
SUMMARY RECORD OF THE 14th MEETING

Chairman: Mr. PIRSON (Belgium)

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

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

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

Arabic language services in the United Nations

1. Mr. RUTLEDGE (Chief Editor), replying to the questions asked by the representative of Morocco at the preceding meeting, said that he regretted it if the previous attempts of the Secretariat to explain the situation with regard to Arabic language services had not been sufficiently clear. The Secretariat was aware of the existing difficulties: complaints such as those which had been made at the current session had also been heard at previous sessions. A report on Arabic language services would be submitted shortly and would provide the Committee with an opportunity to hold a comprehensive discussion of the question.
2. The number of posts in the Arabic Translation Service had been determined by the General Assembly in 1973. At that time, it had been decided that the strength of the Arabic Service should be sufficient to handle over the period of a full year the volume of work generated by the General Assembly and its Main Committees. The problem with that arrangement was that the workload relating to the Assembly was not spread evenly over the year, but rather was concentrated in a four-month period. A translation service established on the assumption that the workload would be spread over 12 months could obviously not cope with the same workload in a much shorter period. The Secretariat had therefore operated on the assumption that documents to be considered at meetings of the General Assembly should take precedence over the summary records of those meetings.
3. In 1976 the Arabic Translation Service at Headquarters had been strengthened following the decision to make Arabic a working language of UNCTAD. The additional staff had made it possible to handle the documentation for the General Assembly session when the volume of work relating to UNCTAD was light. In 1977 the General Assembly had decided to establish an Arabic Translation Section in the United Nations Office at Geneva. In order to establish the new Section on a firm footing, the more experienced and trained staff had been transferred, with the result that new staff had to be recruited and trained for New York. Document A/C.5/33/L.49, which had been brought to the attention of the representative of Morocco, contained a general indication of the additional staff needed to enable the Arabic Translation Service to process the summary records as well as the documents for the General Assembly.
4. The CHAIRMAN said that the matter raised by the representative of Morocco deserved serious consideration, and suggested that the Committee should examine it in detail as soon as the report on Arabic language services was available. He also suggested that the Advisory Committee should be requested to give priority to the question of Arabic language services so that it could be taken up by the Fifth Committee before the end of October.

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General debate (continued)

5. Mr. NSITA (Zaire) said that the programme budget contained a wealth of information which Member States had to assimilate if they were to understand what they were being called upon to finance. It was, therefore, essential for the relevant documentation to be made available to delegations in time for them to study it thoroughly. It was most regrettable that some documents were not yet available in all working languages, and it was to be hoped that a greater effort would be made in future to improve the situation.
6. The Secretary-General seemed to have honoured his commitment to keep real budgetary growth for the forthcoming biennium as close as possible to zero. It was understandable that the Secretary-General should 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 Secretariat had once again laid stress on the concept of programme budgeting, which implied that the assessment of financial requirements was inextricably linked to the appraisal of programmes and activities. In that connexion, his delegation agreed with the Secretary-General's view that no programme should be added to the budget unless the method of financing it was provided for and that no decision should be taken on appropriations until the effects it would have on the implementation of the programmes and activities of the Organization had been evaluated.
7. It was encouraging to note that the budget proposals included many cases of redeployment of resources, and that further steps were planned to strengthen and enlarge the programme monitoring system.
8. His delegation endorsed the conclusions of the Advisory Committee contained in its first report on the programme budget (A/34/7). It agreed with the Advisory Committee that it would be best to focus attention on the revised estimates and that, on the basis of past experience, a lower turnover deduction should be used for purposes of estimating requirements for common staff costs. The other reductions recommended by the Advisory Committee were also reasonable.
9. His delegation was perplexed by the statement made by the Chairman of the Advisory Committee that it had become difficult for that Committee to question the number of posts proposed for transfer to the regular budget, even though a detailed analysis might indicate that the functions to be transferred did not require all the posts proposed for transfer. It was also disturbed by the Advisory Committee's observations concerning the reclassification of posts.
10. As the Advisory Committee had noted, the existing procedure for establishing and grading extrabudgetary posts should be reviewed. The practice of upgrading posts by transferring them from the regular budget to extrabudgetary funds might give rise to difficulties, particularly when extrabudgetary resources subsequently decreased. It was to be hoped that the matter would be given thorough consideration by the Advisory Committee in its future work.

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(Mr. Msita, Zaire)

11. The success of economy measures depended not only on the Secretariat but also on Member States, which should help to improve the methodology for preparing and implementing the budget. In preparing the budget proposals, the Secretary-General must be guided by the resolutions of the General Assembly. It should not be forgotten that any increase in the budget represented an additional burden on Member States. It was essential, therefore, that the financial austerity and economy which Member States had to observe should be duly reflected in the Organization's financial policies.

12. Mr. GOSS (Australia) said that his delegation endorsed virtually all the comments and recommendations made by ACABQ, and fully endorsed the Advisory Committee's call for the more timely distribution of documents. It noted that the great majority of the "cuts" in the proposed programme budget recommended by ACABQ were illusory; the only real ones were a reduction by 33 of the 255 new posts requested by the Secretary-General.

13. It must be recalled that the programme budget represented only a part of the resources to be made available to the United Nations. Extrabudgetary resources supplemented regular budget resources by 25 per cent, and the cost of peace-keeping operations was likely to amount to between one quarter and one third of the resources requested for the programme budget.

14. The Secretary-General was to be commended and applauded for his efforts to produce a budget which showed more restraint than any produced in the last eight years. The example set by the Secretary-General should be noted, taken to heart and followed by all those in the Secretariat.

15. He fully concurred with the Secretary-General's introductory statement on the unfavourable economic conditions in the world, which had focused critical attention on the growing rate of spending in the public sector. Like all other countries, Australia had experienced unfavourable economic conditions, and its Government had taken vigorous measures to address those problems. One such measure, and a central part of Australian economic policy, was restraint in public expenditure. The size of the Australian Public Service had been reduced by 7 per cent in the past four years, while the size of the Foreign Service had been reduced by 20 per cent. Nevertheless, taxation had had to be increased. If, despite possible adverse political consequences, the Governments of major contributors felt obliged to take stringent economic measures, it was incumbent on the United Nations and the specialized agencies to exercise similar restraint.

16. Actual United Nations expenditure had risen from \$360 million in 1970-1971 to \$1 billion in 1978-1979, with a projected expenditure for 1980-1981 of \$1.2 billion. Australia's expenditure for the whole United Nations system in 1980 would probably be over \$25 million - a sum equivalent to 25 per cent of the amount allocated in 1979 to run the Australian Department of Foreign Affairs. The increase in Australia's assessment between 1979 and 1980 alone would be more than enough to restore cuts made in the Foreign Service four years previously for reasons of economy. The rise in United Nations expenditure, moreover, had proceeded far faster than increases in Australia's public expenditure.

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(Mr. Goss, Australia)

17. Any attempt to isolate the United Nations from the economic conditions of the major contributors would be irresponsible in the short-term and disastrous in the long-term. The Secretary-General had recognized that reality, and his moves to ensure that the growth of resources remained as close as possible to zero were commendable. At the same time, account must be taken of a second reality, namely, the pressing needs of the developing countries and their wish to have the United Nations assist them in meeting those needs.

18. The key to the reconciliation of the two realities lay in greater efficiency within the Secretariat, greater focus on what needed to be done, and greater emphasis on identifying and terminating obsolete activities and those of marginal usefulness. In the previous decade the United Nations had grown at a very fast rate, and fast growth led to inefficiencies. A period of consolidation was thus necessary. The United Nations must look at ways in which it could increase its output and evaluate its performance. It was particularly necessary to find ways in which discipline, incentives for efficiency and rational planning could be built into the system. Current methods and systems made a request for more resources not only the first but also the only reaction of the Secretariat to any proposed new activity. Within Governments, however, it was customary not to provide the full amount needed for a new project, but to expect the department or agency to find some spare resources. His delegation would thus look closely at all financial implications submitted to the Committee, and would expect the Secretariat to indicate why it could not meet them from existing resources.

19. In such areas as travel, the Secretariat must use zero-base budgeting. To contain staff growth, it should consider imposing an automatic cut in the staff of each Secretariat unit, which would have to justify the staff it needed to undertake its essential work. Such a proposal would give teeth to the opinion of ACABQ (A/34/7, paras. 27 and 28) that available resources should be better managed, and staff should be transferred not only within, but also between budget sections. Future focus must be on measures to improve staff utilization, rather than on ways to obtain more resources. The energies which were devoted to seeking additional resources or to minimizing, for presentation purposes, the real growth that had occurred, could be much better devoted to improving the efficiency with which the United Nations operated and delivered services under each programme.

20. He commended the Secretariat on its attempts in document A/34/6/Add.1 to explain, clearly and simply, the complex and baffling methodology used in preparing the budget. Although some of the suggestions he had made at the previous session had been adopted, at least in part, the way in which non-recurrent expenditure was handled remained defective. "Non-recurrent expenditure" required real resources to meet it and did, in fact, recur every year. The identification of major conferences as non-recurrent was a good step, but it would be better to identify non-recurrent items in the section connected with the maintenance base so that net growth in non-recurrent items was regarded as growth and net decline was subtracted from growth. He hoped the Advisory Committee would find some means of taking non-recurrent expenditure more satisfactorily into account.

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(Mr. Goss, Australia)

21. He remained suspicious of the way in which average price levels were worked out in the revaluation of the 1978-1979 resource base. The current method of calculating inflation was accurate only if the resource base was worked out accurately; if price levels were exaggerated, then the allowance for inflation would compound that exaggeration. The Australian Government did not in general permit its agencies to provide for future inflation in budget estimates; it allowed increases in resources at half the inflation rate of the year as a whole in respect of past expenditure.

22. The methodology of the budget resembled a bikini bathing suit, in that it made the subject appear alluring while concealing many essential parts. He did not dispute the recommendation by the Advisory Committee that the methodology should be left as it was, but he did wish to note that its complexity helped to mask various items of growth which magically emerged in the final reckoning.

23. He did not believe that the real rate of growth projected in the proposed programme budget was 0.8 per cent: the Advisory Committee had identified an amount of \$3 million which had been added to the resource base (A/34/7, paras. 29.12 and 29.15), which alone put the real growth rate at 1.1 per cent, and similar cases could doubtless be found in other areas.

24. Three quarters of United Nations expenditure could be directly ascribed to staff costs, and the bulk of the remainder was for staff facilities. The Secretary-General's budget proposals would lead to an increase in staff of some 222, or 2 per cent of the existing staff. He believed, therefore, that the real growth rate could be accepted as being 2 per cent. His figures could not be contested on the grounds that some of the new staff had been transferred from temporary positions unless the number of temporary staff were decreased by the amount by which permanent staff increased.

25. The budget expenditure currently proposed was 23 per cent higher than the amount proposed in the current budget, and 11 per cent more than had actually been spent in the biennium 1978-1979, before anything more was added. Inflation and currency fluctuations explained only part of that growth. Over the past decade staff had increased by over 40 per cent, a figure which represented real growth of over 3 per cent per year. The probable 2 per cent rate of increase for 1980-1981 was still high by comparison with growth in the bureaucracies of almost every Member State.

26. Whereas until 1973 actual expenditure had remained fairly close to that proposed in the budget, since that time it had increased substantially over the initial proposals. His delegation therefore believed that the policy of restraint must be more stringently applied so that real growth remained as close to zero as possible. It would consider its position in the light of developments when the time came to approve the budget.

The meeting rose at 11.40 a.m.