



FIFTH COMMITTEE  
13th meeting  
held on  
Friday, 16 October 1981  
at 10.30 a.m.  
New York

SUMMARY RECORD OF THE 13th MEETING

Chairman: Mr. BRODODININGRAT (Indonesia)

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

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The meeting was called to order at 10.40 a.m.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983  
(continued) (A/36/6, A/36/7, A/36/38, chaps. V and VII D)

General debate (continued)

1. Mr. EL SAFTY (Egypt) said that, in drawing up a budget, countries took into account the internal and external economic situation and also local and international political factors but that international organizations, headed by the United Nations, worked on a basis which differed, or ought to differ, from that. The United Nations was obliged to work for the realization of the principles contained in its Charter and had, for that reason, chosen to draw up its budgets on the basis of programmes. The sections of the budget corresponded to the objectives of the Charter, there being a section for Security Council affairs and peace-keeping activities, a section for political affairs and decolonization sections for economic, social and humanitarian activities and so forth. It was clear merely from mention of those items that the United Nations did not have the same budget categories as did States and must keep the Charter and its objectives at the centre of attention when the budget was being drawn up. If peace and security had been established in all parts of the world, then there would be no need for the Security Council or for peace-keeping activities and budgetary expenditures on such activities would have to be abolished. The contrary was also true, in that as long as international peace and security required the efforts of the United Nations to bring them about, it was incumbent upon all Member States to provide the necessary appropriations for their maintenance.

2. All sections of the budget should likewise be regarded from the point of view of realizing the objectives of the Charter and not from the narrow point of view underlying the present budget proposals. That was so no matter how attractive the idea of zero growth was to some delegations. While a few delegations advocated zero growth, the overwhelming majority of delegations rejected that principle. It was necessary to take the view of the majority of States into consideration, particularly since most of the countries making up that majority were developing countries and it was not by any standard possible to say that the economic difficulties facing them were less severe than those facing the industrialized countries. If it was true that a small minority of advanced countries financed the greater share of the budget, they did so in accordance with the stipulations of the Charter itself and of the resolutions of the General Assembly in the formulation of which they themselves had taken part, and the Secretariat should not be guided by the view of the minority. In fact, the present budget proposals were based on negative growth, which, as every economist knew, was really decline and the beginning of morbidity.

3. The total annual volume of expenditure in the budget was about \$700 million, a sum equal to or in some cases greater than the annual gross national product of many States. At the same time, it was less than the amount spent in a single

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day by either of the two great Powers on their war machines. Taking the world as a whole, it was less than the amount spent for military purposes over a period of nine hours. War represented ruin and destruction while the United Nations represented, or should represent, building up and reconstruction and was the hope for peace and development. It was possible to make many comparisons between what the world ought to spend on the United Nations and all that it represented, and what it spent on much less noble objectives.

4. Those facts notwithstanding, there were still those who gave lectures on economic necessity and efficient implementation. Some claimed that the budget doubled on average every five years; increase was due to two reasons. The first was the implementation of programmes embodied in resolutions issuing from the various organs of the United Nations system, principally the General Assembly, and no one had the right to complain of the financial implications of a resolution in the formulation of which he had himself participated. The second reason was inflation, and if anyone had the right to complain of that it was the developing countries, since they had not invented it and had not caused it. It was not reasonable that the developing countries should be punished twice for inflation in which they had had no hand.

5. With respect to the role of the Advisory Committee, he stated that his delegation was in complete agreement with the view of the Chairman of the Advisory Committee to the effect that it was outside the competence of that Committee to comment on the philosophy underlying the preparation of the budget and that consequently it was outside its competence to comment on zero growth. The Advisory Committee was a technical committee advising the General Assembly and neither agreed to the budget nor opposed it. It was the basic task of the Committee to propose cuts in the budget since it was its function to take note of surplus fat in those proposals submitted to it and to call the attention of the General Assembly to it. The Chairman of the Advisory Committee had, moreover, in introducing its report called attention to the fact that the real reduction that it was proposing was no more than 0.38 per cent of the budget. The only point that could be held against the Advisory Committee was that while it had the duty to call attention to surplus fat arising from surplus nourishment, it also had the duty to call attention to undernourishment, both of them being harmful. Surplus fat merely led to ill health, while undernourishment led to death.

6. Although the budget contained no explicit comparison between expenditure on substantive programmes and administrative and related expenditure, it could be said that administrative costs accounted for between 75 and 80 per cent of the total. His delegation felt that such expenditures were extremely high and hoped that the Secretary-General would submit a detailed report in the course of 1982 on his proposals to reduce that proportion in future years. It was reasonable to hope that a 50-50 balance between administrative costs and substantive costs could be reached within a period of 10 years.

7. There was great wastage in many sections of the budget involving the use of consultants. Section 9, dealing with transnational corporations, required

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approximately 14 per cent of the total amount requested for expenditure on consultants. For the United Nations Centre on Transnational Corporations, such expenditure represented 16 per cent of its budget, an extremely high proportion particularly when some of those consultants were paid up to \$400 per day in addition to travelling expenses. Some of those consultants attending meetings sponsored by the Centre were involved in activities which were, to say the least, marginal and unnecessary. His delegation was of the opinion that several million dollars could be saved by pruning that item of expenditure alone, and it would return to that subject during detailed discussion of the budget.

8. The Egyptian delegation was deeply concerned by the increasing tendency of Member States to withhold payment of part of their financial contributions for political and other reasons. That had aggravated the financial crisis of the United Nations and its cash flow situation. The International Court of Justice had issued an opinion on that question which had been accepted by the General Assembly.

9. Another matter for concern was that 14 programmes covering economic, social and humanitarian activities, which were of particular concern to the developing countries, had regularly been allocated reduced appropriations since the budget for 1978-1979. That was an extremely unfortunate matter to which his delegation would revert during the discussion on individual sections of the budget. It would be recalled that, in 1980, the General Assembly had approved the programme priorities, expressed in terms of relative growth rates, recommended by the Committee for Programme and Co-ordination. The growth rates established for the economic, social and humanitarian programmes varied between 1 and 4 per cent, whereas the present budget assumed a negative growth rate of 0.2 per cent. The Secretary-General should reconsider the proposed budget and try to implement the growth rates approved for those programmes. He should submit to the Fifth Committee before the end of the present session the necessary revised appropriations.

10. His delegation called attention to the lack of equity in the distribution of appropriations. One glance at the sections of the budget dealing with the Economic Commissions for Europe, Africa and Western Asia would give an idea of how the United Nations applied the saying of Christ, "Unto everyone that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath". He was not calling for a cut in appropriations for the Economic Commission for Europe, but for increased appropriations for the other Economic Commissions.

11. Mr. LAHLOU (Morocco) recalled that in 1969 concern at the expansion of the United Nations budget had led to the adoption of General Assembly resolution 2617 (XXIV), in which the Secretary-General had been requested to submit to the General Assembly an economic and financial analysis not only of the increase in the Secretariat staff and the Organization's budget, but, above all, of the nature of the increase in its activities. A developing country like Morocco, which fully and actively supported the aims and principles of the United Nations, could not agree to an accelerated increase in expenditure without a proportionate expansion

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in United Nations programmes and activities. His delegation did not consider that the major contributing countries wished to compress the budget in any way because of a growing disillusion regarding the United Nations, which had not as yet had the dynamism to solve the difficult problem of balancing the needs of the various bodies with available resources and redirecting the use of resources towards particularly useful programmes.

12. Having no reason to doubt the good faith of anyone with respect to the aims and objectives of the Third United Nations Development Decade, his delegation considered that the four programme budgets to be approved during the Decade should be in keeping with the thrust of the Strategy. The Organization's credibility depended on its showing greater coherence and serving as a catalyst for international co-operation.

13. The developing countries, and his delegation in particular, rejected the simplistic argument that they were complacent towards international administrations; they considered it unjust to accuse them of indifference towards increased expenditure and of having aspirations in inverse proportion to their United Nations budget contributions. The truth was that the influence of the developed countries on the administrative machinery of all the international organizations caused them to dictate conditions as providers of funds. The influence of those countries over virtually all administrative and substantive units needed no demonstration. They considered that such influence was their right - the curious right of the strongest. It was astonishing to hear them complain of an incommensurate growth in administrative staff while they behaved as if the United Nations Secretariat should solve their unemployment problems. If there was one category which must deplore the spectre of officialdom, it was the category to which his country belonged.

14. Despite that sombre background, his Government had always hoped that some benefits might be drawn from the Organization. It had consistently presented the United Nations to its people as a forum of noble principles and an organization engaging in economic, technical and cultural co-operation free from political or ideological constraint. It had always considered that, however small the contribution made by such co-operation to its efforts for the economic and social emancipation of its population, it would be a welcome symbol.

15. The difficult situation characterizing the world economy certainly confirmed his Government's conviction that the United Nations should be more effective. Instead, however, voices were being raised in the Committee calling for a brake on such a development. The delegations concerned had for some years been calling for a reduction in expenditure simply because they wished their contribution to be reduced as much as possible, and with no economic justification for their behaviour. Whenever they had called for zero growth they had been told by the Secretariat authorities that they were unrealistic and that the United Nations could not slow down the pace of activities under programmes authorized by the General Assembly. Now, however, they had won, and the proposed budget showed no real growth. The developing countries had been given a formal assurance that the

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programmes would not be jeopardized, but how could such a paradoxical situation be explained?

16. Discussion had been going on for years on activities that were obsolete, of marginal usefulness or ineffective, and the need for their identification had been emphasized on many occasions. Whenever economies in that area had been justified, his delegation had accepted them. The Secretariat analysis of the identification of activities that had been completed or were obsolete, of marginal usefulness or ineffective, made in document A/C.5/35/40, had made it possible to identify as ineffective or obsolete 14 programme elements representing 30 outputs, and 27 outputs among 15 other programme elements. His delegation had unhesitatingly endorsed that analysis, since it did not view it as a demonstration of parsimony. However, when a reduction of nearly \$40 million, relating mainly to special international conferences was made, it felt bound to ask whether the United Nations would survive and, if so, to what extent it could support the activities of the current development decade. The problem was that the conceptual strait-jacket of the proposed programme budget undermined the planned approach and would lead to the adoption of piecemeal measures. Such a budgetary policy hardly responded to the rules of discipline.

17. Turning to the budget estimates, he said that his delegation was not convinced that certain proposals concerning the restriction of the activities of the Department of Public Information (DPI) were appropriate. That Department's activities were established on the basis of permanent consultation with a deliberative body: the Committee on Information. The decisions and guidelines issued by that Committee had so far been adopted by consensus. While not affirming that DPI had reached its optimum level of operation, and subject to certain complaints with respect to the press release service, his delegation considered that the Organization was assuming the responsibility for the establishment of a new information order.

18. The Moroccan delegation attached the highest importance to the role of the regional commissions. It observed, however, that the resources requested for the Economic Commission for Africa (ECA) in the current budget generally failed to correspond to the tasks expected of it. The Lagos Plan of Action adopted in 1980 by the Conference of Heads of State and Government of the Organization of African Unity contained realistic recommendations which were generally of a priority nature.

19. His delegation shared the view of ACABQ that the situation with respect to extrabudgetary funds warranted particular attention. During the forthcoming biennium, those funds would amount to over \$2 billion for substantive and operational programmes, and in view of their size they must continue to be subjected to meticulous supervision by ACABQ.

20. Regarding the financial situation of the Organization, he said that the deliberate withholding of contributions and the delays in payment of contributions by certain States were contrary to the principle of collective

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responsibility towards the Organization. The situation referred to in paragraph 297 of the report of the Committee for Programme and Co-ordination on the work of its twentieth session (A/35/38) was not to the Organization's credit. It gave more than one reason for concern to those who were devoted to the Organization, both for its noble principles and for the promises it held out for a future in which sincere co-operation would guide relations between its Members.

21. Mr. EL HOUDERI (Libyan Arab Jamahiriya) said that his delegation understood from its study of the Secretary-General's foreword to the proposed budget that it was the Secretary-General's policy to freeze real growth for the biennium 1982-1983 because of the economic and financial difficulties faced by many Member States. His delegation also understood that it was his policy to achieve that objective by adopting a number of administrative measures to raise the level of efficiency and performance in the use of resources without curtailing programmes or influencing their implementation.

22. The Secretary-General had the right to request those resources which he saw as necessary for the implementation of programmes which had the support of Member States. It was logical that he should be able to study the costs of those programmes making use of the best methods available to economists and to draw up his estimates accordingly without any prior limitation on the resources expected to be required. If such study resulted in a growth rate which was reduced or stable, that would doubtless be welcomed by all Member States without exception. The actual situation differed, in that the level of resources was determined in advance and the various programmes were adjusted accordingly. Such a procedure was undesirable and was a source of dissatisfaction for a majority of Member States. The Member States had never fixed an absolute level of resources within the limits of which the Secretary-General must frame his budget proposals. His delegation believed that estimates of the expenditures of the Organization should be made in accordance with the anticipated needs of its programmes. The Secretary-General should take all possible measures to minimize the cost of those programmes without regard for the resources required for them, whether they were greater or less than those of the previous biennium. Member States could subsequently decide whether they were capable of providing the required resources or whether they would have to failor the programmes to their capacity to finance them.

23. Previous experience had shown that projected growth rates were often unrealistic. As the Chairman of the Advisory Committee had said, in spite of the fact that the projected rate of real growth in the estimates for the biennium 1980-1981 over the previous biennium had only been 0.8 per cent, it had, with the revised estimates, reached 3.76 per cent. The projected negative rate of real growth of 0.2 per cent in the present budget might also be greatly affected during the period of the budget's implementation. The objective of achieving reduced or negative rates of growth would lead to a situation in which the Secretariat would be unable to accommodate even a minimum of new activities.

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(Mr. El Houderi, Libyan Arab Jamahiriya)

24. His delegation was in agreement with the Secretary-General that there was a relationship between the various economic and financial difficulties affecting Member States and anticipated growth in the resources of the Organization. It differed with him, however, as to the direction of that growth. The Secretary-General believed that the resources of the Organization should be reduced in order to alleviate the difficulties facing Member States, while his delegation believed that the natural consequence of the relationship would be for the resources of the Organization to increase so as to enable it to assist those States to solve their economic and financial problems. It was inconceivable that the budget of the Organization could be a factor influencing the continual increase in the prices of goods, since it was no more than the price of a single fighter aircraft or of costly airborne radar equipment. If, for example, the Organization were one day to succeed in putting an end to the arms race and even if, in the process, the real rate of growth in its resources were to reach more than 100 per cent, then it would have made a real contribution to the solution of the serious economic and financial difficulties faced by the world.

25. The proposed budget was a political document in which the expenditure trends gave expression to the policy and strategy of the Organization in realizing its objectives. In spite of world-wide economic and financial difficulties and of problems which constituted a threat to international peace and security, there was a reduction in anticipated expenditure on political affairs, peace-keeping activities and economic, social and humanitarian activities. While political affairs and peace-keeping activities had accounted for 5.4 per cent of the budget for the biennium 1978-1979, for 1980-1981 that share had been reduced to 5 per cent and it was now proposed that it should be 4.7 per cent. Economic and social and humanitarian activities had represented 33.9 per cent of the estimates for the biennium 1978-1979 and 33.7 per cent in the estimates for 1980-1981; their share would be reduced to 33.5 per cent for the biennium under discussion. His delegation was unable to comprehend the reason for those negative trends, which could be interpreted as an attempt to reduce the Organization's role in dealing with world problems instead of strengthening that role.

26. The reduction of public expenditure in some of the developed countries was only a reflection of the fact that those countries had reached a stage of satiety in their economic development after which no increase in expenditure was possible since any such increase would undoubtedly lead to inflation. Such countries should increase expenditure on foreign aid in order to contribute to the creation of a more balanced world situation from which they themselves would benefit greatly in economic and financial terms. The United Nations had not yet reached such a stage of satiety. It bore great responsibilities with regard to peace and security and the world continued to pin its hopes on it for the solution of many thorny problems and for its pioneer role in co-ordinating efforts and maintaining stability. The new tendency represented by zero growth was a disappointment to many peoples still undergoing political oppression through the loss of their freedom and expulsion from their homeland and economic oppression through need and poverty.

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(Mr. El Houderi, Libyan Arab Jamahiriya)

27. His delegation expressed its gratitude to the representative of Sweden for the statistical information that he had made available to the members of the Committee. It hoped that that information made it clear that all Members of the Organization participated, even if to different degrees, in financing its programmes whether through their assessed contributions or on a voluntary basis. His delegation wished to emphasize that, in per capita terms, a number of developing countries contributed more than some advanced industrialized countries.

28. His delegation hoped that it would be understood that when developing countries opposed any prior limitation on the growth of the resources of the Organization, that did not mean that those countries were trying to impose the burdens of development on others without themselves contributing. Their opposition was based on the knowledge that the Organization had been founded in order to help fulfil the hopes of the peoples of the world. The developing countries contributed to the best of their ability to the financial resources of the Organization and were most anxious that those resources should be handled with the greatest possible efficiency. In another respect, the developing countries were the ultimate recipients of much of the work done by the Organization's programmes and were consequently anxious that the results achieved should be of high quality.

29. His delegation, while not supporting zero growth as a goal in itself, did not support any trend towards increased expenditure on items other than the substantive programmes such as a growth in the share of administrative expenses in the total budget. Consequently, his delegation wished to express its support for the report of the Advisory Committee, which had adopted that position.

30. Mr. NICULESCU (Romania) observed that, in his introductory statement on the proposed programme budget for the biennium 1982-1983, the Secretary-General had referred to the anxieties of member countries in the current international context, stating that the Organization could not, in its financial policy, neglect the economic and financial position from which Member States viewed its budgetary requirements, since it was they who had to bear the financial burden.

31. All delegations were deeply interested in the Organization's positive and dynamic development and in the fulfilment of its major objectives of peace, development, justice and equity. His delegation nevertheless considered that, in present conditions, when all States, and particularly the developing countries, keenly felt the negative influences of the economic, energy and financial crises, it was all the more essential to strive together to ensure that the resources placed at the Organization's disposal were used in the most rational and effective manner to enable the important programmes adopted to be implemented. Based on that desire for achieving the maximum effectiveness with the minimum of expenditure, his delegation was of the view that both the merits and the shortcomings of the programme budget for the biennium 1982-1983 should be considered. Analysis of the impressive documentation before the Committee had been facilitated by the clear introductory statement made by the Chairman of the Advisory Committee on Administrative and Budgetary Questions and by the recommendations in the Advisory Committee's report, which could form a

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(Mr. Niculescu, Romania)

good basis for the Committee's discussion. His delegation also welcomed the useful contribution made to the discussion by the Chairman of the Committee for Programme and Co-ordination.

32. His delegation shared the concern of other delegations at the continued trend in the programme budget towards a relative decrease of expenditure for substantive activities and a relative increase in expenditure for common services. The most disturbing aspect was the decreased budget provisions for economic and social programmes. Renewed efforts appeared to be necessary to redirect resources towards the most useful activities, giving priority to substantive programmes and operational activities. There were still a number of closely interdependent subprogrammes which overlapped, and which might usefully be combined. His delegation supported the idea that an additional table should be introduced into the next programme budget to allow for a comparison of planned expenditure for substantive programmes, on the one hand, and for administrative and common services, on the other. That would also make it possible to determine the complex problem of priorities more clearly in the future.

33. Noting that staff costs would absorb nearly 80 per cent of the entire budget and that the Secretary-General was requesting a total of 11,579 established and temporary posts, he suggested that it would not be too much to expect that the Organization's services were always performed on schedule, particularly those for the production of documentation, and always at the highest qualitative level and without any call for additional assistance.

34. His delegation supported the comments and recommendations of the Advisory Committee on Administrative and Budgetary Questions concerning reclassification, which was not always justified, and also concerning requests for temporary staff and consultants. It also wished to emphasize the need for giving constant attention to the trend towards overstaffing for conferences and meetings, and towards placing an uneven workload on the staff of some divisions. It was essential to increase work productivity at all levels, and to continue to reduce the volume of documentation.

35. He had emphasized those aspects, since they related to the largest objects of expenditure, which were the ones most likely to give rise to budget increases. Their constant review could bring about real savings in resources.

36. A further comment concerned the maintenance in section 30 of the programme budget of certain budget provisions with no legal foundation. His delegation wished to reaffirm its position of principle, namely, that such expenditure should not be chargeable to member countries as they had contested it from the outset.

37. The need for maximum effectiveness of the Organization's activities could not be separated from the need for an increased contribution to strengthening the evaluation capacity of General Assembly bodies having a specific function in

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budgetary and administrative matters. He was referring to both the Advisory Committee on Administrative and Budgetary Questions, whose services were highly valuable, and the Committee for Programme and Co-ordination, whose comments in paragraph 469 of document A/36/38 appeared justified.

38. Mrs. LOPEZ ORTEGA (Mexico) said that her delegation shared the Secretary-General's view that the proposed programme budget for the biennium 1982-1983 deserved extensive attention and constructive review. The first reaction of Member States to the submission of the proposed programme budget was to ascertain whether the scope of activities and the financial implications met the desires of Member States to enable the Organization to fulfil the aims of international co-operation in the economic, social, cultural and humanitarian fields.

39. To place the main emphasis on a budgetary policy deliberately oriented towards maintaining and strengthening the financial credibility of the Organization, as mentioned in paragraph 2 of the foreword to the proposed programme budget for the biennium 1982-1983 (A/36/6), would be to give that consideration precedence over the effective realization of the programme, which had to take account of the requirements of all Member States. While the world economic situation was certainly going through a period of crisis, her delegation considered that it was untimely to increase the imbalances and vast economic gaps between the developing and developed countries still further, particularly in view of the ever-growing obstacles confronting the developing countries in their efforts to change both their domestic structures and international economic relations.

40. Referring to paragraphs 32, 33 and 34 of the foreword to the proposed programme budget, she said that Member States should be informed how the Secretariat had identified the activities referred to in General Assembly resolution 35/209.

41. As her delegation understood it, the problem was not the fact that a programme budget showing zero growth in real terms had been submitted but rather the extent to which the Organization's budgetary techniques had been evaluated, taking account of the experience and practices followed by the organizations of the United Nations system and the particular need for an effective implementation of the medium-term plan for 1980-1983 and the subsequent revisions in resolution 35/9. Her delegation considered that the analysis in annex VII to the foreword to the proposed programme budget left much to be desired. In preparing the Organization's programme budget, better use should be made of the results obtained by the United Nations evaluation system, so as to ensure an efficient use of funds in the light of any new priorities that might be defined by the General Assembly. Her delegation recommended that innovations in budgetary techniques should contribute to the effective implementation of United Nations programmes.

42. Mr. MOHAMMED (Nigeria) said that his delegation was not convinced by the case that the Secretary-General had made in support of a zero-growth budget. He favoured a prudent budget which distinguished between programmes of high and low priority as a means of determining the amount of funds to be allocated, and

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supported the principle of minimizing costs and eliminating waste. Despite, however, the Secretary-General's proposals for redeploying resources, the foreword to the proposed programme budget indicated that as many as 56 Professional posts and 20 posts in other categories were earmarked for abolition. It was difficult to see how that was consistent with the concept of redeployment.

43. It was also surprising that, without awaiting the outcome of the special review referred to in paragraph 4 of the foreword, the Secretariat was already taking action. Moreover, his delegation viewed the assumption that Member States facing serious economic and financial difficulties would not wish to contribute to a growing United Nations budget as unjustified. The United Nations needed the effective support of all Member States more than ever before, and it was in the interests of all Members to support and strengthen the Organization so that it could effectively tackle the many problems still plaguing the world. Member States' contributions, particularly those of the developed countries, constituted a very insignificant portion of their national budgets, and he did not believe that they would wish to be associated with a budget which would hamstring the Organization.

44. It was gratifying, however, that the Secretary-General was not altogether rigid in his zero-growth budget proposals, being open, apparently, to other ideas and suggestions. The Fifth Committee should thus approach the budget with an open mind and make a comprehensive appraisal of the proposals in terms of the need to minimize costs, eliminate wastes, and maximize programme performance.

45. His delegation was at a loss to understand the philosophy behind many of the Advisory Committee's recommendations. ACABQ appeared to understand its assignment as being to reduce the expenditure estimates made by the Secretariat by as much as possible. In several instances - the bodies concerned with over-all policy-making, direction and co-ordination, the Trusteeship Council, the Centre against Apartheid and the regional economic commissions - the reductions it recommended were altogether unjustified.

46. Without a doubt, there was room to eliminate waste and minimize costs in areas such as salaries and consultancy services, travelling expenses, building maintenance, the proposed UNEP headquarters facilities at Nairobi, and public information. On the other hand, much remained to be done to enhance social, economic, educational and humanitarian development services throughout the world, to promote political stability and to eliminate armed conflicts. The Committee should discard the concept of a "zero-growth budget" and examine the budget proposals case by case, leaving the question of growth, no growth or decline to the final outcome of its efforts. In any event, the prompt payment by all Member States of their assessed contributions would go a long way to preserving the solvency of the Organization.

47. Mr. DEBATIN (Under-Secretary-General for Administration, Finance and Management) said that any attempt to place the responsibility for the budget submission on one

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(Mr. Debatin)

or another office was mistaken. The Secretary-General's budget proposals were the result of extensive and detailed discussions with all offices and services of the United Nations, and were the collective responsibility of all those consulted in the budgetary formulation process.

48. In formulating his proposals, the Secretary-General could only be guided by one goal: the best interests of the Organization; he was precluded from giving favour to the considerations of any group of Member States, and could not interpret his task as being to submit proposals in response to the financial interests of any particular group amongst the membership of the Organization. Criticizing the proposals currently before the Fifth Committee on the grounds that a certain group of Member States had not urged zero real growth upon the Secretary-General was to disparage the cardinal principle guiding the formulation of the proposed programme budget.

49. Any proposed budget was a projection of the finances required to carry out a programme of work over a limited span of time, taking past discussions fully into account. With that in mind, the Secretary-General had determined that current budgetary policy must take into account the efforts being made by Member States to contain their public spending. That was in clear distinction from the thinking behind the presentation of the budget proposals which had been suggested by the representative of India. The proposed budget was designed neither to emulate national budgets nor to be an extension of the financial policy of one or more Member States. There was no basis for an evaluation that compared it to Member States' gross national products; not even national budgets could be compared meaningfully in such a manner. The yardstick used in preparing the budget proposals had been the financial resources which, in a climate of financial austerity, were required to ensure the efficient delivery of the Organization and its programme output in terms of both content and quality. The budget was a tool to extract contributions up to the level at which they could be withstood without provoking any outcry but, rather, an instrument by which the Secretary-General quantified the resources which, in his judgement, were needed for the proper functioning of the Organization.

50. True, in preparing the programme budget one could not disregard the over-all budgetary financial policies of the United Nations system as a whole. UNICEF and UNDP made distinct efforts to mobilize funds, and deserved a positive response. But such funds were provided on a voluntary basis: the budgets of UNICEF and UNDP could not, therefore, be meaningfully compared with the regular budget of the United Nations. Drawing comparisons between the regular budgets of the United Nations and those of other organizations in the system carried the serious risk of erroneous conclusions, because each organization had its own distinct characteristics and procedures. That was true, for example, of both UNESCO and FAO, to which reference had been made during the debate. The Fifth Committee had to consider the Secretary-General's programme budget proposals in their own context, and different approaches to the elaboration of budgetary proposals under divergent circumstances should not be perceived as indicating

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differences in the intellectual and moral honesty of those entrusted with that responsibility.

51. The proposals before the Committee provided for a zero real growth rate, but zero growth was not a goal in itself. Seen in isolation, any rate of real growth resulting from a budgetary formulation process whose purpose was to assess the financial needs of the Organization was as valid as any other. However, the simplistic assumption that refraining from requesting additional resources in real terms was equivalent to providing for a decline in programme delivery and work performance must be categorically rejected. The proposed budget allowed for considerable redeployment of resources to new or higher-priority activities. It was important to note that a period of consolidation provided an opportunity for a thorough review of the work programme and, as members were aware, the Secretary-General had already initiated such a review.

52. In measuring real growth, the budget proposals started from the "revalued base", which reflected total financial requirements, net of inflation, for the Organization's work programme at the end of the current biennium. Where additional programmes had been called for in the course of the current biennium, the General Assembly had already, at its thirty-fifth session, approved the resources necessary for their implementation. Any further mandates emerging during the current session would pass through the normal review machinery. As was suggested in the foreword to the proposed programme budget, the Secretariat could not shoulder more responsibilities without redeploying resources but the current level of activity could be maintained without additional resources in real terms.

53. The representative of India had suggested that the Secretariat had deliberately misled the Fifth Committee. Unfortunately, the source the representative had quoted to make his point referred to the programme budget for 1978-1979 (A/33/6/Rev.1, para. 3.17). The rates quoted therein had been included in response to General Assembly resolution 31/93 - which had stipulated that such rates should neither constitute ceilings nor be binding upon Member States. There was no mandate, either legislative or self-imposed, for any specific rate of growth; indeed, in resolution 35/9 the General Assembly had discontinued the setting of relative growth rates. The information in annex VII to the proposed programme budget had been provided merely for information purposes.

54. He could not agree more with the representative of India that, given the growing difficulties facing developing countries, there was an increasing need for multilateral support. Such action must, however, be approved by the legislative bodies before it could be translated into financial terms. The Secretariat could not request increased financing, as an expression of general desire, before a clearly defined range of programmes had been determined. He also agreed that the regular budget of the Organization and voluntary contributions must be seen as interrelated. That, however, was a far cry from concluding that the regular budget should or could be used to replace declining extrabudgetary resources. No specific legislative decision to that effect yet existed.

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(Mr. Debatin)

55. It was natural to compare resource growth for substantive work with the growth of resources for support services. The declining share of the Organization's outlay on substantive activities in relation to support activities was a matter for concern, but the distinction between substantive and support services must be seen in its proper perspective. The Organization was not composed of two separate entities, one working to generate programme output and the other devoting itself to administration as an end in itself. If there was an increase in resources for substantive work without corresponding resources for the supporting services, the resulting over-all output would be weakened. Additionally, there was no clear-cut distinction within the Secretariat between the one kind of service and the other: services which would technically count as "administrative support" could certainly contribute to the substantive work of the Organization. Nor should it be forgotten that there was a growing demand for internal monitoring and control, examination, review and reporting - all of which were necessary in order to enhance the quality of substantive output but could not be taken for granted if the necessary resources were not provided.

56. Finally, the proposed programme budget must be understood as a reflection on the financial credibility of the Organization. As the Indonesian representative had stressed, the resources required to compensate for inflation kept increasing, and there was a disparity between the Organization's increased resource demands, on the one hand, and reduced growth in real terms, on the other. Since it had been necessary to request full compensation for the impact of inflation, restraint had had to be exercised with respect to real resource growth. In that sense, the proposed programme budget called for a phase of consolidation, reflection and rationalization in the use of the Organization's resources, from which the United Nations could go forward to further development and greater strength in programme delivery.

AGENDA ITEM 106: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/36/11 and Add.1)

57. Mr. ALI (Chairman of the Committee on Contributions) said that the Committee on Contributions was fully aware of the concerns expressed by many delegations that national income alone did not truly reflect a nation's capacity to pay, and that it should be supplemented by other economic and social indicators. Having reviewed at its 1977 and 1980 sessions the availability of 18 economic and social indicators, the Committee had confined itself at its 1981 session to a review of the seven leading indicators and their relevance as additional measurements of capacity to pay. As at previous sessions, it had also explored at great length the feasibility of combining some or all of those indicators into a single measure of the relative level or stage of a country's development. The conclusion reached by the Committee, set out in paragraph 23 of its report (A/36/11), reflected the complexities of the issues involved. Some delegations had expressed the view that, while the leading economic and social indicators selected by the Committee for Development Planning were good indicators of level of development, they did not seem to be relevant in determining the ability

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to pay. Others had recognized the difficulties in selecting appropriate economic and social indicators which could be used as supplementary measures of a nation's relative capacity to pay and for which comparable data among countries were available.

58. The Committee on Contributions had also studied national wealth as an indicator to replace or supplement national income in the establishment of a scale of assessments. In that regard, it could be said that since sufficient comparable data on national wealth for all 156 Member States were not yet available, no systematic measurement of a more comprehensive concept of capacity to pay was possible. On the other hand, if adequate data existed to establish the comparability of the accumulated wealth of a substantial number of Member States, it would be feasible to introduce those indicators as supplements in order to rectify the current system based solely on national income. There seemed to be some confusion regarding the availability and comparability of national wealth estimates, which he hoped to be able to dispel. At its recent session, the Committee on Contributions had had before it a study on national wealth covering 60 countries, and had taken note of the comprehensive definition of national wealth encompassing net tangible and intangible assets. For 22 of the 60 countries surveyed, the national wealth estimates covered all sectors of the economy but not all types of assets. In fact, the data for one country only included all assets, tangible and intangible, while the wealth concept of the others was restricted to fixed assets or a combination of fixed assets and inventories. National wealth data for the 38 remaining countries related to only one sector of the economy, and the asset coverage of that group was limited to fixed assets or a combination of fixed assets and inventories. In only five cases did the data also cover land. In addition to the lack of uniformity of sector and asset coverage, the estimates of the countries surveyed were based on different time periods and methods of valuation. The Committee on Contributions was very conscious of the wish of many Member States to take into account the concept of accumulated wealth as a factor in setting the scale of assessments but, at the current stage of statistical development, had no choice but to keep the matter under review.

59. Some delegations had expressed concern with regard to the comparability of national income estimates that were based on different systems of national accounts. He emphasized that the scale of assessments was established on the basis of comparable national income estimates. The national income concept used was that defined in the System of National Accounts (SNA). Countries with centrally-planned economies that used for their own national accounting purposes the alternative concept of Net Material Product (NMP) continued to provide the United Nations Statistical Office with national income estimates redefined in accordance with SNA concepts or with detailed information facilitating the conversion of data based on the NMP system to the SNA concept. The conversion of data, either by the countries themselves or by the Statistical Office, had been made possible by considerable progress in linking the concepts of the two national accounting systems. The resulting national income data were fairly comparable, and, in the view of the Statistical Office, the differences which

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existed were not greater than those in data for countries using the same system of accounting but differing in their income-generating processes.

60. In response to resolution 34/6 B, the Committee on Contributions had at its 1981 session studied in detail the ways and means of increasing the fairness and equity of the scale of assessments. It had not been able to agree on an alternative to the present per capita income allowance formula, a method to avoid excessive variations in individual rates of assessments or a change of statistical base period. If that was a failure on the part of the Committee, he could only say that on all those questions, members had had different opinions and attitudes. The very debate in the Fifth Committee had served to highlight the differences which existed.

61. With regard to the concerns expressed over the distribution of the burden of assessment between developed and developing countries, he said that a country's rate of assessment was not based on the absolute level of its national income but rather on the relative level of its "taxable income" - defined as the difference between national income and the amount of relief received under the per capita income allowance formula - in proportion to the total taxable income of all Member States taken together. Thus, absolute increases or decreases in national income of an individual country did not directly affect its rate of assessment. That explained why in certain individual cases the assessments of some developed countries had gone down and those of some developing countries had gone up. The countries belonging to the Group of 77 had contributed: 11.06 per cent of the budgets for the years 1971-1973, when the United States of America had been assessed at 31.52 per cent and the minimum rate of assessment had been 0.04 per cent; 8.26 per cent for the years 1974-1976, when the United States assessment had been further reduced to 25 per cent and the minimum rate of assessment set at 0.02 per cent; 8.56 per cent in 1977; 7.91 per cent for 1978-1979; and 8.98 per cent for 1980-1982. Thus, between 1971 and 1982, the rate of assessment of the Group of 77 had decreased by 2.08 percentage points. It should also be noted that the membership of the Group had changed over the years and that the floor assessment had been further reduced to 0.01.

62. Concern had also been expressed regarding the relatively high external public debt servicing of some countries and the abnormally high inflation rates experienced by others. The Committee on Contributions had taken such factors into account in the mitigating process.

63. With regard to the matter raised by the representative of Cuba, he said that the note verbale from the Permanent Representative of that country had merely informed the Committee on Contributions that relevant statistics would be transmitted in due course. The Committee would, of course, give due consideration to those statistics when they were received.

64. He noted with interest the insightful analysis made by the representative of the Bahamas of the current methodology for the calculation of scales of assessments and her suggestions regarding new ways of measuring relative capacity

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to pay. He assured all members that the Committee on Contributions would give due consideration to the views they had expressed in the discussion of the item in the Fifth Committee.

65. Mr. ABRASZEWSKI (Poland) said that although he was aware that the members of the Group of 77 were carrying out consultations on the various issues dealt with in the report of the Committee on Contributions, his delegation favoured the establishment of a working group of the Fifth Committee to prepare a draft resolution on agenda item 106. The scale of assessments was a matter of vital concern to all countries, especially those which felt that they had been unfairly assessed, and it was essential to provide a forum in which all could air their views. His country's problems were, in fact, quite similar to those of the developing countries which were members of the Group of 77. His delegation would therefore welcome the opportunity to participate in the preparation of a draft resolution, and he had so informed the Chairman of the Group of 77. In view of the fact that time was fast running out, the best procedure would be to enlarge the scope of the consultations so as to accommodate all interested delegations.

66. Mr. BOUZARBIA (Algeria), speaking as Chairman of the Group of 77, said that it was his understanding that no formal proposal for the establishment of a working group had been made. The Group of 77 was continuing its consultations and awaiting some information requested from the Secretariat that would enable it to finalize a draft resolution, which could then be discussed with other interested delegations. He therefore appealed to the Committee to give the Group further time to complete its consultations.

67. Mr. CORDEIRO (Brazil) said that his delegation had no objection to the establishment of a working group on item 106. However, it had been his delegation that had requested the Group of 77 to attempt to arrive at a common position before entering into discussions with other groups, and he therefore joined in appealing for additional time for that purpose.

68. Mr. ABRASZEWSKI (Poland) said that the Committee could decide within the next few days whether it needed to set up an enlarged contact group for the preparation of a draft resolution. Any solution that provided his delegation with a forum for airing its views would be satisfactory.

The meeting rose at 1.25 p.m.