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10th meeting

held on

Thursday, 17 October 1991

at 10 a.m.

New York

## SUMMARY RECORD OF THE 10th MEETING

Chairman:

Mr. MUNTHASSER

(Libyan Arab Jamahiriya)

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

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 107: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993  
(continued) (A/46/6/Rev.1 and A/46/7)

AGENDA ITEM 108: PROGRAMME PLANNING (continued) (A/46/16 and Add.1, A/46/173  
and A/46/330)

General debate (continued)

1. Mr. HOLTHE (Norway), speaking on the item on programme planning on behalf of the five Nordic countries, said that those countries attached great importance to the programme planning system and intended to take an active part in future work on the medium-term plan, which was the only comprehensive document covering the aims and activities mandated by Member States that were to be implemented by the Organization. In recent years, a stronger linkage had been established between the medium-term plan and the programme budget. With regard to the latter, the Nordic countries shared the concern of the Committee for Programme and Coordination (CPC) over the lack of involvement by intergovernmental bodies in relevant programmes and hoped to see them take a more active part in future budget processes. They also wished to stress the need to examine more closely the implications of extrabudgetary resources for the plan.

2. The report of the Secretary-General on the methodology for monitoring and reporting the programme performance of the United Nations (A/46/173) proposed some changes that would clearly improve the previous methodology. The need for Member States to be informed about the implementation of programmes was indisputable, but views differed on how that could best be done. The Nordic countries did not believe that suspending the issuance of the performance report pending adoption of a new methodology, as some suggested, was the most rational way to deal with the shortcomings of the current system. Instead, they favoured a continuing dialogue on how to improve it and regarded the report of the Secretary-General as an important contribution to that process. They would be attentive to any more far-reaching ideas but would not support a suspension of the performance report as that would imply that there was no need to review resource utilization.

3. With regard to the specific proposals put forward by the Secretary-General, the Nordic countries noted that the Advisory Committee on Administrative and Budgetary Questions (ACABQ) did not disapprove of them and they supported its view that the aim should be to produce a simplified report. The proposals were reasonable and welcome, since they were likely to improve the reporting of programme performance and thus make the task of monitoring it more rewarding.

4. With regard to the programme budget implications arising from the report of CPC on the work of its thirty-first session (A/46/16/Add.1), he noted that the Advisory Committee took the view, in paragraph 87 of its report (A/46/7),

(Mr. Holthe, Norway)

that none of the recommendations would give rise to the need for additional appropriations, yet CPC stated, in paragraph 5 of its report, that revised estimates would be prepared and submitted to the General Assembly.

5. Referring to paragraph 6 of the CPC report, which stated that the Secretary-General would make arrangements to respond to the recommendation by CPC that a separate and identifiable unit should be established within the Office of the Director-General for Development and International Economic Cooperation to undertake those activities that fell within its responsibility as proposed under programme 45 of the medium-term plan, he said that the Nordic countries supported that recommendation.

6. Mr. DUHALT (Mexico) said that he wished to refer to three general aspects of the proposed programme budget for the biennium 1992-1993: the total amount, the distribution of resources, and the methodology by which it had been prepared.

7. With regard to the first point, the General Assembly had been making great efforts in recent years to achieve more efficient utilization of the Organization's financial resources and it was one of the Committee's main tasks to rationalize the budget exercise. It would be dangerous, however, not to draw a distinction between discipline and excessive rigidity. The budget was intended to ensure that the United Nations had the necessary resources to tackle current international problems properly. The attempt to make United Nations activities conform to rigid, preconceived budgetary criteria was therefore worrying, since that could virtually immobilize the Organization. It would be even more serious if there were attempts to make a specific rate of growth a prior condition for Member States to meet their legal financial obligations.

8. The projected real growth rate in the proposed programme budget was acceptable. His delegation had noted the recommendations made by the Advisory Committee to reduce projected expenditures by some \$43 million and appreciated the efforts that it had made. It was too early, however, to decide on the advisability of the proposed reductions, each of which would have to be examined when the various sections of the budget were considered. Many of the proposals for reductions were based on the levels of resources not disbursed in earlier budgetary exercises, but his delegation was not convinced that unobligated appropriations and unliquidated obligations should be treated alike and would like further explanations from the Advisory Committee on that aspect of its proposals.

9. At its previous session, the General Assembly had agreed on five areas that were to be given priority in the preparation of the proposed programme budget for the biennium 1992-1993. His delegation considered, however, that the proposed distribution of resources for that biennium did not duly reflect the priority accorded by the General Assembly to economic development activities in developing countries. That had been evident at the latest session of CPC, when various delegations had disagreed with the negative real

(Mr. Duhalt, Mexico)

growth rates in the sections on the United Nations Conference on Trade and Development and the Centre for Science and Technology for Development. His delegation hoped for a fair and reasonable solution to that problem when the individual sections of the proposed programme budget were discussed.

10. With regard to the methodology for preparing the budget, his delegation appreciated the efforts made to link its structure with that of the medium-term plan. However, it was still necessary to make improvements in the methodology that would facilitate the analysis of biennial budgets. One such improvement would be to change the method of calculating growth rates between successive budgetary exercises. His delegation welcomed the recommendation by CPC (A/46/16, para. 49) that an ad hoc technical seminar should be convened to review questions of methodology, because improving the current methodology would have beneficial effects both for the Secretariat and for Member States.

11. In conclusion, he wished to echo the Secretary-General's concern about the amount owed to the Organization by certain Member States. It had been repeatedly demonstrated that the performance of the United Nations could be seriously affected by its lack of resources to carry out the activities mandated by Member States. Excessive budgetary rigidity and the repeated failure of some countries to pay their assessed contributions constituted serious threats to the Organization's financial health.

12. Mr. BRODODININGRAT (Indonesia) said that his delegation shared the deep concern of the Secretary-General and the Chairman of the Advisory Committee over the discrepancy between the enhanced role of the United Nations and its limited resources. Higher priority should be given to finding ways whereby Member States could help to resolve the Organization's financial crisis once and for all. Those ways might include outlawing the deliberate withholding of payments to the Organization, closing the loophole in Article 19 of the Charter that had encouraged the accumulation of perennial arrears, and establishing a working capital fund to cover simple cases of payments that were late for purely technical reasons.

13. With regard to the proposed programme budget for the biennium 1992-1993, he said that his delegation was encouraged by the progress that had been made in involving the intergovernmental bodies responsible for programme budgeting at important stages of its preparation. It was, however, disquieting to note that, for most sections of the budget, programmes of work had not been reviewed by the competent sectoral bodies. His delegation agreed with the comment by CPC in paragraph 30 of its report (A/46/16) that such reviews should become systematic and that all intergovernmental bodies should fulfil their role during the implementation of the programme budget.

14. The rates of growth in the proposed programme budget had given rise to controversy about its relationship with the programme budget outline. His delegation tended to agree with the view expressed by the Chairman of ACABQ in his introductory statement that, under current budgetary procedure, the

(Mr. Brotodiningrat, Indonesia)

outline was not an absolute ceiling, but a preliminary indication of resources. On the more technical question of whether, as stated in paragraph 1 of the proposed programme budget (A/46/6/Rev.1), the requested amount was within the preliminary estimate provided by the outline, he could not understand the calculations adduced in support of that statement. His delegation was therefore unable to assess not only the budgetary calculations but also the programmatic significance of the proposed growth, and it would welcome further clarification on the subject from the Secretariat.

15. With regard to the proposed allocation of resources, he noted that the pattern was similar to that of the revised appropriations for the previous biennium, but with some noticeable differences. The first such difference was the dwindling share allocated to peace-keeping activities, precisely at a time when the role of the United Nations in that area was expected to increase. It was to be hoped that the reduction in resources would not hamper the implementation of projected activities. A second difference was the substantial real growth accorded to the section on human rights, which was presumably intended in part to accommodate increasing activities in preparation for the World Conference on Human Rights. If that were so, he wondered why the section for the United Nations Conference on Trade and Development showed negative real growth when increased activities were also expected in that area. His delegation was pleased to note the above-average real growth of 2 per cent proposed for the Economic and Social Commission for Asia and the Pacific, but pointed out that a substantial part of the growth was attributable to non-recurrent items and that the overall budget was still below that for all other regional commissions except one. Finally, his delegation echoed the Advisory Committee's call, in paragraph 28 of its report (A/46/7), for stricter controls on staff travel costs.

16. The new programme budgeting process had produced some welcome improvements in setting priorities, but many priority subprogrammes in the economic and social sector, in particular, had not been allocated increased resources. His delegation hoped that such subprogrammes would have the first claim on available resources when the programme budget was implemented. It also considered that it was the prerogative of Member States to set priorities. It was therefore incumbent upon intergovernmental bodies, including sectoral bodies, to make every effort to determine the priorities to be reflected in the programme budget.

17. The increasingly important part being played by extrabudgetary resources was a welcome indication of the revival of multilateralism, but it raised a number of problems. The first was a fear that extrabudgetary activities would distort the Organization's priorities. Experience at the regional level, however, had shown that, far from distorting priorities, extrabudgetary resources had played an important supplementary role in the implementation of priority programmes and activities that lacked support from the regular budget. A second problem was the alleged lack of transparency in presenting, managing and reporting the use of such resources. In that connection, the

(Mr. Brotodiningrat, Indonesia)

recommendations made by the Joint Inspection Unit in its report on the subject (JIU/REP/90/3) deserved serious consideration in the quest for a solution. A third problem was the increasingly heavy burden of support costs imposed on the Secretariat and the regular budget by extrabudgetary operations. In that regard, there was merit in the Advisory Committee's proposal regarding the establishment of guidelines to ensure that such costs were adequately reimbursed.

18. The experience of the past decade had shown not only that a leaner Organization was a healthier one, but also that the Organization could only function effectively if Member States were committed to making it do so. As expectations of the United Nations mounted, the arbitrary concept of zero real growth could no longer serve to enforce budgetary discipline. It would render the Organization ineffectual and might well be counter-productive.

19. Mr. OSELLA (Argentina) said that the methodology for the preparation of the budget was complex in that the budget document reflected the complicated structure and interrelationship between the Organization's activities. The proposal by CPC regarding the convening of an ad hoc technical seminar (A/46/i6, para. 49) should lead to improvements in the budget preparation process. Revision of the methodology would facilitate calculation of the growth rate, as well as a comparison of successive budgets and clarify the relationship between the budget and the medium-term plan. The seminar could usefully consider the definition of the various concepts, such as the distinction between recurrent and non-recurrent expenditures, employed in the preparation of the budget, and endeavour to suggest improvements.

20. The format of the budget was a major element in improving understanding of the budget document. In that connection, his delegation noted that similar activities appeared under various budget sections, activities which should obviously have been grouped together. CPC had expressed similar concerns, and had called for the submission of a new budget format at the forty-seventh session.

21. The preparation of the budget for the biennium 1992-1993 within the framework of the medium-term plan for the period 1992-1997 should facilitate a direct follow-on from programming to implementation of activities. The priorities indicated in the medium-term plan constituted the basis for the allocation of resources. The inclusion of activities to deal with new problems should not result in any neglect of existing problems.

22. The real growth rate of 0.9 per cent was of concern to his delegation. Resources must be allocated efficiently so as to avoid budget increases that would lead to revisions in the contributions of Member States. His delegation would give favourable consideration to the budget reductions proposed by the Advisory Committee in its report (A/46/7).

23. He noted with concern the changes to the staffing table proposed by the Secretary-General, in that reclassification of posts was not conducted

(Mr. Osella, Argentina)

uniformly under all budget sections. That suggested that reclassification might be little more than disguised promotion. All reclassifications should be fully justified. In that connection, he endorsed the comments of CPC concerning the refinement of the procedures used to evaluate workloads (A/46/16, para. 42).

24. The availability of extrabudgetary resources, which practically doubled the total amount of resources available, made it possible to implement various programmes and activities. The allocation of such resources should, however, follow the priorities adopted under General Assembly resolution 45/253. In that connection, his delegation looked forward to the report on the use of extrabudgetary resources requested under resolution 45/254.

25. His Government supported the new role of the United Nations in the changed international political environment, and accepted the financial responsibilities that would be incumbent upon it as a Member of the Organization.

26. Mr. AYEWAH (Nigeria) said that, in resolution 45/253, the General Assembly had requested the Secretary-General, in preparing the proposed programme budget for the biennium 1992-1993, to pay particular attention to the maintenance of international peace and security, the economic development of developing countries, the economic recovery and development of Africa, the environment, and international drug control. The economic development of developing countries and the economic recovery and development of Africa would, however, be adversely affected by the negative growth recorded under sections 15 and 18 of the budget.

27. His delegation was surprised to note that programme 45 of the medium-term plan (Africa: critical economic situation, recovery and development) had been included under subsection 11.A of the programme budget (Office of the Director-General for Development and International Economic Cooperation), instead of under the Department of Public Information and the Economic Commission for Africa, which had full responsibility for the activities concerned. It called for the establishment of a separate unit in the Office of the Director-General for Development and International Economic Cooperation to undertake activities under programme 45 of the medium-term plan.

28. The 2.7 per cent real growth under section 23 of the budget (Economic Commission for Africa) did not reflect the high priority accorded to ECA by the General Assembly. Most ECA activities were heavily dependent on extrabudgetary funding. Following the formation of the African Economic Community, there was an imperative need for adequate resources to enable United Nations organs to support the Community's objectives. In that connection, full funding should be provided for the African Institute for Economic Planning and Development. His delegation endorsed the remarks of the Advisory Committee that requisite resources should be provided to the multinational programming and operational centres (MULPOCs) (A/46/7,

(Mr. Ayewah, Nigeria)

para. 23.12). Moreover, urgent action was required to implement the request by the General Assembly, in resolution 45/248 B, for the revival of a training programme for translators/précis-writers at ECA.

29. With regard to the Advisory Committee's recommendation on the reduction of travel expenses under section 7 of the budget (Elimination of apartheid), he said that any such step would be detrimental to the work of the Special Committee against Apartheid, which was constrained to convene meetings at various venues in order to promote a speedy end to apartheid. Similarly, his delegation did not support the Advisory Committee's recommendation against the reclassification of a Legal Officer post from P-4 to P 5 in connection with the United Nations Decade of International Law (A/46/7, para. 9.10).

30. In view of the changing role of the United Nations and the expectations of Member States, a zero-growth budget was not feasible, and his delegation supported the real increase of 0.9 per cent in the proposed budget for the biennium 1992-1993.

31. With regard to programme planning, his delegation supported the CPC recommendation for the convening of an ad hoc technical seminar. It also believed that the programmatic analysis in the introduction to the budget should be improved and that the budget format should be restructured in order to provide greater transparency and promote the optimum use of resources with more flexibility.

32. Lastly, his delegation would welcome an improvement in the timely issuance of documentation, since delays in issuance had hampered the work of some Committees.

AGENDA ITEM 112: JOINT INSPECTION UNIT (A/46/34, A/46/89 and A/46/219)

33. The CHAIRMAN said that, in an endeavour to accommodate the views of members of the Committee on the work of the Joint Inspection Unit, he wished to suggest that the Committee should consider the substantive reports of JIU in connection with the agenda items to which they related. He also suggested that a draft decision should be formulated to the effect that the Committee took note of the work programme of JIU for 1991 and would conduct an in-depth discussion of the item at the forty-seventh session. If he heard no objection, he would take it that the Committee wished to proceed in that manner.

34. It was so decided.

35. Mr. QUIJANO (Chairman of the Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) (A/46/34), said that the report before the Committee differed from previous reports in that new material, particularly on the development of future programmes of work and implementation of the relevant General Assembly resolutions and JIU recommendations, had been added. JIU believed that providing more substantive



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information on ongoing, prospective and follow-up work would facilitate dialogue with the General Assembly and the legislative bodies of the JIU participating organizations, so that the Unit could focus more systematically on changing priorities and needs. The change in emphasis reflected the wish of the General Assembly that the JIU should give greater attention to management, budgetary and administrative issues, areas in which the Unit had steadily increased its work over the past three years. Recent reports had included a comparative analysis of budgeting in the United Nations system, the introduction of optical disc systems, procurement for technical cooperation projects, extrabudgetary resources, and some personnel issues. JIU would continue to seek out new areas of activity in coordination with ACABQ and intensify its cooperation with auditors and evaluation units in the various organizations. It would pay particular attention to the process of reform and renewal in the United Nations, as reflected in General Assembly resolution 41/213.

36. Part two of the report before the Committee reviewed the development of evaluation systems since the late 1970s, during which period substantial progress had been made in establishing internal evaluation systems. The Inspectors now believed, however, that the Unit's work on evaluation methodology was largely complete and that the time had come to focus more on practical evaluation work, particularly in the management, budgetary and administrative areas. The JIU report contained a number of suggestions in that regard.

37. It was the task of JIU to promote greater cooperation and coordination between organizations. In that connection, it had prepared a set of reports, including one on the coordination of activities related to early warning of possible refugee flows. There was also at present renewed interest in coordination in such areas as operational activities for development and JIU was, accordingly, conducting studies on cooperation between the United Nations system and the multilateral financial institutions; decentralization; the UNDP round-table process; and issues relating to cooperation between the United Nations system and non-governmental organizations.

38. The report before the Committee set forth ideas for further improvement of the work of JIU, as requested by the General Assembly in recent years. Thus, a more detailed commentary had been included on the implementation of the Unit's previous recommendations. The Inspectors would continue such reporting in future reports, and would make special efforts to ensure timely consideration of the Unit's reports by the legislative bodies concerned; that was essential if the reports were to serve a useful purpose.

39. He noted that JIU was involved in a major change in its activities in terms of programming, follow-up, cooperation with bodies such as ACABQ, CPC and the Board of Auditors, and improvement of the Unit's working methods. It had already defined plans for the use of computer technology to conduct research and analysis, produce reports and develop a management information

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system for the purposes of follow-up, planning and cross-reference. The success of those efforts would largely depend on the Committee's support and on action to implement paragraph 3 of General Assembly resolution 45/237, which called for the enhancement of the research and analytical capacity of JIU. In that connection, its limited staffing was proving increasingly inadequate, given the nature and scope of the work of JIU.

The meeting rose at 12.10 p.m.