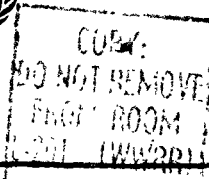


United Nations
**GENERAL
ASSEMBLY**

THIRTY-SEVENTH SESSION

Official Records*



FIFTH COMMITTEE
77th meeting
held on
Monday, 20 December 1982
at 3 p.m.
New York

SUMMARY RECORD OF THE 77th MEETING

Chairman: Mr. ABRASZEWSKI (Poland)

later: Mr. KUYAMA (Japan)
Mr. ABRASZEWSKI (Poland)

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

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Draft report of the Fifth Committee

COMPLETION OF THE COMMITTEE'S WORK

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30 December 1982

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The meeting was called to order at 3.40 p.m.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

(f) INTERNATIONAL CIVIL SERVICE COMMISSION (continued)

(i) APPOINTMENT OF FIVE MEMBERS OF THE COMMISSION

(ii) DESIGNATION OF THE CHAIRMAN AND VICE-CHAIRMAN OF THE COMMISSION

1. The CHAIRMAN said that since Mr. Matsui's term of office as a member of ICSC would expire in 1985, not 1984, the person elected by the Assembly to replace Mr. Matsui should be elected for a three-year term. In that connection, he drew attention to document A/C.5/37/98/Corr.1, and suggested that the Committee's report to the General Assembly should be appropriately amended.

2. It was so decided.

AGENDA ITEM 111: PERSONNEL QUESTIONS (continued) (A/C.5/37/24)

3. Mr. NTAMBI (Uganda), referring to a commitment he had made earlier in the session to provide information on the alleged disappearance or detention of Mr. John Musoke, the husband of a locally-recruited UNDP staff member in Kampala (see A/C.5/37/24, para. 10), said that he was now in a position to inform the Committee that Mr. Musoke had been arrested under due process of the law on 10 September 1982, had been visited by his family and the security adviser of UNDP in Kampala on 14 September, and had subsequently been released on 22 September 1982.

AGENDA ITEM 103: PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983 (continued)

Draft report of the Fifth Committee (A/C.5/37/L.53)

4. Mr. DUQUE (Secretary of the Committee) introduced the draft report of the Fifth Committee to the General Assembly contained in document A/C.5/37/L.53.

5. Mr. BEGIN (Director, Budget Division), replying to a question raised by the United Kingdom representative a few days previously, said that the Secretary-General's initial budget proposals for the biennium 1982-1983 had represented an increase in real terms of 0.3 per cent over the level of resources authorized for the previous biennium. The decisions taken by the General Assembly at its thirty-sixth session had increased that figure to 1.8 per cent, while the decisions taken at the current session would give rise to an increase in real terms of 2.6 per cent in the budget. Adding the increases resulting from both sessions together, it could be seen that the current programme budget, as revised by the General Assembly, showed 4.4 per cent real growth over the preceding one, implying an annual real growth rate of 2.2 per cent.

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(Mr. Begin)

6. In reply to a question from the representative of France on the grand totals presented in draft resolution VII (A/C.5/37/L.53, para. 77), he explained that changes in currency rates and falling inflation in countries where the United Nations incurred heavy expenditure had resulted in a saving of some \$38 million on current activities. The General Assembly, however, had approved new programmes and items of expenditure amounting in total to some \$32 million. As a result, a net saving of approximately \$6 million would be credited to Member States.

7. Mr. MURRAY (United Kingdom) said that his delegation found little cause for celebration in the figures presented in draft resolution VII. If the real growth in the budget at the end of 1982, half-way through the budget cycle, was 2.6 per cent, by the end of 1983 it was likely to be double that figure, or over 5 per cent.

8. As his delegation had constantly said, the United Nations needed to keep in touch with the real world. It was a fortunate national economy that was showing any growth at the moment; it was difficult to see why the United Nations should be any different. It might be argued that United Nations activities were of special importance, but his delegation believed that it was essential not to confuse the cost of a programme with its effectiveness or value. Accordingly, it emphasized the need for monitoring and evaluation systems which would enable ineffective programmes to be terminated and duplication of work to be avoided.

9. The special review of the ongoing work programme of the United Nations had been a great disappointment, both because of the meagre savings suggested by the Secretary-General and because of the Fifth Committee's reluctance to pursue even those suggestions. Rigorous programme review was one way of achieving efficiency in the Organization. Another was to require new or expanded programmes to be financed through the redeployment of existing resources so as to achieve zero real growth. Zero real growth was not the impossibly restrictive mechanism that some delegations had imagined it to be. It did allow some flexibility through the alteration of priorities, provided that proponents of new or expanded programmes realized that programmes of lower priority would have to give way. Accordingly, careful thought must be given both to the value of existing programmes and to the need for new ones. He hoped that the Secretary-General's budget proposals for the biennium 1984-1985 would take that point into account.

10. Despite the admirable work of the Advisory Committee, the supplementary budget proposals now being submitted to Members for approval were considerable. The fact that shifts in currency exchange rates would cover the additional expenses involved was a matter of luck, not judgement: exchange rates could just as easily have moved the other way. His delegation would vote against acceptance of the revised budget appropriations for the biennium 1982-1983 proposed in draft resolution VII A.

11. Mr. HADID (Algeria) asked whether the growth implied in the revised estimates to be approved by the General Assembly at the current session was included in the figure of 1.8 per cent real growth which, according to the Director of the Budget Division, had resulted from the revisions to the Secretary-General's initial budget proposals made by the General Assembly at its thirty-sixth session.

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12. Mr. LANDAU (Austria) requested that the totals given in draft resolution VII in the Committee's draft report should be broken down in order to show the impact of foreign exchange fluctuations and other factors.

13. Mr. PAPENDORP (United States of America) said that, although, for the first time since 1955, the General Assembly was being asked to approve an amount for the regular budget that would actually be lower than that of the previous year, the relief to be granted to Member States was only a fraction of the \$38.6 million net savings. In 1983 United Nations expenditure would be nearly 5 per cent higher in real terms. That increase represented new requirements and had not been offset by any effort to identify and do away with obsolete or completed programmes, or to scale down ineffective programmes. The United Nations had simply been lucky that there had been no nominal growth in its regular budget and had benefited from the United States Government's endeavour to control inflation through expenditure cuts. Most Governments had had to cut back expenditure, and it was only the United Nations that considered itself immune from the need to achieve economies.

14. Some progress had been made at the current session in improving fiscal responsibility at the United Nations. The Advisory Committee had reduced the Secretary-General's initial requests for additional resources by approximately 21 per cent, and action taken by delegations themselves had also helped to limit expenditure. In the substantive committees the United States had challenged traditional practice and sharply questioned many decisions from a budgetary standpoint, calling on the Secretary-General to absorb programme growth from within the existing level of budgetary resources. If the Main Committees had had the will to accomplish that goal, the savings reported in the first performance report (A/C.5/37/65) could have been returned in full to Member States. In any event, even though the resources involved were comparatively small, an important precedent had been set and it had been proved that the strategy of redeployment of existing resources through priority-setting could work.

15. The updating of the special review of the ongoing work programme of the United Nations (A/C.5/37/51), which had been submitted very late in the session, was almost worthless. The Secretary-General must be given the mandate to terminate low-priority programmes. Moreover, his delegation objected to certain types of expenditure that had found their way into the regular budget in recent years. It was wrong to assess all Member States for the support of organizations that were committed to the destruction of a Member State, and neither expenditure on programmes previously funded by voluntary contributions nor expenditure related to a treaty body which not all States had joined should be included in the regular budget. The more assessed contributions grew, the less Member States could make available to voluntary organizations.

16. When submitting his budget to Congress, President Reagan had indicated that the United States continued to place a high priority on the effective management of international organizations and that it intended to support only those organizations whose budgets reflected significant restraint. It was unacceptable that an organization claiming to have expertise in helping the Governments of developing countries improve their public administration and planning should be

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(Mr. Papendorp, United States)

unable to administer itself or to plan rationally for the future. The revised budget appropriations for the biennium 1982-1983 in draft resolution VII A were not in keeping with the need to put an end to unrestrained growth.

17. Mr. RUEDAS (Under-Secretary-General for Administration and Management), responding to a question raised by the representative of the United Republic of Cameroon, said that consideration of the complex issue of redeployment of human resources was one of the essential elements of the work the Committee had been carrying out, in co-operation with the Secretariat, in preparing rules and regulations on programme planning, and much further effort was required in that connection. In the case of national budgets, a large proportion of resources was devoted to investment, which could be postponed. However, the United Nations was a labour-intensive organization, whose purpose was to serve Member States in their negotiation process, and 80 per cent of its budget was spent on human resources. When financial resources were redeployed, it was not easy to redeploy the related human resources. Naturally, with the assistance of Member States, the Secretary-General would endeavour to take appropriate action.

18. Mr. TOMMO MONTHE (United Republic of Cameroon) said it was obvious that the redeployment of human resources gave rise to major technical difficulties and that there was little room in which to manoeuvre. Moreover, great caution must be exercised in considering the real growth rate of the United Nations budget, since certain distortions might give a misleading impression. That growth rate was, in fact, insignificant when compared with the financial resources spent on household pets in the United States, for example. The General Assembly had never required the Secretary-General to submit a zero-growth budget, and the United Nations should actually be spending much more than was currently the case.

19. Mr. PAL (India) said that, in view of the fact that the United Nations was being charged with budgetary irresponsibility, he wished to make a few comparisons. In the period 1974-1982 the United States assessment, as a percentage of the United States Government's international affairs budget, had dropped from 2.025 per cent to 1.85 per cent; in the period 1977-1982 the assessment of the Federal Republic of Germany, as a percentage of that country's foreign affairs budget, had remained constant at 0.127 per cent; and in the period 1974-1982 the United Kingdom's assessment, as a percentage of the United Kingdom Government's foreign affairs budget, had declined from 0.68 per cent to 0.56 per cent. Similar figures were available for other major industrialized countries, whose contributions to the United Nations, as a percentage of their foreign affairs budget, had declined.

20. Moreover, it was interesting to note that in the period 1979-1982, on the basis of a zero-growth budget, the United States budget had increased by 38.86 per cent in real terms and that, in the same period, the United Nations budget had increased by 38.8 per cent. Furthermore, in 1980 the United States Government had adopted multi-year budgeting and taken steps to project costs and the impact of budget decisions. Likewise, at the United Nations many delegations had been insisting that statements of financial implications must indicate the

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(Mr. Pal, India)

likely impact on programmes and include projected costs over a given period of time. It must also be made clear that there had never been a policy of zero-growth at the United Nations, although a policy emphasizing financial prudence was certainly desirable.

21. Mr. ZINIEL (Ghana) endorsed the statements made by the representatives of the United Republic of Cameroon and India, in which they had very effectively refuted the position of those delegations which maintained that the General Assembly should not take any decisions requiring additional appropriations. While his delegation was not opposed to the financing of new projects, where possible, through the redeployment of existing resources, the General Assembly should not be bound by any such arbitrary requirement. Given the dynamic nature of the United Nations, it was unreasonable to expect its programmes not to grow. The Secretary-General was already operating on a very tight budget, which raised doubts about the Organization's ability to promote the goals set in such important international documents as the Vienna Programme of Action on Science and Technology for Development, the International Development Strategy for the Third United Nations Development Decade and the Lima Plan of Action on Industrial Development and Co-operation. The opponents of budgetary growth ignored the fact that in times of economic crisis the developing countries had an even greater need for international assistance. His delegation had joined with others at the preceding session in opposing the concept of zero growth and would continue to work against any attempt to impose a ceiling on expenditures. It expected that such views would also be taken into account by the Secretary-General when he prepared the budget proposals for the next biennium.

22. Some delegations which in the past had lectured members regarding the wisdom of upholding the Advisory Committee's recommendations had, at the current session, not only rejected the recommendations of that Committee but had even tried to discredit it. He reaffirmed his delegation's faith in the Advisory Committee and wondered whether the developed countries of both the East and the West did not hide behind the Advisory Committee's recommendations when it suited their aim of cutting funds for vital projects to the bare minimum. Where a budget increase was primarily the result of a decision by the General Assembly, the Fifth Committee should concern itself only with the need for the efficient and judicious use of the resources made available.

23. His delegation was opposed to the proliferation of posts in the Secretariat, especially in view of the large proportion of the budget already consumed by salaries. In that connection, it had been dismayed by the recommendations concerning staff salaries which had been made at the current session by the Administrative Committee on Co-ordination. Its attitude to any future request for a salary increase would be determined by the level of resources available for programmes.

24. His delegation supported draft resolution VII A in the draft report (A/C.5/37/L.53, para. 77) but wished to emphasize that the decrease in the amount appropriated must not be allowed to affect programme implementation adversely.

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25. Mr. GRODSKY (Union of Soviet Socialist Republics) said that the draft report of the Committee had been issued only recently and that his delegation had not had the time to devote to it the attention which it warranted. It was to be hoped that the figures in the draft report, especially in draft resolution VII C, accurately reflected the decisions taken by the Fifth Committee at the current session.

26. As in previous years, the Advisory Committee had made a major contribution to the work of the Fifth Committee by clarifying issues and making pertinent recommendations aimed at enhancing effectiveness and promoting economy. He commended the Advisory Committee on its work and thanked the representatives of the Secretary-General for the invaluable assistance they had given the Committee.

27. Unfortunately, the Fifth Committee had been faced at the current session with requests for additional resources to finance new programmes owing to the Secretariat's dilatoriness in identifying activities which had been completed, or were obsolete, of marginal usefulness or ineffective. The Assembly had also been asked to approve the establishment of many new posts and the upgrading of others, which added to the costs of the Organization. Efforts to redeploy resources met with many obstacles, one of the most serious of which was the system of permanent contracts for the majority of staff. A greater use of fixed-term contracts would allow the Organization to react more speedily to changing mandates. The current practice of requesting additional appropriations to finance new activities was neither correct nor effective, and the time had come for a serious review of the activities of the Organization with a view to identifying those which could be terminated, thereby releasing resources to finance other activities. While welcoming the first steps which had been taken in that direction, his delegation considered that the efforts so far had been insufficient. The Fifth Committee must take effective action in future to find the resources to finance new activities without requiring additional appropriations.

28. Mr. PAPENDORP (United States of America) said he welcomed the care with which the delegation of India had gathered the information it had used to draw a comparison between the budgetary system of the United States and budgeting in the United Nations. For the sake of accuracy, however, it should be noted that there was a distinction between a policy of zero programme growth and zero-based budgeting. The latter could be far more stringent, since it required programme managers to justify not only additions to the previous budget but also the continuation of ongoing activities. In the United Nations, nothing ever seemed to disappear from the budget and no effort was made to apply zero-based budgeting. In the United States Government, on the other hand, zero-based budgeting had resulted in the elimination of some activities and the reduction of others. He inquired whether the representative of India had made a distinction between the contributions to the international organizations account of the United States Government, from which its contributions to the United Nations regular budget came, and the so-called international organizations and programmes account, which provided the bulk of its voluntary contributions to UNDP, UNICEF, UNFPA and other international programmes and funds.

29. Mr. LAHLOU (Morocco) said it was clear from the discussion that the developed and developing countries were not speaking the same language. The developed

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(Mr. Lahlou, Morocco)

countries had an irrational obsession with the need to control spending. While they conceded that certain programmes and activities had merit, they nevertheless insisted that they should be financed from within the available resources. Such a position was totally arbitrary. The developed countries seemed to want to restrict the role of the United Nations to the maintenance of international peace and security. However, the widening gap between the developed and the developing countries undermined the foundations of international peace and security, and efforts to promote peace must be reinforced by co-operation between developed and developing countries.

30. The developing countries had never advocated waste or financial irresponsibility, nor had they opposed efforts to identify programmes that were ineffective or of marginal usefulness; however, he was not aware of any such programmes. The developing countries favoured sound management but they also wished the United Nations to be a dynamic organization. Staff costs and overheads consumed nearly 85 per cent of the budget, leaving only 15 per cent for programmes. The budgetary policy advocated by the developed countries would reduce that amount even further. Such a policy was totally unacceptable and could only lead to the death of the Organization.

31. Mr. ROY (India) said he was certain that the figures mentioned by his colleague in the Indian delegation were correct and that the budget section referred to was the one from which the United States contribution to the regular budget of the United Nations was paid.

32. Mr. BEGIN (Director, Budget Division), replying to the question asked by the representative of Austria, said that the initial appropriations would be reduced by \$40 million as a result of revised assumptions concerning exchange rates. As indicated in the first performance report (A/C.5/37/65), expenditure would decrease by \$71 million as a result of exchange rate variations, while income would also decrease by some \$31 million, thus yielding a net decrease of approximately \$40 million.

33. The representative of Algeria had asked what impact the reduction of \$38 million which he (Mr. Bégin) had mentioned in his earlier statement would have on the real growth rate of the budget. It should be borne in mind that the purchasing power of the various national currencies was declining to a greater or lesser extent according to the country and the year considered. Moreover, the currencies of different countries were not exchanged at fixed rates. For those two reasons, identical dollar amounts relating to different years might not reflect the same level of real resources. On the other hand, when staff pay was adjusted to reflect price increases in Vienna, for example, or the dollar amounts needed to cover staff costs in Vienna fluctuated because of variations in the exchange rate for the Austrian schilling, the corresponding dollar amounts changed but the real resource level did not. It was for that reason that the Secretariat had devised a methodology for monitoring changes in the real resource level and measuring real growth in the budget. Revisions in the initial appropriations as a result of revised assumptions concerning rates of inflation and exchange rates did not alter

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(Mr. Begin)

the real resource level. When he had commented on the real rate of growth, he had referred to additional requirements in the amount of \$32 million which had arisen as a result of decisions taken either at the current or the preceding session. That was entirely different from the reduction in the appropriations resulting from variations in the rate of inflation and exchange rates.

34. Mr. HADID (Algeria) said that his question had been more general than the reply given and involved the level of real growth in the budget. He wondered whether the revised appropriation was worth more in 1982 than the original appropriation had been in 1981.

35. Mr. LÖSCHNER (Federal Republic of Germany), recalling that his delegation had voted against the programme budget for the biennium 1982-1983, said that the revised estimates, which showed a growth of some 5 per cent for 1983, were not compatible with the stringent budgetary situation in Member States. Having voted against various measures on budgetary grounds, his delegation felt that strict standards had to be applied. The savings indicated were based on favourable factors outside the control of the United Nations. It was regrettable that steps had not been taken to ensure that new programmes were financed through the redeployment of resources. Recalling that his country was the third largest contributor to the United Nations budget, he said that his delegation would vote against draft resolution VII A.

36. Mr. MERIEUX (France) said that, while there had not been time for detailed calculations, it appeared that the proposed new expenditure amounted to \$32 million, 2 per cent of the total expenditure approved at the thirty-sixth session. That figure had been covered by savings made as a result of the current strength of the dollar and a lower-than-projected inflation rate in countries where expenditure was incurred. The total revised appropriation of some \$1,473 million represented a ten per cent increase over the revised budget appropriation for the biennium 1980-1981. He could not agree with the representative of India that the increase was not excessive compared to national budgets. The strong dollar had caused the expenses of the United Nations to be artificially reduced, and the full effect of the decisions on recruitment, promotion and construction would not be felt until the next biennium. It was clear that there was still a long way to go before the growth of the budget was restrained.

37. While the United Nations should be given the resources required to fulfil its functions, his delegation was unable to support proposals the financial implications of which were unjustified or inflated, even though the objectives were commendable. The time when the Secretariat could request additional resources to finance every new activity had gone, and all available instruments, particularly the medium-term plan, should be used in an endeavour to reallocate resources. In repeating its abstention of the previous year, his delegation hoped that the Secretariat and Member States would have the will to exercise a greater control over expenditure. In that connection, it looked forward to the programme budget proposals for the next biennium, since they would represent a test of the will and ability of the Secretariat to apply the management tools which had been forged so laboriously.

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38. Mr. PEDERSEN (Canada) said that his delegation could not vote in favour of the additional appropriations. It considered that the budget process was a dynamic one and, therefore, the United Nations should be prepared to start new programmes, where required, and, conversely, to eliminate those programmes which were of low priority or which were no longer useful. It had hoped that the special programme review would have shown that both the Secretary-General and Member States were serious about curtailing ineffective programmes and redeploying the resources released. Instead, his delegation had witnessed a "non-exercise". If that continued, the programme budget would simply mushroom, possibly creating a mortal crisis for the Organization. The minimal redeployment that had occurred did not offset the additional expenses. It was clear that the programme budget was now growing at the rate of 4.4 per cent. The so-called saving had nothing to do with good management but was simply a windfall resulting from exchange-rate fluctuations. The reverse might easily happen and, indeed, could do so in the near future. Document A/C.5/37/L.53 was in many ways misleading and could have spelt out the facts more clearly. The net saving which it indicated was a mirage and, in fact, real growth had occurred.

39. However, there were now new regulations on programme budgeting, including monitoring and evaluation. He hoped that those regulations would lead to an improvement in the process of eliminating or curtailing programmes and redeploying resources to finance new programmes and that such an improvement would be reflected in the next programme budget. Since it was too early to say whether that process would be successful, his delegation would abstain on draft resolution VII A.

40. Mr. Kuyama (Japan) took the Chair.

41. Mr. MURRAY (United Kingdom) said that he was glad he could agree with the representative of India that effective programme planning and financial prudence should be the guiding principles behind the administration of the United Nations. With regard to the comments made by the representative of Ghana, he stressed that his delegation had the greatest respect for the integrity and the work of ACABQ, without which the Fifth Committee would find it very difficult to function.

42. Mr. OKEYO (Kenya) said that there seemed to be an attempt on the part of some delegations to open the debate on the proposed programme budget for the biennium 1983-1984. He felt that, in dealing with that budget, Member States would have to weigh each item of expenditure on its merits. His delegation could not therefore agree that Member States should decide in advance whether to accept new programmes. The purposes of the United Nations would be defeated if it found itself unable to deliver the necessary programmes. Such a situation would cause great difficulties for many delegations, including his own. It appeared that only the developed countries were interested in the budget. However, the developing countries could also vote against it, which would cause a very serious crisis in the Organization. Many delegations also seemed to feel that it was sufficient for the United Nations to pay the salaries of its personnel and that there was no need to provide programmes for developing countries. His delegation had never and could never support the idea of zero-based budgeting, and believed that new programmes should be introduced whenever Member States so desired.

43. Mr. Abraszewski (Poland) resumed the Chair.

44. Mr. RUEDAS (Under-Secretary-General for Administration and Management), replying to the representative of Algeria, said that growth had occurred in the programmes themselves, and not in the amount of resources to finance them.

45. Having noted the comments on the programme budget for 1982-1983 and the proposed programme budget for 1984-1985, all he could say was that there did not appear to be any unanimity on the subject.

46. The CHAIRMAN invited all those delegations who wished to do so to explain their votes before the vote on draft resolution VII A in paragraph 77 of document A/C.5/37/L.53.

47. Mr. DUQUE (Secretary of the Committee) said that there was a misprint in the English text of draft resolution VII A. The revised appropriation under section 25 should read \$8,956,700.

48. Ms. MUSTONEN (Finland), speaking on behalf of the Nordic countries, said that the Nordic Governments constantly emphasized the role of the United Nations as an indispensable instrument for international peace and security and for co-operation. It was against those ultimate goals that they appraised the budget policy and the budget proposals. In doing so, they also considered the capacity of the United Nations to discharge the mandates laid down annually by the General Assembly and to meet the legitimate needs of a continuously developing organization. There should be no arbitrarily restrictive budgetary framework into which General Assembly decisions should be forced. For example, the concept of zero growth was too blunt an instrument in the context of the programme budget of the United Nations. The Nordic delegations could not therefore support that concept applied as a general rule. That was why they had not been able to support proposals that new activities should be implemented only to the extent that they could be financed within existing financial resources. Too rigid an application of such a principle could seriously undermine important programmes. The Nordic delegations continued to support a budget policy characterized by financial restraint and economy. They had therefore welcomed the cuts recommended by ACABQ with respect to the financial implications of nearly all the draft resolutions submitted by other Committees.

49. The Nordic delegations welcomed the progress which had been made in respect of programme planning. The regulations adopted under agenda item 104 would facilitate a more comprehensive approach to the planning and management system and would make it easier to base the allocation of resources on improved programme planning and to enhance the efficiency and effectiveness of the United Nations. Greater efforts could and should be made to finance new activities to the greatest extent possible through the redeployment of resources released through the identification of obsolete or ineffective activities. The Nordic delegations regretted that the Fifth Committee had not had before it a comprehensive report on that issue as required pursuant to General Assembly resolution 35/209. They supported the continued efforts to apply existing methods and establish new management procedures in the interests of economy.

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(Ms. Mustonen, Finland)

50. The growth of the budget should be carefully controlled. At the same time, the principle of collective responsibility of Member States in meeting common expenditures was of paramount importance. The Nordic countries had always shouldered their share of the expenditures of the United Nations system, being aware that that Organization was much more than the sum of the financial contributions from its Members. If the extent to which programmes based on legislative mandates should be carried out was based solely on the economic conditions in Member States, the overall credibility of the United Nations would be in danger. While national financial and budgetary constraints could not be disregarded, they should not become decisive in establishing the financial basis of the United Nations, a unique international organization devoted to peace and co-operation in an increasingly interdependent world. It was important to remember the basic purposes and principles of the United Nations in discussing its programme and budget, and the proper perspective should be borne in mind in considering the sums that were actually involved. For those reasons, the Nordic delegations would vote in favour of draft resolution VII A.

51. Mr. ROWE (Australia) said that his delegation would abstain in the vote on the revised budget appropriations for 1983. Having voted in favour of the budget for the current biennium at the thirty-sixth session, it had taken the decision to abstain only after careful consideration. The windfall in the shape of savings through exchange rate variations and adjustments due to inflation could not mask the fact that Member States were being asked to approve further large amounts for expenditure on new and existing programmes. In 1983, the United Nations might be faced with adverse exchange rates and rising inflation and would have a larger programme to finance under more difficult circumstances.

52. His delegation was aware of, and grateful for, the measures taken by the Secretary-General to control expenditure and to introduce more efficient and cost-effective methods. It was also mindful of the contributions made by various committees of the General Assembly, particularly by ACABQ, and the increasing awareness in the Fifth Committee of the need for fiscal restraint in order to safeguard the financial health of the United Nations. However, much more needed to be done. In particular, there was a need for a more rigorous examination of new and existing programmes to ensure the most effective utilization of resources. There should be no fear of discarding obsolete and marginally useful programmes. It was necessary to extend the process of examination and selectivity to the drafting stage of proposals, and the other committees needed to be reminded that United Nations resources were finite.

53. All national Governments were confronted with difficult financial and budgetary choices. Inevitably, the expenditure on international organizations was coming under greater scrutiny. It was therefore reasonable to expect of the United Nations the highest standards of administration and management. His delegation felt that programmes should be more efficiently designed and that the setting of programme priorities and programme management should be made more precise. While not begrudging any of its assessed and voluntary contributions, Australia wanted its contribution to be administered in the most effective and rational manner, thus ensuring the continued health and financial integrity of the United Nations and enabling it to achieve the objectives for which it was founded.

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54. Mr. KUYAMA (Japan) noted that at the thirty-sixth session of the General Assembly his delegation had voted against the programme budget appropriations for the biennium 1982-1983. In view of the additional appropriations that were being proposed at present, he wished to make a few observations. Although the net requirements for the second half of the biennium fell within the original estimate, that was due to favourable trends in exchange rates and inflation. If those trends had not occurred, an additional \$36 million in appropriations would have been required for the remainder of the biennium.

55. The revised appropriations represented a 4.4 per cent real growth in expenditures for the current biennium over the biennium 1980-1981. In the context of the special review of ongoing activities, his delegation had hoped that resources for low-priority activities would be redeployed to finance new activities; however, the Committee had failed to reach a final decision on that matter. His delegation believed that the identification of obsolete, ineffective and low-priority activities would have no practical impact on the programme budget unless co-operation was obtained from all parties concerned, particularly the Secretariat.

56. Finally, it seemed to his delegation that the Secretary-General should have limited the number of requests for resources at the mid-point of the biennium; in many cases, those requests might have been postponed until the subsequent biennium. While some efforts had been made by the Secretariat to halt increases, there was room for considerably greater economy. In view of the severe retrenchment facing many Member States, his delegation did not feel that it could change its position with regard to the budget at present, and would vote against the revised appropriations.

57. Mr. GEPP (Brazil) regretted that document A/C.5/37/L.53 did not contain precise information regarding the revised budget appropriations. Moreover, the answers provided by the Secretariat to requests for such information had only increased his delegation's confusion. It was questionable whether the Committee should approve any of the decreases in expenditure obtained, since they were purely fortuitous and had not arisen from the curtailment of obsolete or ineffective activities called for by Member States. While his delegation had voted in favour of the programme budget for the present biennium when it had been proposed in 1981, it was afraid that if the nominal reductions were now approved in revised budget appropriations, additional real expenditures would be reflected in the final performance report. Since it was unable to support draft resolution VII A, his delegation would abstain.

58. Mr. GODFREY (New Zealand) said that his delegation would abstain in the vote on the revised budget appropriations, even though it had voted in favour of the budget itself at the previous session of the General Assembly. Many of the additional resources which had been requested were of a far greater magnitude than was reasonable in a time of world-wide economic stringency. His delegation was also concerned that it was taking so long to devise a workable method of ensuring that available resources were devoted to high-priority activities. While it welcomed the new regulations which had been approved under agenda item 104, it

(Mr. Godfrey, New Zealand)

regretted the failure to complete the special review of ongoing activities. As a result of that failure, it would be impossible to realize any savings until the 1984-1985 biennium. However, there had been evidence of restraint in some of the statements of financial implications submitted to the Committee for its consideration, and the Committee had shown itself prepared to accept, on the basis of the Advisory Committee's recommendations, proposals for reductions in expenditures which in the past it might have chosen to disregard.

59. Mr. van HELLENBERG HUBAR (Netherlands) said that his delegation had traditionally voted in favour of programme budgets as an expression of the importance which it attached to the United Nations. However, it felt that the current percentage of real growth should be added to the growth implied in the budget which had been approved at the thirty-sixth session of the General Assembly, which would result in an aggregate growth rate of either 4.4 or 5 per cent. While the percentage of real growth was lower than had been expected because of a windfall of \$38 million, resulting primarily from decreased inflation and fluctuations in currencies, that amount was now being used to offset the cost of new activities adopted during the thirty-seventh session. He suggested that the savings resulting from currency fluctuations might be returned to Member States.

60. Despite the work of the Advisory Committee, the Fifth Committee had missed opportunities to rationalize its decision-making process and to effect savings through the redeployment of resources. That failure was due only partly to the political nature of the Committee's decision-making process. The Committee had also been hindered by the late submission of documents, including the special review document. Furthermore, the documents which were supposed to assist the General Assembly in setting priorities had at times been of unsatisfactory quality.

61. Several requests which the Committee had had to consider represented an undermining of the biennial programme budget exercise and tended to inflate the budget for the biennium 1984-1985. Consequently, his delegation felt obliged to break with tradition and abstain in the vote on draft resolution VII A. Moreover, if present trends continued, his delegation would be forced to vote against programme budgets in the future.

62. Ms. CONWAY (Ireland) said that her delegation would vote in favour of the revised budget appropriations. She welcomed the fact that the global total was less than the amount appropriated at the previous session of the General Assembly, although she recognized that such savings were the fortuitous result of a strong United States dollar and a lower inflation rate. Her delegation had always been fully committed to the purposes of the United Nations as set forth in the Charter and had always held that the Organization required adequate financing to fulfil those objectives. However, there was also a need to make the best possible use of available resources through such means as redeployment. She welcomed the efforts by the Secretariat to that end and expressed her endorsement of the statement made by the representative of Finland on behalf of the Nordic countries.

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63. Miss ARCHINI (Italy) said her delegation believed that the enhancement of the vital role of the United Nations should be accompanied by a serious effort to make maximum use of available resources through the redeployment of human resources and the elimination of low priority or outdated projects. The United Nations should adopt the same policy of restraint and austerity currently being followed by most Member States. Budgetary discipline was also necessary to benefit the developing countries, since any increase in contributions to the regular budget for administrative expenses inevitably limited voluntary contributions. While her delegation looked forward to more favourable conditions in the future, it was necessary at present to evaluate carefully the cost effectiveness of ongoing activities to avoid simply adding the cost of new programmes to the cost of current activities. Since her delegation could not support draft resolution VII A, it would abstain in the vote.

64. During the thirty-sixth session of the General Assembly, her delegation had expressed the hope that a policy of cost-containment would be followed. Greater efforts were required in that direction, not only to reinforce the cost-effectiveness of the United Nations but also to serve as an appropriate reply to public criticism of the Organization.

65. Mr. FREILICH (Israel) said that he wished to reiterate his delegation's opposition to expenditure on a number of items contained in the budget, including the International Conference on the Question of Palestine, the issuing of special identity cards to Palestinian refugees and the Special Committee to Investigate Israeli Practices. He would vote against the revised budget appropriations.

66. Mr. SAGRERA (Spain) said that at the thirty-sixth session of the General Assembly his delegation had voted in favour of the programme budget for 1982-1983, in spite of some reservations, because it trusted that attempts would be made in the future to redeploy resources. He was aware of efforts by the Secretariat to enhance effectiveness, but much remained to be done. In view of his Government's policy of austerity, he would abstain in the vote.

67. Mr. EL SAFTY (Egypt) said that, while his delegation supported the budget estimates which had been submitted to the Committee, he had heard many delegations advance arguments in support of zero growth and the redeployment of resources. He wished to warn those delegations that some of the measures which they were proposing might backfire and actually decrease the effectiveness of the United Nations. He was not advocating unlimited growth, since his delegation believed that it was necessary to economize; however, he opposed efforts which ran counter to the principles and purposes of the United Nations and which might have catastrophic consequences for all Member States. He appealed to all delegations to reflect on their positions vis-à-vis the programme budget and to take the right decision.

68. Miss CASTILLO (Dominican Republic) said that her delegation supported draft resolutions VII A, VII B and VII C. She believed it was necessary to put an end to wars that required expensive peace-keeping forces, since they not only wasted human resources but were the major causes of the Organization's current financial difficulties.

69. Mr. YOACHAM (Chile) said that his delegation was unable to accept the explanations given by the Secretariat for the additional appropriations that had been requested; those requirements could have been met by a better distribution of available resources. However, to indicate its support for United Nations activities, his delegation would vote in favour of draft resolution VII A, while expressing its reservations with regard to certain items of expenditure contained in section 27.

70. Mr. DITZ (Austria) said that requests for funds must be considered on their merits and that resources used to further the purposes of the United Nations were well spent. The Secretariat was keenly aware of the current economic situation and would use funds prudently and effectively. Consequently, his delegation would vote in favour of draft resolution VII A. He noted, however, that such a vote constituted an act of faith, since there was no effective system for evaluation within the United Nations, and it was not possible to determine the impact of expenditures on programmes.

71. At the request of the representative of India, a recorded vote was taken on draft resolution VII A contained in paragraph 77 of document A/C.5/37/L.53.

In favour: Algeria, Argentina, Austria, Bahamas, Barbados, Benin, Bhutan, Botswana, Burma, Burundi, Central African Republic, Chile, China, Colombia, Congo, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Finland, Ghana, Greece, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Mali, Mauritania, Mexico, Morocco, Mozambique, Nigeria, Norway, Oman, Pakistan, Peru, Philippines, Qatar, Rwanda, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, United Arab Emirates, United Republic of Cameroon, Upper Volta, Uruguay, Yemen, Yugoslavia, Zambia.

Against: Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Germany, Federal Republic of, Hungary, Israel, Japan, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Australia, Belgium, Brazil, Canada, France, Italy, Netherlands, New Zealand, Romania, Spain.

72. Draft resolution VII A was adopted by 68 votes to 14, with 10 abstentions.

73. Mr. KBAIER (Turkey), said that his delegation had voted in favour of draft resolution VII A because it supported United Nations programmes and in view of assurances that further savings would be made. However, had a separate vote been taken on activities relating to the law of the sea, his delegation would have voted against such activities; it would withhold all contributions earmarked for expenditure on them.

74. Mr. WANG Chengwei (China) said that his delegation supported the work of the United Nations and consequently had voted in favour of draft resolution VII A. However, if a separate vote had been taken on section 30 (United Nations bond issue), his delegation would have cast a negative vote.

75. The CHAIRMAN noted that it was not customary to put the revised income estimates to a vote. He therefore took it that the Committee wished to adopt draft resolution VII B without a vote.

76. It was so decided.

77. At the request of the representative of the Union of Soviet Socialist Republics, a vote was taken on draft resolution VII C contained in paragraph 77 of document A/C.5/37/L.53.

78. Draft resolution VII C was adopted by 68 votes to 13, with 11 abstentions.

COMPLETION OF THE COMMITTEE'S WORK

79. The CHAIRMAN observed that one of the bottlenecks the Committee had encountered during the thirty-seventh session had been the late submission of documents by both the Secretariat and other subsidiary bodies. He had attempted to curb the customary delays in the submission of documents, but noted that the situation remained unsatisfactory. In the future, more effective measures, such as the adoption of a staggered programme of work, should be taken to improve the situation. The Secretary-General had indicated in a bulletin that deadlines for submission of documents to the Fifth Committee must be observed, and that in the event of delays explanations were required. He urged the next Chairman of the Committee to work with the Secretariat during the thirty-eighth session in investigating that matter, since he believed it to be within the control of both the Committee and the Secretariat.

80. The Committee's agenda continued to be heavy; consequently the practice of considering certain items every two years, rather than annually, should be extended. Consideration should also be given to the identification of items that might be dealt with in other committees. During the thirty-sixth session, the General Assembly had adopted sets of guidelines concerning fundamental issues of programming, budgeting and personnel policy. It was his feeling that the time had come to concentrate efforts on the monitoring of their implementation and the introduction of necessary changes aimed at a much-needed consolidation of the system, instead of devising new rules and searching for new concepts and approaches.

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(The Chairman)

81. As in the past, the Committee had witnessed some unfortunate cases of lobbying, even within the conference room. He had taken appropriate action to deal with that situation on an informal basis, and hoped that such lobbying would not occur in the future. It was important for Member States that the Secretariat should speak with one voice, which was that of the designated representative of the Secretary-General.

82. After an exchange of courtesies, the CHAIRMAN declared that the Committee had completed the work for the thirty-seventh session.

The meeting rose at 8.05 p.m.