



SUMMARY RECORD OF THE 19th 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 3.40 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. SHUSTOV (Union of Soviet Socialist Republics) said that his delegation welcomed the Secretary-General's determination to ensure greater efficiency in the use of the Organization's financial resources but was disappointed that his declared policy of maximum budgetary restraint had not yielded more tangible results. The proposed programme budget for the biennium 1986-1987 (A/40/6) still suffered from many defects. The methodology of budget preparation remained imperfect, and existing methods of calculating expenditure estimates downplayed the magnitude of real growth, particularly those used for the revaluation of the resource base, for identifying non-recurrent items and for calculating the provision for inflation and exchange rate fluctuations. The calculation of so-called "real growth" was only a statistical ploy used by the Secretariat to embellish the results of its work. The contributions of Member States were assessed on the basis of the budget's actual size in absolute figures, and such exercises as calculating the so-called "real rate of growth" were of no more than academic interest to them.

2. Annex IX to the proposed budget showed that the Secretariat had unfortunately slackened its efforts to identify activities which were obsolete, ineffective and of marginal usefulness. Member States still lacked data on the resources being released and were therefore unable to assess to what extent new activities could be financed by redeploying resources and how justified requests for funds were. Hence efforts to overcome the archaic approach of programme managers to administrative and budgetary questions and to make them actively support and implement the policy of maximum budgetary restraint should be a priority task for the senior Secretariat officials. At a time when the Secretariat had a staffing table of over 12,000 posts, the request for new ones was inadmissible, as were requests for reclassifying 69 posts, transferring extrabudgetary posts to the regular budget and creating new temporary assistance posts. The Secretariat again expected to cover inflation costs through additional contributions without taking any steps to offset their consequences through the use of internal resources. The proposed budget again included expenditures on activities that were in violation of the United Nations Charter, as well as expenditures for technical assistance. Since all ongoing programmes could be implemented without any increase in the budget, the budget should be frozen at the present level in absolute figures. What was needed was a strict order of priorities among programmes with due regard for their importance, relevance and the real volume of financial resources available and with appropriate attention to greater co-ordination among all the organizations of the United Nations system so as to avoid overlapping and duplication. The Secretary-General must always include in documents, concerning the administrative, financial and programmatic implications of draft resolutions his proposals for carrying out new activities by curtailing obsolete programmes.

(Mr. Shustov, USSR)

3. Further growth of common staff costs must be curbed, staff must be used more rationally and systematic expansion must be stopped. Personnel for new programmes should be provided through improved organization and redeployment of staff engaged in obsolete or marginal activities. Reduction of the number of permanent contracts would facilitate the redistribution of resources and make it unnecessary to hire large numbers of experts and consultants or retrain serving staff.

4. In sum, the proposed budget must be considered in the light of a need for a radical new approach to administrative and budgetary activities and for decisive measures to improve their effectiveness and make them more economical.

5. Mr. WIRJONO (Indonesia) noted that a number of estimates were still provisional and that resource requirements for a number of sections had yet to be taken into account. Supplementary proposals for those sections would have to be taken into consideration before the final real growth rate of the proposed programme budget could be known. His delegation had been among those which had expressed dissatisfaction at the marginal real growth of the initial budget estimates. Budgetary restraint should not jeopardize the programme of work of the Organization as a whole. Thus it was essential to strengthen management control to ensure the optimum utilization of budget resources.

6. Turning to those budget sections which were directly related to the decentralization called for in General Assembly resolution 37/214, he said that he had taken note of paragraph 8 of the introduction to the proposed programme budget. Extending a higher than average growth rate to the regional commissions would indeed be the appropriate way of implementing that resolution. However, it was stated in paragraph 26 of the introduction to the budget, that the increase in resources of the regional commissions was primarily a response to the priority assigned to the problems faced by the least developed countries. While fully supporting any activity that favoured those countries he was concerned to find that resolution 37/214 had not, after all, received adequate consideration.

7. The United Nations had played a crucial role in assisting the development efforts of developing countries and it should do all that it could to meet their urgent needs. Accordingly, the Fifth Committee must examine carefully whether the resources requested under particular sections of the proposed programme budget were sufficient to meet those needs. In that respect, he shared the concern expressed by the Advisory Committee (ACABQ) and the Committee for Programme and Co-ordination (CPC) regarding the continuing decline in the activities of the Department of Technical Co-operation for Development. More extrabudgetary resources would have to be forthcoming if the technical co-operation activities of the Organization were to be enhanced.

8. He also drew attention to the continuing decline in the section of the proposed programme budget relating to UNCTAD. If that continued UNCTAD would have serious difficulties in carrying out its mandates.

(Mr. Wirjono, Indonesia)

9. He commended the efforts made by the Secretary-General to improve the format and the content of the proposed programme budget. The efforts to improve dialogue with the programme managers throughout the budget preparation process were most welcome and he hoped that they heralded greater efficiency.

10. While noting the explanation given in paragraph 28 of the introduction to the proposed programme budget regarding how the policy of maximum restraint could be implemented without jeopardizing programme delivery, his delegation shared the concern expressed in CPC by a number of delegations which had questioned whether the United Nations could continue to fulfil its mandate if the Organization's resources continued to show very little real growth biennium after biennium. The proposed programme budget might be construed as yet another indication of the retreat from multilateralism, which was causing general concern. His delegation would not feel it had an overall picture of the situation until it could see whether the policy of maximum restraint would result in unjustified termination of programmes and activities. It therefore reserved the right to submit further specific comments at a later stage.

11. Mr. PIRSON (Belgium), speaking on behalf of the Ten States members of the European Community, said that the Ten agreed with the Secretary-General's emphasis on the need for a firmer consensus on the level of the budget and the content of programmes, the scale of assessments and the payment of contributions. In view of their sizeable contribution to the United Nations budget, they also welcomed the Secretary-General's efforts to make the budget more realistic, to improve management and efficiency, to make programme managers more concerned with cost-effectiveness and to introduce modern technology, provided that it increased productivity and improved the use of resources.

12. The Ten agreed with ACABQ that budgeting was an art and not a science and supported its recommendations. Both ACABQ and CPC had too frequently been obliged to work on the basis of provisional budget estimates, and it was important for all programme managers to submit their final budget proposals on time. The Ten saw merit in the suggestion that the General Assembly should adopt a rule authorizing the revision of budget proposals only in exceptional cases.

13. The Secretary-General was to be congratulated on the priority given in the budget to substantive programmes in the economic and social field, in particular the programmes of the regional economic commissions, and in the guidelines he had laid down for keeping costs under control. It was essential for the Secretariat, particularly programme managers, to comply scrupulously with his instructions. The setting and implementation of priorities was one of the basic conditions for improving the working of the Organization by ensuring the necessary close link between planning, through the medium-term plan, and programme budgeting. That policy, which CPC, had also advocated, should be pursued. On the basis of the firmer consensus on the level and content of the budget referred to by the Secretary-General, the members of the European Community were ready to provide the resources needed to carry out the agreed programmes particularly those for the least developed countries.

(Mr. Pirson, Belgium)

14. There had been a number of improvements in the presentation of the budget including the formulation in programmatic terms of the cost of financial services, the setting of priorities in more sections and for certain programmes relating to common services, the effort to improve output descriptions, and the clearer distinction between budgetary and extrabudgetary financing. Nevertheless, the Ten believed that there should be still greater transparency so that the intergovernmental bodies, CPC, the Economic and Social Council and the General Assembly, could effectively scrutinize the way in which the Secretariat was carrying out its mandates.

15. It was already obvious that budget growth, whether in nominal or real terms, would be markedly greater than announced in the proposed programme budget. On the basis of what was already known, given the recommendations that the Secretary-General would certainly be making in regard to the International Civil Service Commission and the Joint Staff Pension Board, real growth would be over 1 per cent rather than 0.4 per cent, quite apart from the additional expenditure resulting from decisions of the fortieth, forty-first and forty-second sessions of the General Assembly. Furthermore, the rate of real growth did not take into account non-recurrent expenditures, which could be particularly large in 1985. In nominal terms, the budget might grow considerably, given the incompleteness of the proposed estimates. The statement by the Chairman of ACABQ had thrown considerable light on that aspect. It had been hoped that the conversion of UNIDO into a specialized agency would not involve Member States in any additional costs but apparently that was unlikely. Moreover, the Fifth Committee could expect to receive proposals from the Secretary-General relating to construction projects, the steps to be taken to make up for the decline in the dollar, estimated by the Chairman of ACABQ under current conditions at an additional \$50 million, and increased contributions by the Organization to the Pension Fund. There would also be the additional expenses envisaged in sections 7, 25 and 28L of the budget and, most important, the financial implications for the biennium of the resolutions that would be adopted by the General Assembly. The implications of General Assembly resolutions had been of the order of \$40 million in 1983 and 1984. None of that took into account a possible rekindling of inflation, which a number of economists expected. Moreover, the Secretary-General intended to revise the assumptions in regard to inflation for the main duty stations towards the end of the current session. As a result of all those factors, the percentage increase over the previous budget in nominal terms might be closer to 15 per cent than to 8.1 per cent. That would hardly seem consistent with a policy of budgetary restraint.

16. The practice of leaving so-called non-recurring items out of the calculations of real growth was to be deprecated. As long as only a few million dollars were involved, it was perhaps reasonable not to make comparisons that might not be useful. It was clear, however, that non-recurring items had grown very large, and considerably increased the contributions required from Member States. There should be greater transparency with respect to such items and ACABQ should make specific recommendations in that regard.

(Mr. Pirson, Belgium)

17. Regarding the budget preparation procedures, he noted that the fact that the current procedures had been adopted by the General Assembly only six years before should not prevent it from reconsidering them, particularly since, for the first time, the Fifth Committee had available to it an overview (paras. 14 et seq. of the introduction to the proposed programme budget). The add-on method illustrated by the overview was still too popular. It was no doubt difficult to start again from zero every two years to decide what resources were needed to put programmes into effect. It was clear, however, that within the Secretariat, particularly at Headquarters, there was no discussion of the possible elimination of activities that were obsolete or of marginal usefulness. Instead, attention was focused on increased expenditures and new initiatives with no questioning of existing expenditures. Annex IX to the introduction to the proposed programme budget was instructive in that regard. The number of programme elements it was proposed to terminate was very small. In the circumstances, therefore, the budget debate in the Fifth Committee was confined to examining a very small part of total expenditure. An add-on budget could only lead to stagnation, particularly at a time of economic decline when strict budgetary discipline was particularly necessary.

18. In future, the internal planning and monitoring bodies of the Secretariat, ACABQ and CPC, on the one hand, and the General Assembly on the other, must be given the information which would enable them to scrutinize programme elements and possibly to question them and thus release resources from obsolete activities for allocation to programmes of special importance to the developing countries. Changes in the budget process were clearly needed. The competent bodies might be asked to review three important sections of the budget from a zero base every two years. The Joint Inspection Unit, the Board of Auditors and the internal auditors should be associated in any such efforts.

19. He drew attention finally to the growing importance of overhead and administrative costs. There had been a slow but steady increase in costs for support services, amounting to more than 53 per cent of the budget for the biennium 1986-1987, at the expense of substantive programmes and despite the instructions of the Secretary-General. The steady rise in staff costs was also disturbing and called for additional efforts for efficiency, particularly, as the Secretary-General had suggested, through the recruitment of better-qualified staff and improved utilization of the Secretariat's human resources. The Ten were also disturbed by the growth of common staff costs. As the Chairman of ACABQ had noted, those costs, which in 1980-1981 had represented 31.2 per cent of base salary, now represented 41 per cent of salary cost. United Nations publications policies should also be reviewed. There should be better co-ordination among the departments of the Secretariat so as to avoid costly duplication.

20. In his statement he had confined himself to a number of basic questions. That did not mean that the members of the European Economic Community were disregarding a number of important comments by ACABQ. They would be taken into account when the sections of the budget were discussed in detail.

(Mr. Pirson, Belgium)

21. In conclusion, he wished to endorse the concern of the Secretary-General regarding the co-ordination of the activities and policies of the organs and agencies of the United Nations system. It was not enough for the United Nations programme budget to provide resources according to an order of priority agreed on in the Organization. The programmes concerned must be integrated into the overall activities of the United Nations system as a whole and contribute to the attainment of their common objectives: peace, development and a just international order. Ideally, in the economic and social field, to which the agencies of the system devoted most of their financial resources, programmes and the order of priority among them should be established in the light of compatible, coherent and co-ordinated development objectives. Recently, in respect of emergency assistance to Africa, the vital need for united action had overcome the usual tendency towards a piecemeal approach. The next phase, the resumption of development in Africa, also demanded the effective harmonization of action by the international community through the United Nations system. The recent joint meeting of CPC and ACC at Geneva had reached a similar conclusion. It was a vital task, which both Member States and ACC should have taken up more seriously long ago. He assured the Secretary-General of the full support of the States members of the European Community for any steps he took towards that end.

22. Mr. FERNANDEZ-MAROTO (Spain) endorsed the emphasis laid by the Secretary-General in his very valuable statement introducing the budget on the need for more solid agreement on three fundamental issues: the level and content of the programme budget, the scale of assessments and the payment of contributions. It was to be hoped that the wind of reform to which he had referred would lead to agreement on those issues, in appropriate celebration of the Organization's fortieth anniversary. The reports of ACABQ and CPC would also be of great use to delegations in their consideration of the programme budget for the biennium 1986-1987.

23. Turning to the proposed programme budget itself, he noted that the nominal increase over the previous biennium was actually 9.8 per cent, rather than the 8.1 per cent mentioned in the ACABQ report because, as in previous years, ACABQ had compared the estimates with the revised appropriations for 1984-1985, and not with the initial estimates for that biennium. There were, furthermore, clear signs that the increase would not be limited to that figure. Paragraph 41 of the introduction to the proposed programme budget mentioned various sections that had been included only at the maintenance-base level. Moreover, no provision had been made for the construction projects at Addis Ababa and Bangkok approved in principle by the General Assembly. Further additions would probably result from variations in the dollar exchange rate, to which the Chairman of ACABQ had referred and from recommendations by the International Civil Service Commission and the Joint Staff Pension Board. It was virtually certain that the original estimate of \$1,742.8 million would be substantially increased. In the circumstances, it was unlikely that the forecast of only 0.4 per cent real growth over the preceding biennium could materialize. In his delegation's view, it was likely to be double that figure. That assumption was reinforced by paragraphs 8 and 14 of the ACABQ report, with which it fully concurred. His delegation also agreed that the

(Mr. Fernandez-Maroto, Spain)

practice of leaving non-recurrent items out of account when calculating should be reconsidered. His delegation looked forward with interest to the recommendations on changes for the format of the proposed programme budget which were, according to the Advisory Committee, to be submitted to the General Assembly at its current session. The improvements that had been made in the timing of the preparation and presentation of the programme budget, thus facilitating the Advisory Committee's work, were to be commended. The inclusion of estimates for financial services, the specification of priorities, the effort to improve the description of programme outputs and the clearer distinction between budgetary and extrabudgetary financing all helped to make the budget review more effective.

24. He wished to stress, however, as his delegation had done in 1983, during the discussion of the budget for the biennium 1984-1985, that not for the first time the Committee was reviewing merely an initial budget which did not contain final figures for a series of budget sections that would inevitably be submitted during the session and be bound to involve considerable absolute and relative increases in real expenditure for the biennium 1986-1987. Every effort should be made not to use provisional estimates that would inevitably be exceeded by the final costs. The unrealistic approach implicit in such a procedure must be shunned, and estimates should be as close as possible to the real foreseeable cost. The possibilities for improvement in that direction had not been exhausted. It should not be forgotten, moreover, that the actual figures for a biennium could put the initial budget estimates in a bad light. That did not mean, of course, that the initial estimates should not be formulated with all the moderation and even the restrictions made necessary by current national economic difficulties. Expenditure figures in any budget must be established within the framework of a rational and thorough review of prevailing economic conditions. It was equally true that the way in which the appropriations were spent had a very important impact on the effectiveness of management. The need to keep priorities in spending programmes under constant review must continue to be stressed, as well as administrative arrangements and machinery for disbursement procedures.

25. The procedure currently used to establish the initial budget estimates was to take as the basis the appropriations for the previous biennium, which almost always resulted in an increase. Instead, the estimates should be based each time on a fresh analysis of the real needs for each unit or activity, with a view to arriving at figures that approximately reflected foreseeable needs. If necessary, such zero-based budgeting could be brought into operation gradually, each time including a specific number of budget sections or items. His delegation endorsed the views of the previous speakers in that connection.

26. The Advisory Committee recommended reductions in expenditure totalling \$16,335,700 and reductions in income of \$969,800. The first amounted to 0.94 per cent of estimated expenditure for the biennium and the second to approximately 0.3 per cent of expected income. Obviously, those reductions were very moderate and his delegation would support them fully, noting that, as stated in paragraph 6 of the report, the reductions recommended were provisional, pending the submission by the Secretary-General of special reports that would provide the General Assembly with clearer and more up-to-date estimates of requirements.

(Mr. Fernandez-Maroto, Spain)

27. His delegation also agreed fully with the views stated in paragraphs 13 and 76 of the ACABQ report that any studies and progress reports should be completed in time to be taken into account in the proposed programme budget and that revised estimates should be submitted only in very exceptional circumstances. Similarly, the General Assembly should receive any reports requiring its consideration that were not linked to draft resolutions recommended by Main Committees or sponsored directly in the plenary Assembly by 15 October of each year.

28. Regarding the estimate of \$5.2 million for non-recurrent expenditure, which included appropriations for the acquisition of word-processing and data-processing equipment, his delegation again agreed with the Advisory Committee's recommendation, since it was obvious that the installation of systems of that kind should be preceded by a comprehensive review, which had apparently not been made in the case in point demonstrating the need for the investments requested on the basis of existing capacity and utilization and including an analysis of available options for the acquisition or leasing of the equipment concerned.

29. A very high sum, almost \$111.5 million, or 6.4 per cent of the initial estimates, was included in the proposed programme budget to cover inflation during the biennium 1986-1987. It was to be hoped that when the amount was reviewed towards the end of the current session some reduction could be made in order to lighten the very heavy burden that such inflation represented for the budget as a whole.

30. Personnel costs continued to be the major item, accounting for some 75 to 80 per cent of the estimates, as the Advisory Committee noted in paragraph 39 of its report. His delegation had examined the Advisory Committee's review with care and was basically in agreement with its recommendations regarding the number of posts that should be approved by the General Assembly and the reclassifications. It also shared the view expressed in paragraph 46 that there should be no presumption that a reduction in the financing of certain extrabudgetary activities should automatically be offset by a corresponding increase in regular budget financing of such activities.

31. Mr. BARAC (Romania), while commending the effort made by the Secretary-General to submit realistic estimates in the proposed programme budget, said that greater restraint could have been shown in proposals for some sections. His delegation would have liked to see greater emphasis placed on securing the maximum utilization of existing resources. The budget of the Organization must take into account the fact that most Member States were facing specific economic problems and that many States were, as a result, compelled to pursue a policy of financial austerity.

32. He expressed concern at the excessively high rate of increase in the expenditure of the Organization. What would be the outcome if the present trend of automatically taking into consideration, for the purpose of preparing the budget estimates, inflation rates which subsequently proved unjustified, were to continue? The expenditure estimates for 1986-1987 represented an increase of 8.1 per cent over the revised appropriations for the previous biennium and of 19.2 per cent over the actual expenditure for the biennium 1982-1983 (A/40/7, para. 1). However, in certain sections the increase was well above 8.1 per cent.

(Mr. Barac, Romania)

33. Certain methodological innovations made comparison with the previous budget even more difficult. It was therefore hard to see to what extent the increases proposed in certain sections reflected a real increase in activities.

34. Although at first glance the proposed programme budget for the biennium 1986-1987 seemed to reflect a slowdown in the rate of real growth, the Advisory Committee had pointed out in paragraph 14 of its report (A/40/7) that the overall rate of real growth could reach 0.6 per cent. Given the very difficult international conditions, his delegation was in principle opposed to any increase in the budget. It was particularly opposed to any increase which was not the result of an actual increase in the activities of the Organization. It was convinced that a greater volume of activity could be carried out without raising the current level of the budget, provided that resources were utilized rationally and effectively. It appeared to his delegation that the increase in the budget was determined primarily by the continued increase in administrative costs or by the irrational utilization of certain resources. In that connection he cited paragraph 70 of the Advisory Committee's report, which stated that a total of 112 cases were pending before the Joint Appeals Board, each of which cost the Organization \$24,000 - making a total of some \$2.7 million. That was an inadmissible waste of the Organization's resources.

35. His delegation fully agreed with the reductions recommended by the Advisory Committee. In certain sections the reductions could have been greater. It was convinced that an appreciably higher level of activities than that proposed by the Secretary-General could be handled without any increase in staff if more rational use were made of existing staff. Further reductions should be made in respect of common staff costs, the creation of new posts or reclassification of existing ones, travel costs, and particularly the use of consultants. Several sections were notable for the number of requests they contained for consultants and experts to prepare studies and reports. In many cases there was no legislative mandate for the studies in question. At a time when the tremendous volume of documentation generated by the United Nations was causing concern it was inadmissible to think of preparing reports which had not been requested. No appropriation for studies or reports should be approved unless such a study or report had been specifically requested first in a resolution of the General Assembly or of some other competent intergovernmental organ.

36. Mr. MUDHO (Kenya) said that Member States should satisfy themselves that the United Nations was functioning effectively and efficiently and that it had remained faithful to the goals set by its founders. In view of the manifold activities in which the United Nations was involved, it was imperative to set priorities, an act requiring political decisions by Member States. The Fifth Committee was the competent organ wherein Member States must compare the Organization's performance with the goals and priorities set, while recognizing the paramountcy of the Charter.

37. The two main goals of the United Nations were the maintenance of international peace and security, and the promotion of international co-operation in furtherance of economic and social progress. Despite the persistence of localized conflicts,

(Mr. Mudho, Kenya)

the Organization's success in achieving the first goal was demonstrated by the prevention so far of a third world war. As for the second goal, the United Nations had contributed to the attainment of political independence by many of its Member States, the economic and social development of which was as important to the Organization as the maintenance of international peace and security. In examining the programme budget, the Organization's effectiveness must not be judged solely against the rate of growth and overall magnitude of the budget, but also against the opportunity costs of not taking action in areas of common concern.

38. The goals set for the United Nations 40 years earlier remained valid. The main preoccupation now should be the Organization's responsiveness to areas of common concern, and not the reform of a system which had withstood the test of time.

39. His delegation had serious doubts as to the propriety of using the Fifth Committee as a forum for canvassing change in the Organization's work. Further, the record of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization did not suggest that a proposal to change the Charter so as to give major contributors greater voting rights in the Fifth Committee would fare any better than proposals to effect changes in the Security Council. The abuse of their veto power by the permanent members of the Security Council did not inspire confidence in the theory that making voting rights on financial matters commensurate with contributions would be a panacea for the Organization's shortcomings. Calls for weighted voting in the Fifth Committee, however well intentioned, risked diverting attention away from the urgent task before the Committee, namely, objective examination of the programme budget in the light of the problems facing Member States. In that connection, it should be recalled that payments to the United Nations were mandatory under the terms of the Charter, which every Member State had freely chosen to uphold. Moreover, Member States' contributions accounted for an insignificant percentage of their GNPs and the vast amounts squandered on arms. It was a saddening reflection that, instead of undertaking genuine disarmament, those entrusted with safeguarding international peace and security, the raison d'être of the United Nations, not only spent colossal amounts on weapons but seemed bent on reducing still further the trickle of resources available for urgent humanitarian concerns, to wit, the economic and social progress of the deprived. The legitimacy of the concerns of the major contributors over the way resources were spent was all the more questionable since those same States were the recipients of the bulk of the resources in that their nationals formed the majority of high-level staff members and consultants. In short, the estimated real rate of growth of 0.4 per cent was not excessive, but, rather, reflected a barely acceptable level of restraint. Further, his Government did not agree that non-recurrent expenditure should be included in calculations of the rate of growth.

40. His delegation had opposed the concept of zero growth since its introduction at the thirty-sixth session, not through recklessness, but because it did not accept that some countries needed incentives to be financially responsible. Kenya had also long pointed out that 80 per cent of the budget was devoted to personnel costs, and that zero growth had slashed the percentage of the budget which benefited developing countries through substantive programmes.

(Mr. Mudho, Kenya)

41. Kenya attached great significance to the activities of the Department of International Economic and Social Affairs and of the regional economic commissions, particularly ECA. Accordingly, the stagnation of the resources allocated to DIESA and the insignificant increase in the case of ECA were of concern. His delegation was also eager to see that UNEP and Habitat were provided with adequate resources. In that connection, his delegation wondered whether the need to assign additional translators and other staff to assist UNEP in the context of the Environmental Perspective to the Year 2000 and Beyond reflected the inadequate provision of resources or a failure to request appropriate means.

42. The Committee's concern should not be with the size of the budget, but with how efficiently and effectively funds were managed. The proposals to establish a group of eminent persons to promote efficiency, to establish a single budget committee and an ombudsman, and to hold joint meetings of ACABQ and CPC merited close consideration. Although Kenya did not share the Secretary-General's enthusiasm for zero growth, it did endorse his intention of promoting cost-effectiveness and administrative efficiency, and, in that connection, supported the exercise on the reclassification of posts being undertaken by the Secretariat.

43. Mr. KUBIZNAK (Czechoslovakia) said that the United Nations budget should not be increased until existing resources and reserves had been mobilized more effectively and ineffective and marginal programmes had been eliminated. New programmes should be financed through the redeployment of existing resources.

44. By and large, there was no justification for increases in the budget, but his delegation felt that appropriations for the Commission on Transnational Corporations should not be reduced. The proposed budget also failed to reflect the effects of introducing costly and advanced technology, such as reduced staff costs.

45. One way to effect savings was to increase the efficiency of United Nations activities, primarily in the Secretariat. In that connection he expressed dissatisfaction with the inefficient use of the time and capabilities of various units of the Secretariat, the time wasted in meetings and conferences, the growing expenditure on documents and unjustified travel expenditures. Since 80 per cent of the budget went to cover staff costs, his delegation opposed any increase in either permanent or temporary staff.

46. A reduction in Professional and General Service posts had not been accompanied by greater cost effectiveness, because of the long-term trend towards unjustified increases in salaries and post adjustments and the upward reclassification of posts. The proposed reclassifications were not always justified by increased responsibility, and funds for that purpose should be limited. Reductions in extrabudgetary funds should not automatically be compensated by increases under the regular budget. He noted with dismay that the proportion of staff members with permanent contracts, particularly from overrepresented States, was increasing and that bureaucratization and careerism were growing at the expense of competence and equitable geographical distribution. He would therefore like a breakdown of

(Mr. Kubiznak, Czechoslovakia)

requests for the reclassification of posts by the nationality of the incumbents and the type of contract held, including the staff from socialist countries working on short-term contracts. The trend towards fewer mid-level and junior Professional posts, combined with the growing number of internal promotions, was greatly reducing the possibility for new recruitment from underrepresented States. Further improvement in the co-ordination of the activity of different United Nations bodies and agencies, including the elimination of duplication and the introduction of personal accountability for the implementation and evaluation of different programmes, were also essential.

47. His delegation would also welcome further improvement in the quality of information on new proposed programmes and activities, particularly on their justification.

48. Mr. GITSOV (Bulgaria) said that the time had come to consider the need for specific activities and whether the same results could not be achieved more economically. His delegation had concluded that, given better management, the budget was adequate to finance not only current but additional activities. It was thus regrettable that effectiveness had not been stressed in the budget proposals, which contained many questionable provisions. The suggested real rate of growth of 0.4 per cent was unrealistic and would undoubtedly be revised upwards. The inclusion of provisional estimates and the exclusion of non-recurrent items hid the real size of the budget and left room for unchecked growth. The Advisory Committee's role in that connection had been hampered by the late submission of the relevant documentation.

49. More restraint in personnel expenditure was necessary. No real savings could be achieved unless effective ways were found of controlling personnel costs. Unwarranted additional posts, conversions of extrabudgetary posts to regular posts and reclassifications increased the budget by millions of dollars. Bulgaria fully supported the Advisory Committee's rejection of unwarranted requests for personnel. Further, consultancy costs were too high and should be reduced by making use of the expertise of serving staff members. The slow progress made in terminating obsolete activities was deplorable.

50. The prudent use of financial resources for construction and equipment could bring down costs. New equipment should be requested only on the basis of studies showing that it was cost-effective. Materials and supplies should be bought in bulk, to ensure lower costs, and equipment should be economically used.

51. Financial restraint did not necessarily imply reduced quality. It was not the level of resources, but the efficiency with which activities were carried out that was important. The budget should be frozen at its present level in absolute figures since there was considerable room for improving performance within available resources.

The meeting rose at 5.55 p.m.