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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

Opening address by the Chairman of the Advisory Committee
on Administrative and Budgetary Questions

I have the honour of introducing the first report of the Advisory Committee on the United Nations proposed programme budget for 1980-1981. Time is of the essence during this session, and brevity and punctuality have become passwords with the hope that the present session might be spared the misfortunes of the thirty-third General Assembly. I therefore intend to be brief and confine this statement to the substance of the main recommendations of the Advisory Committee. But, as in previous years, additional remarks will be made by me as each section of the budget is discussed in the Fifth Committee.

May I first refer to a procedural subject? Although it is not late in the session, we commence the general debate when the main documents have not been in the hands of Member States in all United Nations languages for a reasonable length of time. This problem of documentation is quite serious. We have devoted several paragraphs of our report to this subject, and I also commend to the Fifth Committee the relevant part of the Secretary-General's foreword to his own report on the work of the Organization. The thirty-fourth session of the General Assembly, on the recommendation of the General Committee, has already taken a number of decisions which, if followed, will facilitate the work of this Committee. In the long run, however, these measures may prove ineffective unless Secretariat officials and Member States are fully committed to solving many of the problems which now affect the work process and procedures of the Organization. Take Member States, for example: I wonder how many of my colleagues in this room have thought of additional measures to speed up our work. May I suggest that we abandon completely the practice of including in reports of the Fifth Committee summaries of discussions held here. Mr. Chairman, you have just informed me that the Committee has so decided, provided no delegation insists otherwise. If this is so then it is the proviso which I would now suggest be dispensed with. If we do that we will surely save time and money.

The budget proposals for 1980-1981, i.e. \$1,214 million and \$221 million on the expenditure and income sections respectively, net out at \$993 million. The liberal and the conservative minds in this Committee will, I am sure, have a lot to say about the 0.8 per cent rate of real growth. In several respects, however, the programme budget proposals are not final, and revised estimates will be submitted to the General Assembly in the course of the current session.

The Advisory Committee has recommended reductions totalling \$32.3 million in the expenditure estimates and \$8.1 million in the estimates of income. A section-by-section summary of the Committee's recommendations is given in its report, in which the Committee recommends an amount of \$1,182 million for the expenditure sections and \$213 million for the income sections, or a net amount of \$969 million for 1980-1981.

As recent press reports have shown, United Nations figures can be easily misunderstood, with unpleasant results. I am confident, however, that no such misunderstanding will emerge in the discussion in the Fifth Committee of the proposed \$32.3 million reduction from the estimates. As I have already said, the preliminary estimates included in the 1980-1981 proposals will be revised later in the current session. The Advisory Committee felt that it should concentrate on the revised figures rather than on the provisional estimates. Accordingly, it has recommended that the provisional estimates be deleted from the initial submission. Such deletions account for \$21 million, or about two thirds of the reduction recommended for the expenditure sections of the programme budget.

That leaves \$11.3 million to be accounted for. Out of this total \$3.6 million relates to increased turnover deductions and reduced estimates of common staff costs. This recommendation is linked to the method used in calculating budgetary requirements for staff costs. The two main elements in staff costs are salaries and common staff costs.

Given the size of the Secretariat, it would have been impossible to estimate salary requirements on the basis of entitlements of individual incumbents. Instead, the Budget Division uses standard averages for each grade and duty station. To take into account the fact that not all posts are filled all the time, a 5 per cent turnover deduction is applied to the costs of salaries of staff in the Professional and higher categories. Experience has shown that in several offices the average number of Professional vacancies has been higher than 5 per cent. The Advisory Committee has therefore recommended in several instances that the turnover deduction be increased.

To estimate requirements for common staff costs, percentages are applied to the estimates for salaries. These percentages differ from duty station to duty station. On the basis of experience over the past three years, the Advisory Committee concluded that a lower percentage could be applied in calculating common staff costs in Vienna.

May I say that it is not being suggested that approved posts be kept vacant so as to achieve a turnover deduction. Similarly, expenditure on common staff

costs relates to entitlements which have been approved by the General Assembly. Consequently, if the vacancy situation improves or if common staff costs at Vienna become larger than in recent years, additional expenditure will be incurred and, to the extent necessary, this expenditure will be reflected in revised estimates.

One other substantial reduction relates to the estimates of conference servicing costs. These costs have been calculated on the assumption that the level of conference servicing in 1980-1981 will be the same as in the current biennium - which, as we all know, has witnessed a number of special conferences and meetings. On the grounds that such an assumption would be premature, the Advisory Committee has recommended a reduction of just over \$1 million in the estimates for conference servicing costs.

The balance of some \$6.6 million in reductions recommended by the Advisory Committee is spread over most budget sections. The most significant components in that balance include about \$950,000 for utilities, rental of equipment and communications in New York and Geneva; \$750,000 for major maintenance of United Nations buildings; and \$650,000 in the estimate of staff assessment.

And now let me say a few words on proposals for additional posts and the problem of reclassification of posts. The 245 additional established posts requested for 1980-1981 comprise 232 posts for the expenditure sections and 13 posts for the income sections. The 232 posts consist of 78 new posts, 140 conversions from temporary into established posts, and 14 transfers from extrabudgetary resources. The Advisory Committee has recommended approval of 203 posts. Nine posts have been referred to the General Assembly and 33 posts have not been recommended for approval.

The Advisory Committee has for years resisted the temptation of merely transmitting proposals to the Fifth Committee. But there are times when I have felt that the Committee has no choice. This year, for example, we have not made a definitive recommendation on the transfer of nine UNDR0 posts to the regular budget. I shall say more on this point when section 22 comes up for discussion. The problem, as I see it, is this: once a legislative body has authorized the transfer of existing extrabudgetary posts to the regular budget, it becomes difficult for the Advisory Committee to question the number of posts proposed for transfer, even though the Committee may, by using expert analysis, conclude that the functions to be transferred would not require all the posts proposed for transfer. Perhaps, in future, emphasis by programme-formulating intergovernmental organs should be on specifying the functions to be transferred. The question of the regular staff resources needed to perform those functions could then be left to the Secretariat, the Advisory Committee and the Fifth Committee.

Seventy-one reclassifications are proposed for the 1980-1981 biennium. We have recommended that 33 of these be approved. In the past the Committee followed a different approach to this difficult question. This year the Committee dealt with and made recommendations on each reclassification request. To be quite frank with you, I personally do not relish discussing the reclassification of posts in the Advisory Committee. But the Committee has no alternative. Preliminary

information given to us by a number of United Nations specialized agencies shows that responsibility in this matter is shared between the executive and legislative branches. Both have to be involved in this question. For, in the final analysis, reclassification of a post technically means the abolition of one post and the creation of another at a higher or lower grade. Furthermore, the reclassification presupposes a change in the job content of the post. This, however, is not always clear from the information given to support reclassification requests. Even when the Classification Unit has given its blessing, doubts still linger in the minds of many in the Advisory Committee. I am not claiming for the Advisory Committee absolute competence in this matter which, in present circumstances, often involves subjective judgement. I am aware that a large number of factors influence reclassification proposals. Indeed, it may be unrealistic to ignore such factors. For the future, may I suggest the following. It may be well for the Advisory Committee to consult further with the United Nations Secretariat and the agencies in the United Nations system and with the help of ICSC advise the General Assembly on the best procedure of handling this problem.

This year the Advisory Committee paid special attention to extrabudgetary posts and resources. It has been estimated - in annex VIII to the Secretary-General's Foreword - that extrabudgetary resources will finance nearly 2,600 posts in 1980-1981. The exact number and grading will be determined without reference to the General Assembly. Our discussions with senior officials of the Secretariat, including those of the regional economic commissions, led us to conclude that the current procedure of establishing and grading extrabudgetary posts needs re-examination. The Committee intends to discuss this subject further with officials of the Secretariat.

The proposals for 1980-1981 follow, with some refinements, the format and methodology employed in the programme budget for the current biennium. Although the Advisory Committee has made in its report a number of observations on points of detail, it did not feel that there is need at this stage to re-examine the basic concepts, such as the recosting of existing resources, growth, and the treatment of non-recurrent items. These concepts have been the subject of thorough discussions at recent sessions of the General Assembly.

The Committee believes that at this stage discussion should focus on how to improve on what we now have rather than on more fundamental changes. The Advisory Committee has stated in its report that it found the tabular and textual material in the proposed programme budget generally satisfactory. Secondly, there was also considerable improvement in the responsiveness of Secretariat officials to requests by the Advisory Committee for additional information.

A word of caution may be in order here. The two volumes of the proposed programme budget contain a wealth of information, and the tabular material has potential for giving rise to numerous requests for more information. Bearing in mind that information in the budget documents is not an end, but a means of knowing what Member States are being asked to contribute and what programmes the contributions will finance, let us not ask for more information than we can handle in the time available.

In conclusion, may I say how deeply touched I am by the kind words which you, Mr. Secretary-General, have said about the Advisory Committee and about me personally. May I assure you that I am always conscious of the complex task you have of running the Secretariat. For upon you and all of your staff - senior and junior, Professional and General Service - lies the heavy responsibility of striking a delicate balance between the endless welter of conflicting claims of Member States and the reality of their moral, political and financial positions.
