



FIFTH COMMITTEE  
13th meeting  
held on  
Thursday, 11 October 1979  
at 10:30 a.m.  
New York

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SUMMARY RECORD OF THE 13th MEETING

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Chairman: Mr. PIRSON (Belgium)

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

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AGENDA ITEM 98: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

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A/C.5/34/SR.13  
15 October 1979

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The meeting was called to order at 10:35 a.m.

AGENDA ITEM 98: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)  
(A/34/6, Vol. I and II and Add.1, A/34/7; A/C.5/34/12 and 13)

1. Mr. WILLIAMS (Panama) congratulated the staff of the Budget Division on having submitted a programme budget for the biennium 1980-1981 which came closer to meeting the requirements specified by the General Assembly in resolutions 3043 (XXVII), 32/210 and 33/203.
2. The Secretary-General in his opening statement on the subject of the proposed programme budget (A/C.5/34/12) had spoken of the need for austerity and the Chairman of the Advisory Committee in his statement (A/C.5/34/13) had warned of the respective stands that might be taken by "liberal and conservative minds". The real increase in programmes and expenditure for the biennium 1980-1981, according to the budget estimates, would be 4 cents for every dollar. Members of the Committee therefore had to think seriously about the urgent need for austerity in programme costs and for budgetary restraint, and to consider whether all the problems really stemmed from the instability of the currency in which the budget was computed. The grave crisis affecting the United States dollar and the galloping inflation besetting the whole international community were becoming chronic, and no respite could be expected in the near future. That situation had been highlighted by the controversies that had arisen at the recent annual meeting of the Board of Governors of the International Monetary Fund, which was strenuously trying to avert the collapse of the world monetary system. There was a serious division among the Western industrialized countries, and it remained to be seen whether some of them would demand cutbacks in programmes of benefit to the majority of the members of the United Nations. Budgetary restraint and cuts in already reduced programmes would mean sacrifices in development and technical co-operation programmes, and an end to progress for three quarters of the world's people.
3. He noted from paragraph 16 of the foreword to the proposed programme budget (A/34/6, Vol.I) that the distribution of the estimates by main office location was such that 81.2 per cent went to those offices situated in developed countries and only 18.8 per cent to those in the developing world. When discussing budgetary restraint, therefore, the Committee should consider whether such a distribution of available resources was compatible with the needs of the developing countries, and whether they could or should be asked to make further sacrifices.

(Mr. Williams, Panama)

4. Everyone was aware of the world economic crisis and of the greater and more urgent needs of the developing countries. The search should be for a harmonious balance which would serve the interests of the whole international community. He sincerely believed that if petty ambitions were abandoned, justice and truth would guide that community in the search for a distribution of resources more in tune with the times.

5. Mr. EL-HOUDERI (Libyan Arab Jamahiriya) said that credit was due to the staff who had prepared the proposed programme budget for the biennium 1980-1981 in accordance with the requirements laid down by the General Assembly.

6. The allocation of resources among programmes was an expression of the Organization's strategy and therefore had to take account of the priorities established in the medium-term plan, as well as of considerations of practicality, economy, and efficiency; in other words, the over-all aim was to implement the programme with maximum efficiency and at minimum cost. Like other developing countries, his country took particular interest in programmes in the political, economic and social fields, and would not quibble about the volume of resources requested, so long as the programmes were effective and economical.

7. At first sight, the increase of over 11 per cent in the proposed appropriations, mentioned in paragraph 4 of the foreword to the proposed programme budget (A/34/6, Vol.I), appeared to be very high, particularly when account was taken of non-recurrent items and revised appropriations, which would give a total figure of 17.6 per cent, according to paragraph 9 of the first report of the Advisory Committee (A/34/7). His delegation supported the reductions totalling \$32.3 million in the expenditure estimates and the net reduction of \$8.1 million in the estimates of income recommended by the Advisory Committee in paragraph 6 of its report, and would comment in detail when the time came to consider individual sections of the proposed programme budget.

8. His delegation had noted from the foreword to the proposed programme budget that measures had been taken to achieve a 0.8 per cent real growth rate, as compared with 2.2 per cent for the current biennium. However, it concurred with the view expressed by the Advisory Committee in paragraphs 14 and 15 of the report (A/34/7) that the real rate of growth might prove to be somewhat higher, principally because of the understatement of real growth in conference servicing. His delegation did not fully understand the basis on which the rates had been revised for the biennium 1978-1979 and believed that, in any case, to reach any judgement on the rate of real growth for the following biennium at the stage of initial estimates would be premature.

9. According to the figures shown in paragraph 13 of the foreword to the proposed programme budget, showing the distribution of the estimates for 1980-1981 according to the programme classification used in the medium-term plan for the period 1980-1983, the highest rate of growth was in the over-all policy-making category, which showed an increase of 4.8 per cent over the current biennium, as opposed to

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(Mr. El-Mouderi, Libyan Arab Jamahiriya)

only 1 per cent for non-substantive activities. He noted that the Secretary-General had requested 255 new established posts, some of which were transfers of posts currently financed from extrabudgetary resources. His delegation found the real growth rate in that respect to be very high and therefore supported, on a preliminary basis, the recommendation by the Advisory Committee that only 222 of those posts should be approved. The Secretary-General had also requested a total of 71 post reclassifications, including a number from the General Service to the Professional category. While it was difficult to assess every individual reclassification in terms of practical requirements, it seemed to his delegation that, particularly in the case of posts already occupied, reclassification was being used merely as a form of promotion. It would comment in greater detail on that matter at a later stage, but supported the recommendations made by the Advisory Committee in paragraph 43 of its report.

10. The information provided by the Secretary-General in the foreword to the proposed programme budget on the distribution of the estimates by main fields of activity, programme classification and main office location was very useful for the purpose of making comparisons, particularly in assessing the extent to which the proposed programme budget was in keeping with the medium-term plan. According to the table in paragraph 12 of the foreword, economic, social and humanitarian activities, which had rightly shown the greatest growth for the biennium 1978-1979, ranked second to common support services in the distribution of estimates for 1980-1981. The trend towards more expenditure on common services had been partially explained in paragraph 30 of the Advisory Committee's report, but some questions remained. The table in paragraph 16, showing the distribution of the estimates by main office location revealed that the offices at New York and Geneva still accounted for most of the growth; the slight reductions for those two duty stations were probably due to the transfer of a number of units to Vienna - a welcome step towards decentralization of the Secretariat and more equitable distribution of appropriations among geographical areas. The table in paragraph 17, showing the distribution of the estimates by main objects of expenditure, demonstrated both the extent to which the Organization still relied on outside experts, and the large sums still being spent on travel. Indeed, the relative rankings of the main objects of expenditure were unchanged from the biennium 1978-1979. In the opinion of his delegation, there was still far too much dependence on outside experts; he noted the comments and recommendations on that subject made by the Advisory Committee in paragraph 25 of its first report. An increase of 9.3 per cent for travel of staff was excessive, and it was hoped that the Secretariat would exercise economy in that field.

11. With regard to extrabudgetary resources, his delegation concurred with the views expressed by the Advisory Committee in paragraphs 47-59 of its report, particularly on the need for additional procedures.

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(Mr. El-Houderi, Libyan Arab Jamahiriya)

12. It further concurred with the views expressed in paragraphs 60 to 76 of that report with regard to the delays in the submission of documents to the Advisory Committee and the Fifth Committee. It was important that delegations should have ample time to study the relevant documents. The considerable delays experienced at the thirty-third session had led to the need for a resumed session, which had proved costly for the Organization and time-consuming for delegations.

13. Mr. SERBANESCU (Romania) said that the practice of holding a general debate on the programme budget in budget years was helpful to delegations. He welcomed the fact that the Secretary-General had chosen to address the Committee in person, showing his awareness of his responsibilities for the budgetary policy of the Organization and of the need for financial austerity and economy. Delegations' ability to form judgements on the extensive budgetary documentation provided had, however, been impaired by the late submission of that documentation, particularly in working languages other than English.

14. Although it might be maintained that the amounts required for the United Nations were derisory in comparison with some military budgets, such a comparison would be valid only in an ideal world, devoid of economic and military anomalies. The Organization's budget was a reflection of the state of affairs in the real world, and the prime task of the Fifth Committee was to ensure that the best possible use was made of the resources available, and to combat waste, duplication and carelessness.

15. The Advisory Committee had observed that a preponderant share of all budgetary resources and of the proposed increases went for administrative or staff costs; his delegation had the feeling that the 75 per cent figure mentioned in that connexion would be still higher if related expenditure was included. Like ACABQ, his delegation was concerned to note that, in comparison with the programme budget for 1978-1979, the proposals before the Committee showed a marked shift towards heavier common staff costs at the expense of substantive activities. The proposed budget provided for more than 11,000 established posts; with a staff of that size the tasks entrusted to the Organization should be completed on time, at a qualitatively higher level and without automatic resort to additional external assistance. Whilst his delegation appreciated the way in which most of the staff performed their work, there were certain serious short-comings. One was the late submission of basic documentation, which had made the process of analysis, evaluation and control markedly more difficult. A clearer sense of duty, together with a more sensible allocation of resources, would greatly help to remedy that situation.

16. The Advisory Committee had rightly criticized the growing number of new posts requested by the Secretariat, the continuing tendency to include within the budget posts financed from extrabudgetary resources, the trend towards a disproportionate reclassification of posts, the retention of the equivalent of 628 temporary posts and the use of 164 Professional-category consultants and experts, the habit of exaggerating the number of personnel needed for meetings and conferences and failure to control official travel by staff. He noted with satisfaction the

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(Mr. Serbanescu, Romania)

Secretary-General's commitment to take further steps to extend the system of programme monitoring, but much remained to be done to strengthen work discipline and increase productivity, to distribute work equitably in certain divisions, and to establish the proper balance between personal interests and those of the Organization.

17. There was no legal basis for the proposed appropriations for special expenses in part VIII, section 30, of the regular budget. His delegation maintained its position on not recognizing the expenses in question as being chargeable to Member States which had disputed them from the outset.

18. The need for maximum efficiency in United Nations activities derived from the fact that the Organization's resources were limited, efficiency was at the same time a requirement imposed by the Member States' financial involvement. It was important, therefore, to strengthen evaluation capacity and the sense of responsibility at all levels, not only within AMABO, but also in JIU, CPC and the Board of Auditors. More, in particular, might have been expected of JIU and CPC. Finally, the involvement of Member States themselves was vital to success in the tasks of management and control.

19. Mr. LOURENÇO (Portugal) pointed out that his country was small both in the extent of its territory and its natural resources. Its contributions to the budgets of the United Nations and its agencies had to be financed out of an autonomous budget allocated every year to the Ministry of Foreign Affairs by Parliament. The procedures associated with the approval of budgets under the Portuguese system made it difficult, if not impossible, to have recourse to supplementary or revised estimates, and it was therefore difficult for his Government to meet any inordinate increases in Portugal's contributions to the budgets of international organizations. Consequently, his delegation was grateful for the Secretary-General's efforts to present a programme budget guided by a policy of restraint and strict economy.

20. Since the Secretary-General's estimates were not final in all cases, the prospect of receiving additional estimates should not be ignored in the consideration of the Secretary-General's proposals; all such additional estimates should be subjected to very careful study in the light of the promised policy of restraint and economy so that the final expenditure appropriations approved by the Fifth Committee did not run completely out of control. It was certain, moreover, that revised estimates would be proposed during the biennium which would swell the total appropriations finally approved. The situation could be vastly helped by prudent husbanding of the resources, rearranging priorities and redeploying funds, particularly those made available as a result of pruning and eliminating marginal and obsolete activities through a rational system of planning and organization such as that outlined in paragraph 2 of the foreword to the proposed programme budget (A/34/6).

(Mr. Lourenço, Portugal)

21. While containment and control in budgetary practice were certainly not the be-all and the end-all for the United Nations system, the prevailing unfavourable economic conditions had resulted in increasingly critical attention being focused on the growing rate of spending in the public sector and the United Nations. On the other hand the crying needs of the developing nations, who made up the great majority of Member States, could not be ignored.

22. Mr. SMART (United Kingdom) commended the Secretary-General on his programme and on proposals for the biennium 1980-1981, and agreed with him that the achievement of economy in United Nations expenditure had to be a co-operative task undertaken by the Secretariat and Member States jointly. His delegation regretted that submissions were still not available for UNCTAD, the Department of Technical Co-operation for Development or the revised operating costs of the Vienna International Centre. The Fifth Committee must strive to see that economy and restraint were also achieved in its decisions on these proposals, submissions and on the financial implications of new policy decisions taken in other Main Committees.

23. His delegation could not agree with the view that economy had already been taken too far: nearly four fifths of the total reduction recommended by ACABQ related to reductions in estimates which did not affect the calculation of real growth and, moreover, the revised estimate of the cost of operating the Vienna International Centre might be higher than the Secretary-General's original estimate. If the Committee supported the modest reductions recommended by ACABQ, the real growth of the budget would remain essentially as the Secretary-General had planned it, close to zero.

24. His delegation took the view that the budget as eventually approved by the General Assembly should still have a real growth rate close to zero, a result which could be achieved only partially by close budgetary scrutiny. It would participate fully in the scrutiny of all proposals in first reading and would not vote against individual financial implications if satisfied that the proposals, modified as necessary by ACABQ, represented a rational matching of resources to tasks. But in so doing it would not consider itself committed to the appropriation of additional funds, since it believed that additional appropriations could be avoided by the redeployment of resources. His delegation appreciated the value of the new system for identifying completed, marginal and obsolete activities by relating inputs to outputs in detail and measuring the results, and supported the Secretary-General in taking the initiative further; so far, however, the results had been minimal. It would therefore expect further proposals for redeploying resources from the Secretary-General in the course of the current session and the submission or lack of such proposals would determine its attitude towards the budget as a whole.

25. The key factor which had so far been missing was the exercise of judgment by individual programme managers on the relative value of the component elements in their programmes, and by the Secretary-General on the relative priority to be accorded to major programmes. Each programme manager should be called upon to identify the 10 per cent of his activities deserving lowest priority, and the 10 per cent deserving the highest priority. It would then be for the Secretary-General to decide which activities he would propose to terminate and which should be given additional stress.

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(Mr. Stuart, United Kingdom)

26. One category of expenditure which should be given the highest priority, but which had, in the budget proposals before the Committee, been unreasonably held down in the interests of economy, was expenditure on posts currently funded on a voluntary basis, which a founding statute or other authority from the General Assembly required to be made a charge on the regular budget as soon as possible; the prime example was the staff of UNHCR concerned with the functions defined in article 1 of its founding statute. The denial of funds for transfers to the regular budget in that category meant that the generosity of voluntary donors was imposed upon beyond the stated intention of the General Assembly at a time when more people than ever before were in need of the assistance and protection of UNHCR. His delegation would not propose that the current budget proposals should be changed, but trusted that the Secretary-General would in framing future budgets have regard to the general principle involved, the implication which was not that future budgets should be larger, but rather than other expenditures of lower priority should be reduced.

27. He shared the view of the Chairman of ACABQ that the time had come to consolidate and improve on the methodology for the preparation of the budget, rather than to propose further innovations. Nevertheless, the Secretariat should aim to achieve a clearer and less confusing presentation of "non-recurrent expenditure" than that in the current proposals, where the estimate for non-recurrent items showed a negative growth of \$22,306,600, whereas it was included under the headings "resource growth" or "total proposed growth" in the foreword to the proposed programme budget (A/34/6).

28. Mr. BRODODININGRAT (Indonesia) expressed concern at the extremely late submission of the budget documents and concurred with the remarks of the Advisory Committee in paragraph 4 of its report (A/34/7). It was deplorable that the Fifth Committee should have to begin debating the programme budget without the benefit of CPC's comments on the programme aspects. Nevertheless, he commended the Secretary-General's efforts to achieve maximum budgetary restraint and the most economical possible use of resources. Despite the fact that major financial implications resulting from recent conferences had not been taken into account in the proposed programme budget, the comparatively modest initial figure led his delegation to hope that over-all budgetary growth would not reach the level of previous bienniums. The clear shift of resources to the budgets of the regional commissions, with the exception of the Economic Commission for Europe, was also encouraging, although it was too early to draw the conclusion that the shift truly reflected decentralization as envisaged by the relevant resolutions on restructuring.

29. Paragraph 2 of the foreword to the proposed programme budget (A/34/6) suggested that the Secretary-General had made a re-evaluation and rearrangement of programme priorities in designing his proposals, but his delegation had found it difficult to identify any such re-evaluation and rearrangement. Annex VII, on relative rates of resource growth, contained no further explanation, and making any cross-reference between it and individual sections of the budget was tremendously difficult. He inquired, therefore, whether the rearrangement of priorities had been conducted merely on the basis of budgetary considerations or

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(Mr. Brotodiningrat, Indonesia)

on the basis of consultations with the Secretariat units in charge of programmes, and to what extent the relevant legislative authorities had been taken into account in the rearrangement of programme or subprogramme priorities.

30. On the subject of real growth, his delegation would have liked the 11 per cent budgetary increase to bring more substantial real growth and to be less attributable to non-growth increases. It hoped that the balance, of which the Secretary-General had spoken in his introductory statement (A/C.5/34/12), between the expected programme output and the necessary financial input would not be blindly interpreted in the sense of "no money, no programme", or "less input, less output". The true art of management was to achieve maximum output with minimum input.

31. Mr. WANG Liansheng (China) said that, since the programme budget was not yet available in Chinese, it was difficult for his delegation to comment on it in detail.

32. His delegation had consistently maintained that the methodology used in preparing the budget estimates had to be conducive to the implementation of all resolutions that were in conformity with the purposes and principles of the Charter. It therefore supported all justified and necessary expenditure that was consistent with the spirit of the Charter and conducive to the safeguarding of national independence and sovereignty, the struggle against imperialism, colonialism and hegemonism, the maintenance of international peace and security, the establishment of a new international economic order and the promotion of the economic development of the developing countries. At the same time, it was essential in preparing the budget estimates to adhere to the principle of simplified administration and economy, to attach importance to increasing efficiency, and to take full advantage of the existing human and material resources so as to reduce the economic burden on Member States to a minimum.

33. His delegation welcomed the adoption of a decisive policy of budgetary restraint and economy, but noted that the initial estimates for the biennium 1980-1981 totalled \$1.214 billion, an increase of 11.3 per cent over the revised appropriations for the biennium 1978-1979. Although inflation and monetary fluctuations were partly responsible for the increase, one of the main causes was the failure to adopt effective measures in strict accordance with the principle of simplified administration and economy. For example, increases in the number of established posts should be kept to a minimum by increasing efficiency and redeploying existing staff. It was essential to establish a strict procedure for scrutinizing and exercising effective control over proposals to transfer posts financed from extrabudgetary resources to the regular budget.

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(Mr. Wang Liansheng, China)

34. With regard to conferences, greater attention should be paid to increasing efficiency, avoiding waste and overcoming such phenomena as the excessive number of meetings, unduly prolonged conferences, the proliferation of documents and unrepresentativeness. The elimination of programmes and projects which were obsolete, ineffective or of doubtful usefulness was another important means of saving human and material resources and reducing expenditure. The success of the Secretary-General's declared policy of financial restraint and economy would depend on the execution of effective measures: goodwill alone was not enough.

35. His delegation had on numerous occasions stated its unwillingness to assume any obligation in respect of the United Nations Bond Issue, and had expressed the view that expenditure for the amortization of the bond issue should be excluded from the budget.

36. Mr. FERNANDEZ MURTO (Spain) said that the level of the programme budget for the biennium 1980-1981 had reached the limit. During the discussion of the programme budget for the biennium 1978-1979 at the thirty-second session, his delegation had observed that the level of gross expenditure was very near the \$1 billion mark. Just two years later, proposed net expenditure for the biennium 1980-1981 would be well in excess of that amount, which meant that the Organization would be spending some \$1.5 million each day of the biennium.

37. The Secretary-General's assertion that the real rate of increase in the budget was 0.8 per cent gave the false impression that the Organization's expenditure was levelling off. As indicated in paragraph 4 of the foreword to the budget, however, expenditure would increase by 11.3 per cent and net requirements by 11 per cent. Moreover, those figures had been arrived at by comparing the initial estimates for the biennium 1980-1981 with the revised appropriation for the biennium 1978-1979 instead of the initial estimates for that biennium, which had been considerably lower. As his delegation had maintained two years earlier, the Secretariat should base its comparisons on like figures if they were to have a clear meaning and not give a misleading or over-optimistic picture of the situation. If a comparison was made, for example, between the initial estimates, income and net requirements proposed for the biennium 1980-1981 and the corresponding figures for the biennium 1978-1979, the rates of increase would be 28.9 per cent, 32.8 per cent and 26.1 per cent respectively, or more than twice the Secretary-General's figures. A comparison with the corresponding figures for the biennium 1976-1977 showed the rates of increase in the initial estimates, income and net requirements to be greater than 50 per cent.

38. The methodology employed to calculate the real rate of increase was complicated and open to question. It was necessary to read the foreword quite carefully in order to cut through the welter of figures and concepts used to arrive at a rate of real growth of only 0.8 per cent. That calculation was, of course, based on the so-called "revalued base," which was markedly higher than the initial estimates for the biennium 1978-1979. As defined in paragraph 30, the revalued base was a technique for explaining the difference between a new budget and its predecessor, but his delegation wondered whether that technique did not reflect a desire, possibly unconscious, to obtain the lowest possible figure for so-called "real growth". It

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(Mr. Fernandez Maroto, Spain)

should also be recalled that in previous biennia the rate of real growth had far exceeded the initial calculation.

39. A provision of 71 500,000 had been included in the budget estimates to cover the effects of inflation in 1980-1981, and, according to paragraph 10 of the report, that amount represented 7 per cent of the total proposed increase in the budget. However, as indicated in paragraph 4, the total increase was 124 000,000; the provision for inflation represented, in fact, 51.7 per cent of the total increase. It should be noted, however, that the provision for inflation had not been included in the analysis of real growth contained in the table set out in paragraph 9 or in the individual sections of the budget. His Delegation was not convinced that the provision for inflation would not entail any real growth during the biennium. On the general issue of the effects of inflation on the budgets of the organizations of the United Nations system, his delegation had stated at the preceding session that it was futile to attempt to forecast inflation over a two-year period in a period of monetary instability and that the practice of making specific provisions for inflation in the budget seemed, in itself, to be inflationary.

40. If the new scale of assessments proposed by the Committee on Contributions was approved, Spain's rate of assessment would rise to 1.7 per cent, thus making Spain the tenth largest contributor to the budget. It was easy to understand, therefore, his delegation's concern over the marked increase in the proposed budget and the increasingly thorough scrutiny to which it subjected proposed new expenditure. Of the total cut of \$32.3 million recommended by the Advisory Committee, an amount of \$21 million related to the deletion of provisional estimates; the remaining \$11.3 million thus represented barely 1 per cent of the proposed gross expenditure. It should also be borne in mind that revised estimates would undoubtedly be submitted before the close of the session. Thus, there was ample cause for concern over the final budget figure. His delegation therefore fully supported all the reductions recommended by the Advisory Committee. It would give favourable consideration to the possibility of additional reductions which might be proposed, and would seek to control increases resulting from the submission of revised estimates.

41. His delegation fully endorsed the observations and recommendations of the Advisory Committee concerning the establishment of new posts, post reclassifications, the constant increase in the number of senior posts in the Secretariat and the problems relating to posts financed from extrabudgetary resources.

42. His delegation had voted at the resumed thirty-third session in favour of the revised estimates and financial implications of draft resolutions adopted by other Main Committees. In explaining its vote at that time, his delegation had indicated clearly its disquiet about the practice of making full provision for the effects of inflation, about the role of inertia in perpetuating and increasing expenditures, about the need to identify activities that were marginal, obsolete or ineffective, about reclassifications in the course of a biennium and, in general, about the excessive increase in the supplementary appropriations. There were signs in the

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(Mr. Fernandez Naroto, Spain)

proposed programme budget that the same reasons for disquiet still existed, and his delegation would use its vote at the current session to oppose all unjustified or excessive increases in expenditure.

43. Mr. DE BURGOS CABAL (Brazil) said that the welcome efforts of the Secretary-General to impose greater budgetary restraint should be accompanied by an improved allocation of resources in accordance with a clearly defined set of priorities. His delegation was aware of the difficulties the Secretary-General had encountered in pursuing that objective. The effects of world-wide inflation tended to absorb a growing part of the Organization's resources. In considering the possible expansion of activities, account had to be taken of the limited financial capacity of Member States, on the one hand, and the changing requirements of the Organization, on the other. The contributions of Member States were set on the basis of their national income and not on the basis of capital stock, although it would be more coherent and equitable to base assessments on the latter criterion. Consequently, the growing budget had placed a disproportionately heavy burden on the developing countries in recent years. It was particularly unjust that the developing countries should be made responsible for additional charges while disparities in the distribution of the world's riches continued to widen. Moreover, developing countries which had succeeded in expanding their economic activity should not be systematically penalized through the imposition of greater financial responsibilities for the Organization's budget.

44. Given its increased rate of assessment and the current budget estimates, Brazil's assessed contribution to the regular budget would represent a substantial financial burden, which when added to its contributions to peace-keeping operations and voluntary contributions, would be excessive for a developing country.

45. One of the main objectives of the United Nations was to promote conditions favourable to the economic and social development of third world countries. Accordingly, the programmes and activities of the Organization should be directed first and foremost toward meeting the needs of such countries. Restraints on budgetary growth should not be detrimental to activities benefiting the developing countries, and economies should be achieved through the redeployment of resources so as to avoid the need for substantial new appropriations during the biennium. His delegation was disturbed to note that the nominal increase in the budget would amount to 11 per cent, 9.6 per cent of which was due to the combined effects of inflation and exchange rate fluctuations. The developing countries were being doubly penalized by the effects of international inflation. First, by bearing the direct brunt of inflation imported from other countries through commercial transactions, and secondly, by being called upon to pay a larger share of the budgets of international organizations. The effects of inflation on the implementation of the budget should be counteracted by more imaginative measures than the mere requests for additional appropriations. The redeployment of resources and the critical, ongoing re-evaluation of programmes had an important role to play in that connexion.

46. It would be naive to accept at face value the assertion that the real increase in the initial estimates was 0.8 per cent. There was sufficient reason to believe

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(Mr. De Burygos Cabal, Brazil)

that both of the real and nominal increases were far in excess of the Secretary-General's calculations. While the initial estimate of real increase for the biennium 1978-1979 had been 2.2 per cent, the actual rate had been 5.1 per cent. In addition, experience showed that in the second year of a biennium, substantial additional appropriations were requested to ensure the continuation of ongoing programmes. The reassessment of inflation in both years of the biennium 1978-1979 had also resulted in budgetary growth.

47. The reductions recommended by the Advisory Committee represented less than 3 per cent of the total budget proposals submitted by the Secretary-General. There might be room for further reductions in the estimates. In that connexion, the identification of activities that were obsolete, inefficient or of marginal usefulness should release resources which could be used to offset the effects of inflation on the budget. Intergovernmental bodies should actively seek to identify such activities. Such efforts to control budgetary growth should not, however, adversely affect activities and programmes of interest to developing countries. Indeed, any new request for additional appropriations should be preceded by a complete examination of the possibilities of redeploying existing resources. His delegation therefore supported the conclusions of the Advisory Committee in paragraphs 27 and 28 of its report. It was essential to strengthen procedures for internal and external evaluations of programmes in order to ensure a more sound utilization of available resources and greater effectiveness in programme delivery.

48. In considering requests for additional staff, his delegation had borne in mind the fact that salaries and common staff costs accounted for 75.8 per cent of the budget. The practice of employing short-term staff to cover such situations as extended sick leave or maternity leave was not consistent with good administration or sound financial management. There was a need for greater discipline in the creation of posts financed from extrabudgetary resources, since in many instances requests were subsequently made to transfer such posts to the regular budget. In considering requests for appropriations relating to the recruitment, reclassification and transfer of staff, the Committee should keep in mind the Assembly's guidelines concerning the representation of developing countries in higher-level posts, the priority to be given to candidates from unrepresented or underrepresented countries, and the need to increase the proportion of young people and women in the Secretariat.

49. He fully endorsed the Advisory Committee's observations concerning the issuing of documents relating to the budget. Since the work of the Advisory Committee and CPC were complementary, it was essential to take steps to avoid a recurrence of the situation in which CPC, because of a regrettable delay in the issuing of documents, had been unable to submit its recommendations to the Advisory Committee in time for their consideration in conjunction with the budget proposals.

#### Arabic language services

50. Mr. LAHLOU (Morocco) observed that the Committee had already held 12 meetings but not a single summary record had yet been distributed in Arabic. For an explanation of the difficulties which existed with regard to Arabic language

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(r. Laloui, Morocco)

services, the Secretariat had referred him to a document submitted at the preceding session of the General Assembly, but he did not consider that to be an adequate response. The Secretariat itself admitted that the situation, instead of improving, had deteriorated further. Summary records were extremely important for the work of the Committee and it was unacceptable that delegations which used a particular working language should be placed at a disadvantage. He therefore asked what measures the Secretariat intended to take in the near future to remedy the intolerable situation which existed with regard to the distribution of summary records in Arabic.

51. The CHAIRMAN suggested that the representative of the Secretariat might reply to the representative of Morocco at the following meeting.

The meeting rose at 1.05 p.m.