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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

Opening address by the Secretary-General

The long-standing tradition whereby the Secretary-General appears before the Fifth Committee on the occasion of the presentation of his budgetary proposals provides me with a most welcome opportunity to meet with you today and to share with you some thoughts as to the basic purposes and orientation of the policies I have pursued in the preparation of the programme budget which is now before you and which, during the next several weeks, will be the object of your detailed examination. I am confident, Mr. Chairman, that the arduous work facing the Committee during this period will be greatly facilitated by the wealth of experience, knowledge and wisdom which you bring to the delicate task of guiding the Committee's work.

The unfavourable economic conditions prevailing in the world have resulted in increasingly critical attention being focused on the growing rate of spending in the public sector. Quite understandably, the United Nations is no exception to this trend, and therefore, the Organization's budgetary policy cannot stand in isolation from the financial preoccupations of Member States. Their individual need for financial austerity and economy must be duly reflected in the financial policies of our Organization. It is, therefore, with full understanding of their position and deep concern that I have noted the critical views voiced in the past debates of this Committee regarding the growth of our budget. In this respect I have been very conscious of the voting patterns over the past several years, and particularly on revised appropriations for the current biennium. While I am aware that the growing and changing needs of a large number of Member States must be reflected in the Organization's programmes, I cannot be unmindful of the reality that Member States whose contributions add up to nearly three fourths of our regular budget resources failed to express positive support for our revised appropriations. This development reveals an attitude among Member States indicative of more than simply a critical reflection on the financial management of our Organization.

In the light of these developments I announced at the beginning of the year a decisive financial policy of restraint and economy, including a commitment to contain the real growth of the budgetary proposals for the next biennium to as close to zero as possible.

Today, you have before you my budgetary proposals, which provide for a rate of real growth of only 0.8 per cent. This is a budget of austerity, which I believe constitutes definite proof of financial constraint and economy. The full impact of this figure may be measured by comparing it to the corresponding rates of 2.2 per cent for the initial estimates in respect of the current biennium and of 3.5 per cent for those of the preceding biennium. In relation to the normal annual budgeting of most Member States, the proposed growth rate corresponds to an annual increase of less than half of 1 per cent. In citing these figures, I wish to underline the efforts made over time to limit the budgetary growth to a decisively lower rate.

In contrast thereto, the over-all financial requirements, as submitted in the proposed programme budget, show, in absolute terms, a net increase of 11 per cent. This difference is attributable mainly to the impact of inflation, an element beyond the control of the financial management of this Organization. Seeing on the one hand the steady growth in the absolute budgetary requirements and, on the other, the declining rate of growth in real terms, it becomes obvious that a growing share of the financial resources is absorbed by the impact of inflation, compounded in the recent past by the effects of currency realignments.

This is only the fourth biennial budget period in which the budgetary estimates are submitted in the form of a programme budget. Under this concept we must be reminded that the examination of our financial requirements is inextricably linked to that of the programmes and activities of the Organization. No programme should be added without the provision of the necessary financial means and, similarly, no decision as to financial requirements should be made without a full assessment of its impact on the related programme or activity. In this context, there is still much progress to be made so as to arrive - with the active involvement of Member States - at a comprehensive screening of all the Organization's programmes, with a view to eliminating those which are obsolete, ineffective or of marginal usefulness.

This task is one that cannot be dealt with by the Secretariat alone. I should, therefore, like to reiterate on this occasion my appeal to Member States to lend their full support to reinforcing and strengthening the financial credibility of the Organization, with particular attention being given not only to the review of current activities but also to the determination of new ones.

The entire process related to the determination of programmes and activities, the assessment of the related financial requirements, the implementation of the budget and the general financial administration of the Organization should be inspired by an open and responsive attitude towards the challenges ahead of us and at the same time must be guided by a spirit of financial discipline and restraint.

As a promising step, the budgetary proposals now before you contain many instances where resources have been redeployed so that, as I indicated in my report on the work of the Organization, a significant number of new activities are expected to be financed out of the resources released as a result of the completion or discontinuation of old activities. Further steps will follow through strengthening and enlarging the programme monitoring system.

I am confident that the ensuing debate in this Committee will, in the spirit of programme budgeting, strike a reasonable balance between the expected programme output and the necessary financial input. There is a limit to which the Organization can increase programme delivery at the high standard expected of it without the provision of commensurate financial resources. The Organization cannot respond as effectively as desired to the continually increasing demands for the addition of new programmes if their related financial implications are not at the same time resolved in a satisfactory manner. I trust that the forthcoming debate will highlight this indispensable interrelationship between budgetary appropriations and programme performance.

Prior to the conclusion of the current session, the Fifth Committee will be seized, in addition to my initial programme budget proposals, with additional submissions related to needs which could not be fully assessed at the time of the preparation of the initial estimates. Some of them, such as those resulting from UNCTAD V, from the realignment of the Department of Technical Co-operation for Development and from the recommendations of the Industrial Development Board, are of special importance and will provide a fruitful opportunity to assess budgetary requirements in the perspective of requested programme delivery.

The proposed programme budget I have presented includes the proposed transfer to the regular budget of 14 posts previously financed from extrabudgetary resources. While I am mindful of the concerns and problems involved in such transfers, I would wish to assure this Committee that they have been kept to an absolute minimum and only accepted on the basis of unquestionable justification. They have, in fact, been subjected to the same strict scrutiny applied to requests for new posts, since such transfers contribute to the real growth of the budget.

The proposed budget before you is marked by constraint and economy entailing drastic reductions of the resources requested by programme managers to meet increased workloads. This means, of course, that additional duties and responsibilities have to be assumed by our serving staff, and I take this occasion to give due recognition to the dedication of the staff at all levels who share the burden at this time of austerity.

I would not wish to conclude without paying tribute to the most constructive analysis and advice provided by the Advisory Committee on Administrative and Budgetary Questions in its comprehensive report on the proposed budget. I wish to express my particular gratitude to the Chairman of the Advisory Committee, Mr. Mselle, under whose guidance the Committee has given invaluable assistance to the development of a viable budget policy for our Organization.

I wish you, Mr. Chairman, and all members of this Committee, success in the demanding work ahead of you, which is so vital for the Organization.