforts should be made to reduce the high proportion of expenditure on administration. Staff redeployment could be an efficient means of improving the management of budgetary and human resources and for adjusting management to the priorities of the Organization.

The meeting rose at 6.05 p.m.