

SUMMARY RECORD OF THE 18th MEETING

Chairman: Mr. PIRSON (Belgium)

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)

General debate (continued)

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The meeting was called to order at 10.30 a.m.

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

General debate (continued)

1. Mr. MINCHEV (Bulgaria) said that, in the consideration of administrative and budgetary questions, his delegation had always proceeded from its position of principle of support for the Organization and active participation in its task of strengthening world peace and security, furthering relaxation of international tension, finally eliminating colonialism and apartheid, and ensuring social progress and fruitful economic relations. The resources at the disposal of the Organization should be spent rationally and economically by giving top priority to those tasks.

2. Its study of the various documents under consideration gave his delegation grounds for satisfaction at the efforts made by the Secretary-General and his staff to contain the galloping growth of the budget and to plan United Nations expenditure more rationally. The average growth rate over the three previous biennia had been estimated at 19.4 per cent, but actual growth had been 35.1 per cent. Likewise, the figure of 11.3 per cent shown for the biennium 1980-1981, although significantly lower, did not reflect the real increase, because it was not estimates but final expenditure that had to be taken into account. In any event, that growth rate exceeded by several times the real growth rate of the national income of Member States, which were thereby unable to increase the resources they channelled to the United Nations by the same rate. Therein lay the main reason for the recent financial difficulties experienced by the Organization.

3. In his delegation's view the increase of national income should be the main criterion in defining the rate of increase of the United Nations budget, especially since 80 per cent of the current increase would be used to cover expenses generated by inflation and currency fluctuations, for which the overwhelming majority of Member States bore no responsibility at all. Such costs should be met by a reallocation of existing resources, through strict financial discipline, and through voluntary contributions from the developed countries which played host to offices of the United Nations Secretariat. His country would not, therefore, support the proposal to meet those costs from the regular budget.

4. A number of countries were wrongly under the impression that high rates of growth in the budget could be beneficial for development activities. There were no real grounds for that view, because it was well known that nearly 80 per cent of the budget was spent on administrative staff costs. Increases in the number of staff or in their salaries could not be in the real interests of Member States and, for that reason, his delegation was puzzled by the proposal to create new posts, without taking into account existing over-staffing and the sizable funds spent on temporary staff, consultants and experts. In that connexion, it would not support the proposal to transfer to the regular budget posts which had previously been

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(Mr. Minchev, Bulgaria)

financed from extrabudgetary resources and therefore believed that the proposal on the need for additional procedures contained in chapter I, paragraph 59, of the Advisory Committee's first report (A/34/7) was timely.

5. His delegation was sorry to see that, despite the recommendations of the General Assembly, the Secretary-General had not submitted any comments on obsolete, completed or ineffective programmes. That meant that delegations were not in a position to analyse and define what new types of activity could be undertaken with resources released from such programmes.

6. His country objected to the continued practice of including estimates in the proposed programme budget for interest payments on the United Nations Bond Issue and repayment of principal, and would not help to cover such expenses, since it bore no responsibility for the illegal operations which had been carried out in the Congo and the Middle East in violation of the Charter.

7. His country's position that the technical assistance programme should be excluded from the regular budget was well known and, on the basis of its conviction that such activity should be financed on a voluntary basis, it would, as in the past, make its voluntary contribution for technical assistance in national currency.

8. He could not but refer to the fact that the Secretary-General had once again failed to observe the relevant decisions of the General Assembly concerning the timely submission of the proposed programme budget. The resulting delay in the issue of the Advisory Committee's first report had inconvenienced Member States, especially those which used languages other than English. His delegation therefore supported the appeal by the Advisory Committee that all necessary steps should be taken to ensure that in the future the proposed programme budget for the biennium was submitted to it much earlier than had been the case in 1979.

9. He clarified that his delegation's critical remarks with respect to the proposed programme budget had been dictated solely by its desire to help improve the functioning of the United Nations and to strengthen its authority and prestige.

10. Mr. SHUSTOV (Union of Soviet Social Republics) said that the position of his delegation on the administrative and budgetary aspects of United Nations activities had always been guided by its position of principle of supporting the Organization through active participation and constant concern for its increased effectiveness as an important instrument in the maintenance of peace and security. That would remain the main yardstick in judging its activities, as had been stated by the Foreign Minister of his country at a plenary meeting of the General Assembly (A/34/PV.7, p.46). Guided by its desire to strengthen peace and international security, his country had submitted for the consideration of Member States at the current session an item on the inadmissibility of a policy of hegemonism in international relations, a policy by which some States sought to dominate other countries and peoples, thereby impeding the process of détente. In examining budgetary questions, his delegation emphasized the need for rational and economical utilization of funds for the achievement of the principal objective enshrined in the Charter. As one of the major contributors to the budget, it could not agree to

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(Mr. Shustov, USSR)

its own contribution, or those of other Member States, being spent to pursue aims other than those for which the Organization had been founded, much less for activities which ran counter to the provisions of the Charter. It firmly maintained that the financial activities of the Organization should proceed from the need to develop and strengthen the process of détente.

11. It was a matter of increasing concern to most Member States that the Organization's budget grew much more rapidly than their national incomes, and they had demonstrated in unequivocal terms, by not voting in support of the revised appropriations for the biennium 1978-1979, that they would not acquiesce in a rate of growth which had reached the inadmissible level of nearly 40 per cent. In those circumstances, the Secretary-General had given assurances that the growth rate of the budget for the biennium 1980-1981 would be kept as close to zero as possible. His delegation noted with great satisfaction full understanding on the part of the Secretary-General at the preoccupations of a large number of States in respect of the Organization's financial policies (A/C.5/34/12), and agreed that there had been some attempt, if unsatisfactory, to contain growth.

12. The proposed rate of real growth for the forthcoming biennium was estimated at 0.8 per cent; that figure not only was doubtful, but also gave rise to very serious objections because the methodology used in calculating the real growth of expenditure was confusing and artificial and bordered on a deliberate understatement. In the first place, it unjustifiably used as a basis of comparison the volume of activities undertaken during the current biennium, revalued at revised 1979 rates. Secondly, it failed to take account of so-called non-recurrent expenditure. His delegation considered that such an approach was not only wrong, but unconvincing. The only justifiable basis for calculating the rate of real growth should be the previous budget approved by the General Assembly. Furthermore, account should be taken of actual additional expenditure, including non-recurrent expenditure. On that basis, the real rate of growth for the biennium 1980-1981 was not 0.8 per cent, as claimed by the Secretary-General, but 4.1 per cent, which was far from the target set by the Secretary-General. Actual growth in the proposed budget for the biennium 1980-1981 amounted to \$228.3 million, representing more than 23 per cent. His Government could not agree to such an increase in expenditure and to the corresponding increase in its assessed contribution.

13. The substantial rate of increase was due to a number of factors, the elimination of which had long been requested by Member States. Once again the proposed programme budget did not provide the information repeatedly requested by the General Assembly, most recently in its resolution 33/204, on resources released as a result of the completion or reduction of programmes. As in the past, the proposed programme budget had been prepared without adequate analysis of all the existing programme, and without critical assessment of their relevance, effectiveness or usefulness. The limited information submitted in document A/C.5/34/4 could not satisfy Member States, and it was regrettable that no information had been provided on resources released from seven out of the 17 main programmes in the economic,

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social and humanitarian sectors. Moreover, resources released from the remaining 10 main programmes in those sectors, amounting to 2,967 Professional work/months, had been arbitrarily redeployed by the Secretary-General without any attempt to justify the decision and without consultation with the intergovernmental bodies. It was therefore impossible for Member States to assess which new activities could be financed from resources released or to be released in the next biennium and to make a responsible judgement as to the justification for the proposed new expenditure. His delegation insisted that urgent measures should be taken by the Secretary-General fully to comply with the provisions of the relevant General Assembly resolutions and to submit the necessary information while the proposed programme budget was still before the Committee for consideration.

14. The Committee would recall that, upon approving the recommendations contained in the report of the Committee for Programme and Co-ordination (A/32/38), the General Assembly had requested the Secretary-General in preparing the proposed programme budget for 1980-1981 to identify both high-priority activities accounting for approximately 10 per cent of allocated programme resources and activities with the lowest priority accounting for 10 per cent of such resources. Failure to implement the directive of the General Assembly meant that it was impossible for Member States to determine whether existing priorities were justified and, if necessary, to re-evaluate them by a corresponding redeployment of resources.

15. Not only had the Secretary-General included in the proposed programme budget practically all current activities by he had also, on his own initiative, requested appropriations for programme expansion in violation of rules 153 and 154 of the rules of procedure of the General Assembly. Such an approach was not in accord with the Advisory Committee's opinion that the expansion of programmes should follow rather than precede decisions of legislative bodies. The systematic violation of those clear and unequivocal directives should be stopped.

16. The proposal to establish 245 additional posts seemed incomprehensible and unjustified in view of the inflated staff resources of the Secretariat and the substantial funds for temporary assistance, experts and consultants. As a matter of principle, his delegation did not agree with the Secretariat's policy of systematic expansion of the staff. Established post requirements should be determined in accordance with the real and substantiated needs of high-priority activities and on the basis of released resources, not on an arbitrary, automatic annual increase of staff. The current 11,000 or so established posts consumed about 80 per cent of budgetary resources, but it was an open secret that, in many instances, the Secretariat staff were underworked and, in far too many cases, inefficient. A significant cutback was possible without doing any harm to the implementation of the Organization's major programmes, and it should be a major concern of the management of the Secretariat to achieve higher efficiency through better organization of work, improved management, more demanding administrative practices, and greater responsibility. In that connexion, his delegation was reintroducing a proposal to request the Joint Inspection Unit to examine the utilization of the Secretariat staff. After all, in military terms, 11,000 amounted to almost a division.

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(Mr. Shustov, USSR)

17. Once again, a substantial amount had been included in the proposed programme budget to compensate for assumed rates of inflation for 1980 and 1981, thus placing the burden of additional expenditure on all Member States. In recent years the deepening of the monetary crisis in capitalist countries had led to further inflation, which had become one of the main reasons for the growth in the Organization's budget. The Secretary-General had consistently and wrongly tended to compensate for inflation and currency instability through assessments on all Member States, including those who bore no responsibility for those phenomena. That was not in accordance with resolutions of the General Assembly, such as resolution 3360 (XXIX). A large group of States had repeatedly proposed that expenditure due to inflation should be compensated for by means of economies, budgetary readjustments or by contributions, including voluntary contributions, from those developed States in which Secretariat units were located. It would be fully justified to expect that the Western capitalist countries which had the privilege of accommodating such units should assume a special responsibility for the adverse effects of inflation and currency instability. His delegation therefore, supported the draft resolution on that subject (A/C.5/33/L.35) submitted by Cuba at the thirty-third session. The Secretary-General should report annually to the General Assembly on steps to develop and implement measures to counter the effects of inflation on the United Nations budget, including strict economy measures.

18. He noted with grave concern the continued unacceptable practice of transferring to the regular budget posts previously financed from extrabudgetary resources. Fourteen such transfers were being requested in the proposed programme budget, and he could not but wonder at the inconsistent attitude of the Advisory Committee in deciding to support those proposals after having vigorously opposed that practice in the past. The transfer of such posts to the regular budget was not in accord with the objectives of effective personnel management and contributed to excessive growth in the budget, thus increasing the financial burden imposed on Member States. His country had withheld its contributions to the regular budget in an amount representing its share of financing the 45 extrabudgetary posts transferred to the regular budget two years previously, and it did not intend to participate in the financing of extrabudgetary posts transferred to the regular budget subsequent to 1 January 1978.

19. The proposed upward reclassification of posts was unjustified because it was used as a way of promoting staff members without actually increasing their responsibilities or work-load.

20. The proposed programme budget should fully reflect the cost of all services, including the use of United Nations conference services and premises by other organizations, including those financed from voluntary funds. They should make full reimbursement for such services so that the regular budget was not used to finance activities of other organizations of the United Nations system. The United Nations Development Programme (UNDP) should also provide full reimbursement, reflecting the actual cost to the United Nations, of overhead expenses incurred by the United Nations and other organizations in the system in executing UNDP-financed projects.

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(Mr. Shustov, USSR)

21. It was regrettable that the proposed programme budget for 1980-1981 contained appropriations for activities initiated and implemented in violation of the Charter, in particular amounts relating to the United Nations bond issue. His country, which had vigorously opposed the illegal operations carried out in violation of the Charter in the Congo and the Middle East, bore no responsibility for them, and would have no part in financing any expenses resulting therefrom. The countries which had imposed those operations on the Organization should bear full responsibility for their financial consequences, and his Government would again refuse to contribute to expenses unlawfully incurred. It also reaffirmed its position with regard to the financing of technical assistance. In the meaning of Article 17 of the Charter, the United Nations budget could not be used to finance technical assistance programmes, which, like UNDP activities, should be financed solely by voluntary contributions. In accordance with past practice, therefore, it would provide its share of the funds for technical assistance as a voluntary contribution in national currency.

22. Member States and the Secretary-General should be equally active in putting an end to the unjustifiably high growth rate of the budget. It would be a step towards solving that problem if the scope of programme activities reflected the amount of funds which Member States were able and willing to contribute to their implementation. A strict order of programme priorities should be established, including alternative methods of implementation, and care should be taken to ensure co-ordination and to avoid overlapping. All new United Nations activities in the socio-economic field should be financed from resources released as a result of the completion, reduction, reorganization or other modifications of programmes, and of higher productivity and better management techniques in the Secretariat. His delegation would oppose approval of any new programmes if internal resources were not found to finance them. Meetings of new bodies and conferences should be financed from funds released as a result of the establishment of priorities, a reduction in the number of existing bodies, the shortening of sessions, the more rational and economical organization of meetings and lower documentation costs. Large savings could be achieved by a further pruning of funds requested for special studies, services of experts and consultants, overtime, travel and communications, purchase and lease of equipment, and construction and repair of premises.

23. To stabilize the budget there was a need to establish a ceiling on the annual growth rate, the level of which should be determined by agreement between Member States, taking due account of the positions of the major contributors to the budget. His delegation was of the view that the total expenditure for activities under the proposed programme budget for the biennium 1980-1981 should be kept within the limits set for the current biennium, on the understanding that new activities approved by the General Assembly should, to the maximum extent possible, be financed from funds released as a result of the completion or reduction of some programmes, the establishment of priorities, elimination of duplication, increased staff productivity and higher efficiency and economy in all activities.

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24. Mr. BOUAYAD-AGHA (Algeria) said that the proposed programme budget showed that the Secretary-General had had scruples over the adverse conditions prevailing in the world, no more and no less. The Secretariat had presented old wine in new bottles in an attempt to convince the General Assembly that financial austerity was the panacea for the Organization's problems. But the Secretariat had been more responsive to the criticisms of a number of major contributors than to inflationary pressures and the generally unsettled conditions of the world economy. The Secretariat's action was all the more regrettable since the General Assembly had not requested it to keep the rate of real budgetary growth to zero. His delegation did not understand why the Secretariat had felt obliged to present an austerity budget, especially since it might cause serious disruption to the functioning of the Organization or delays in the implementation of programmes, many of which were of vital interest to developing countries.

25. The impact of inflation on the budget was a matter for concern to his delegation. The forecasts of inflation in New York and Geneva seemed inadequate in the light of past experience, and it would have been preferable to calculate those notes more realistically.

26. Many delegations had expressed their disapproval of the high percentage of the budget allocated to staff costs. That was not a new problem, and it was often forgotten that a large share of salaries and common staff costs went to pay the multitude of staff members from developed countries. It was not surprising, therefore, that some major contributors had little to say about the upward spiral of salaries and benefits paid to staff members in New York and Geneva.

27. Mr. KHILOMA (Malawi) expressed the hope that the problem of the late issue of documentation, to which many delegations had referred, would soon be solved.

28. The Secretary-General had indicated in the foreword to the budget that net growth in the budget would be 11 per cent and real growth 0.8 per cent. He asked whether those calculations had been based on the initial budget estimates for the preceding biennium or on actual expenditure.

29. Expenditure on staff and conferences should be subjected to a rigorous scrutiny, while serious attention should be paid to the size and number of United Nations organs and units, with a view to streamlining, reducing or abolishing them, and, where necessary, transferring functions. More should be done to recruit local personnel as experts and consultants in field projects. The adoption of such measures would help to reduce expenditure without impairing the delivery of programmes.

30. His delegation had been encouraged by the opening address by the Secretary-General, in which he had appealed to Member States to become actively involved in the comprehensive screening of programmes with a view to eliminating those which were obsolete, ineffective or of marginal usefulness. It had been equally encouraged by the opening address by the Chairman of the Advisory Committee, in which he had outlined that Committee's recommendation for reductions in the programme budget in the amount of \$32 million. He was convinced that both

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(Mr. Kholoma, Malawi)

statements reflected an awareness and realization of the urgent need to reduce the budgetary expenditure of the Organization.

31. The suggestions he had put forward were aimed at making a positive contribution to the efforts to reduce the financial burden on Member States, especially developing countries.

32. Ms. SISON (Philippines) observed that, with each biennium, the expenditure of the Organization increased, notwithstanding the stringent economy measures undertaken in accordance with the desire of the General Assembly. In that connexion, her delegation shared the concern expressed by the Chairman of the Advisory Committee and other delegations over the late submission of documents, which deprived the competent bodies of the opportunity to review and evaluate programmes and scrutinize the justification for proposed appropriations.

33. There was an immediate need to speed up the working procedures of the Secretariat if it was to cope with the increasing work-load resulting from the growth of programmes. While recognizing that the Secretariat was pressed for time, even in off-budget years, her delegation believed that the work programme could be arranged in such a way as to ensure the timely preparation of the substantive parts of the programme budget.

34. The presentation of the proposed programme budget was acceptable to her delegation, although it hoped that the refinements described in paragraph 28 of the foreward could be explained further by the Secretariat, particularly the concept of non-recurring activities as applied to the calculation of both the revalued base and the rate of real growth. Since only "significant" items had been taken into account, there were apparently other items which might affect the level of non-recurring activities.

35. She welcomed the Secretary-General's restraint in restricting the rate of real growth to 0.8 per cent, and noted that he had been guided by the views expressed in the debate on the 1978-1979 programme budget. The nominal increase in the budget of 11 per cent was attributed by the Secretary-General primarily to inflation and currency fluctuations. It was necessary to recognize that inflation would continue to be a factor and that the declining value of the United States dollar might create difficulties at duty stations where the local currency was strong in relation to the dollar. In that connexion, she noted that 27.9 per cent of the proposed appropriations for 1980-1981 related to expenditure at the Geneva Office. She asked whether that percentage would remain the same after providing for additional exchange differentials owing to the falling value of the United States dollar. In the view of her delegation, the over-all Geneva requirement should not be isolated from additional appropriations requested to cover currency fluctuations.

36. Her delegation shared the Advisory Committee's concern over the procedure of reclassifying posts, which circumvented the normal promotion process. As suggested

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(Ms. Sison, Philippines)

by the Advisory Committee, further consultations should be held with ICSC on the best way to deal with the problem, which would continue to plague the Organization unless appropriate guidelines were established. It would be recalled that during the consideration of previous budget proposals on the reclassification of posts the Advisory Committee had wanted to have the views of ICSC before the General Assembly took a decision on individual cases. With the adoption of resolution 33/143, it was to be hoped that the reclassification of posts from the General Service to the Professional category had been regulated.

37. Financial discipline should be strictly followed in every sphere of United Nations activity. An example of an area in which greater discipline was needed was the travel of staff, experts and consultants engaged in programmes for which the Organization was an executing agency. In the view of her delegation, such travel should be limited only to activities requiring the physical presence of the staff member. Whenever information requested by a Government could be furnished to its permanent mission, there should be no need for a special mission to the country concerned.

38. The Secretary-General should report each year on the extent of savings effected in each programme and, at the same time, should indicate what he planned to do the following year to ensure further economy. The political realities to which the representative of Australia had referred had been manifested in voting patterns in the Fifth Committee, and it was high time that those warnings were heeded in order to guarantee the collective financial responsibility imposed on Member States by the Charter. In order to avoid wastage of available resources, the Secretary-General should, in accordance with General Assembly resolution 3534 (XXX), eliminate from the budget programmes which he considered to be obsolete, ineffective and of marginal usefulness. The termination of such programmes would provide greater flexibility to the Assembly in considering new programmes which were more responsive to the needs of the world community.

39. Mrs. DORSET (Trinidad and Tobago) observed that the Secretary-General had stated in his report on the work of the Organization that, like all political institutions in an age of change, the United Nations had to face the problem of manageability and suitability of its organization and procedures for confronting effectively the problems of the times. It was in that context that the Fifth Committee should consider the budget proposals before it.

40. Her delegation recognized the austerity of the budget proposals and agreed that there was a need for financial restraint and maximum economy. It was a delicate task to strike a balance between the growing and changing needs of a large number of Member States, on the one hand, and the concerns expressed by major contributors over the increasing level of budgetary appropriations, on the other. In that connexion, she requested further information on the manner in which the figure of 0.8 per cent for real growth had been calculated. Neither CPC nor the Fifth Committee had agreed on any fixed percentage of real growth in the budget, and neither had had an opportunity to examine the programme elements in the proposed programme budget. The Secretary-General's proposals were more in the nature of a budget in the traditional sense than of a true programme budget. Her delegation

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(Mrs. Dorset, Trinidad and  
Tobago)

feared that the order of steps in the programme budgeting exercise had been inverted and that emphasis had been shifted from an identification of activities to be financed to an a priori determination of the over-all cost of each programme. If that had been the case, priorities might presumably have been determined by programme managers on subjective or selective grounds, and programme elements might have been reduced, increased or eliminated without full consideration. Indeed, there was evidence throughout the budget to support that presumption. Her delegation was not satisfied therefore that the preparation of the programme budget had been carried out in a balanced manner.

41. There was a need for balanced programme monitoring and evaluation machinery so that the technical, administrative and political aspects of programmes could be realistically assessed. Her delegation agreed with the Secretary-General that the programme monitoring system should be strengthened and enlarged and that there should be a correlation between budgetary appropriations and programme performance. The Secretary-General and Member States had a role to play in that respect. Her delegation would be consulting with other delegations in an effort to identify the most appropriate mechanism for programme monitoring.

42. She noted with regret that the lowest priority had been assigned to programme element 1.2 (Women's integration in the context of the subtheme for the 1980 World Conference, with special emphasis on agriculture and industry) of the programme on social development and humanitarian affairs (Vienna) (A/34/6, vol. I, sect. 6, para. 6.46). Bearing in mind the aims and objectives of the Decade for Women, and the importance of agriculture and industrialization to developing countries, her delegation failed to understand why the programme element had been rated "lowest priority" and would be most unhappy if it were terminated.

43. Of the reductions recommended by the Advisory Committee, totalling \$32.3 million, only \$6.6 million represented real reductions, affecting mainly utilities, rental of equipment, communications, major maintenance and estimates of staff assessment. Her delegation noted with appreciation the care with which the Advisory Committee seemed to have approached its examination of the budget, as evidenced by the distribution of the deductions it had recommended.

44. At the thirty-first session, her delegation had questioned the practice of reclassification, but had stopped short of proposing its elimination, since it recognized the delicate problems involved. Her delegation had observed at that time that, whereas reclassification should serve largely the function of additional promotion in an organization that was unlike most national Governments, in practice it tended to be selective and based on unclear criteria. It had been hoped that the establishment of a classification unit would lead to a standardization of job descriptions and functions and reduce the need to resort to reclassifications. The Classification Section had, however, given very little evidence of increased objectivity in reclassification and had followed earlier practices, albeit in a more institutionalized way. Her delegation therefore supported the suggestion of the Chairman of the Advisory Committee that that Committee should hold further consultations with the United Nations Secretariat, the agencies of the United Nations system and ICSC on the best procedure for handling the problem and report back to the General Assembly.

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(Mrs. Dorset, Trinidad and Tobago)

45. She noted with satisfaction the Advisory Committee's intention to discuss with officials of the Secretariat the use of extrabudgetary resources, including posts financed from such resources. If extrabudgetary posts were to serve the interests of the Organization, the criteria for grading such posts and determining their functions and numbers should be consistent with those used for regular budget posts in order to facilitate evaluation and monitoring by legislative bodies. Her delegation looked forward to the results of the Advisory Committee's work in that area. On the question of the transfer of extrabudgetary posts to the regular budget, her delegation believed that it would be advisable to ask programme-formulating intergovernmental organs to place more emphasis on specifying the functions to be transferred.

46. With reference to paragraph 28 of the Advisory Committee's first report, she said that the pace of reorganization and redeployment of staff resources must be carefully measured if wastage was to be avoided.

47. Her delegation was satisfied with the improvements in the format and methodology of the proposed programme budget, which had facilitated comprehension of the material. While the budgetary concepts used were clear, refinements were needed in the recosting of existing resources.

48. Three tenets were essential for the preparation of future budgets. First there were two realities that had to be accommodated, namely the concern of Member States over budgetary increases and the need of the majority of Member States for relevant and effective development programmes. Second, those two realities could not be fully accommodated by setting a predetermined level of resources within which programmes had to be contained. Third, the interrelationship between budgetary appropriations and programme performance required the establishment of a proper mechanism of programme monitoring and evaluation, involving the Secretary-General through the various programme managers, the related programme bodies and Member States. A near-zero growth rate might meet the concerns of certain Member States but, unless it was based on a balanced evaluation of programmes, further growth might result through the submission of revised estimates.

49. Turning to the question of documentation, she noted that great emphasis had been placed on the late issuing of documents, while little had been said about the problem of wastage resulting from excessive documentation and documents that were for the most part mere repetitions of previous material. It was high time to consider that problem. The production of numerous and lengthy tomes not only had a direct bearing on the late issuing of documents in all languages but placed a considerable strain on the budget. She wished to know, for example, how many copies of documents were issued in excess of actual requirements, and what happened to the excess. Her delegation felt sure that the length of conference documents could be reduced through a more professional approach to their preparation, thereby improving staff morale, facilitating the production of documents in all languages and achieving considerable savings.

50. Mr. SADDLER (United States of America) expressed his delegation's regrets that the comments of the Committee for Programme and Co-ordination were not available to assist Member States in assessing the contents and validity of United Nations programmes. The report of CPC was not available because, in what he considered a deliberate effort to thwart the functioning of that important intergovernmental body, the proposed programme budget for 1980-1981 had not been made available to

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(Mr. Saddler, United States)

Member States on time and in all languages, as required by the rules of procedure. The Advisory Committee had thus been denied access to the observations of CPC as an adjunct to its detailed budget review. His delegation would be consulting with others in order to propose steps designed to eliminate, once and for all, the recurrence of such difficulties. The General Assembly might perhaps decide to instruct the officials responsible for preparing future programme budgets to limit the budgets of those programme managers who were unable to adhere to the schedules for submitting proposals to their present levels of resources minus 10 per cent. Not only would such action generate an appreciation of the need to submit budget estimates on time, but it might also force the voluntary elimination of marginal, ineffective and obsolete activities.

51. In order to avoid a further deterioration of public support and the loss of the Organization's important goodwill in the unfavourable world economic conditions referred to by the Secretary-General in his introductory comments (A/C.5/34/12), the United States had urged that a budgetary policy of zero net programme growth should be followed. That was not to say that Member States could not launch new activities or pursue new initiatives; the time had come for the United Nations to carry out more activities with the same or reduced levels of resources. The United Nations must be realistic in its budgetary policy. It must deal with issues and activities of concern to Member States, but it must also manage its resources better. It must enhance its planning capability, improve its evaluation practices, and eliminate obsolete, ineffective and marginal activities. Unless financial and budgetary restraint was practised by the Secretariat, and also by Member States, the future success of the Organization would suffer, since the resources needed would not be forthcoming.

52. A good place to start restoring confidence in the Organization would be with the financial implications and revised estimates currently under preparation or to be prepared as new resolutions were adopted by the General Assembly at the current session. Financial constraint, budgetary prudence and sensible management should be applied, and every effort must be made to carry out a real redeployment of resources instead of "redemption" by changing a name or by cosmetic surgery. A careful examination of the existing establishment, available talent and present staff would reveal an enormous reservoir of unused talent and latent expertise. Some staff members were seeking more useful, relevant, beneficial, exciting and demanding assignments. The existing and available resources should be used to better advantage before more were requested. It seemed somewhat out of context for programme managers to be lobbying for one or two additional posts when they had 11,000 staff members available.

53. The problem of growing documentation and the strain it placed on the Secretariat was described in document A/34/1, section IX. The Committee could do a little to help by abandoning completely the practice of including summaries of discussions in its reports, as the Chairman of ACABQ had suggested (A/C.5/34/13). His delegation shared the views of the representative of Trinidad and Tobago that too much documentation, often of very low quality, was prepared. It believed that the Secretariat could play an important role not only by improving its

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(Mr. Saddler, United States)

contribution but also by advising Member States that non-essential requests need not be met; in such matters, it could demonstrate a stronger will than it had done in the past. In the same context, Member States must exercise restraint in asking for new documents, creating new apparatus and encouraging the further proliferation of bodies and activities.

54. Every time a new post was created, ancillary facilities and resources were required. It seemed that staff were transferred from a location because of insufficient accommodation, but before they could leave, new posts were requested for the same location, thereby simply filling in the overcrowded space which had just been released. He was convinced that improvements were called for: new posts should be provided only for those locations where spare accommodation and ancillary facilities already existed, and the United Nations could thus avoid the enormous costs of staff relocation. He was not questioning the proper staffing of programmes in various locations, or normal staff rotation, but rather the massive transfer of staff at one time from one duty station to another.

55. Reclassifications generally resulted in the expansion of space requirements. When a post was reclassified a new office had to be constructed to conform to the reclassification. The total cost of building, rebuilding, replacing office furniture, carpets, telephones and so forth amounted to a staggering sum every year. His delegation believed it was necessary to place limits on the non-productive use of resources for such purposes.

56. Turning to the report of the Secretary-General on the identification of activities which had been completed, or were obsolete, of marginal usefulness or ineffective (A/C.5/34/4), he stated that his delegation believed obsolete and marginal activities could be identified by programme managers, and that it was in the best interests of the Organization and individual programme managers to proceed with the identification of such activities. It totally rejected the assertion that identification could not be performed by competent, knowledgeable, responsible programme managers, and would have no difficulty in supporting an arbitrary transfer of, say, 20 per cent of resources from programme managers who found it impossible to identify low-priority activities to programme managers who complied with the General Assembly's request. If the Assembly's instructions continued to go unimplemented, an internal system of rewards for compliance and penalties for non-compliance could be experimented with.

57. The United States continued to believe that salaries for senior-level United Nations officials were too high, and that the operation of the existing post adjustment system exacerbated the matter. It could support the imposition of a moratorium on further post adjustment increases for officials at the D-2 level and above, pending further study of the system. It was preparing a proposal for submission to the Fifth Committee on that matter.

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(Mr. Saddler, United States)

58. His delegation believed in the value of standardized job classifications prepared by competent, impartial and independent technicians. The staffing structure of the United Nations should form a normal pyramid such as could be found in many efficient organizations. The present structure was top-heavy, with more Under-Secretaries-General, Assistant Secretaries-General, Directors and Deputy Directors than were absolutely necessary. Some senior officials had only a secretary, a personal assistant, a few other staff, limited responsibility and a very few specific duties, while others - whether by accident or design - were clearly over-extended and over-worked. The Administration must reassess current work assignments, the scope of responsibilities and lines of authority so that competent and correct decisions were taken by the appropriate senior officials who were receiving generous compensation.

59. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) said that if the percentage increase represented by the proposed new programme budget over appropriations approved for the current biennium was compared with the rates of growth of resources as contained in previous budgets, some minor progress in the planning of the Organization's expenditure could be detected. His delegation was not, however, prepared to exaggerate the importance of that achievement, which evoked legitimate doubts. The claimed rate of growth of expenditure was simply the result of elementary mathematical exercises by the Secretariat, which had made extensive use of them in recent times rather than respond to the General Assembly's insistent demands for a deep and far-ranging study of the Organization's real needs in terms of financial and human resources and for justified requests to be submitted. The comparison of the proposed rate of growth with analogous figures from previous proposed budgets, as contained in paragraph 4 of the foreword to the proposed programme budget (A/34/6), clearly distorted the actual rate of growth of the Organization's expenditure in recent years and could thus not serve as the basis for an objective evaluation of the estimates planned. Over the course of three biennia the average rate of growth of United Nations expenditure under the regular budget had been not 20.2 per cent, as planned, but almost 36 per cent. The net growth in budgetary expenditure for 1976-1977 alone had exceeded total United Nations expenditure for the whole of 1973. And a further factor dispelling any optimism was the profusion of reminders in the budget documents now before the Committee that the estimates submitted were not final.

60. As in the past, the advantages of the new system of programme budgeting, which had led Member States to agree to its adoption, had not all been taken into account. That fact had caused extreme concern amongst many Member States. At the thirty-third session of the General Assembly, the representatives of States paying more than 80 per cent of the Organization's expenses had voted against the revised budget estimates for 1978-1979, thereby unambiguously demonstrating that they were not prepared to tolerate further the existing situation in United Nations administrative and financial activities.

61. Over three budgetary cycles the average rate of growth of budget expenditure had exceeded by some 6 to 8 times the average real growth in gross national product and national income of Member States, after allowance was made for

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inflation and variations in exchange rates. Member States' resources, including that part of them which they were prepared to make available to the Organization, had grown significantly more slowly than United Nations budget expenditure. That was the main cause of the recent criticisms which had emerged during the consideration of the United Nations administrative and financial activities. The constant growth of the budget had had an effect on the apportionment of the Organization's expenses among States. An increase of only 0.01 per cent in contribution meant for many States a significant increase in the financial burden imposed upon them and became a matter for fierce debate.

62. Recent years had clearly revealed the error of expecting any benefits for development to derive from the unwarrantably high rate of United Nations expenditure, more than three quarters of which was purely administrative. There was no link between the growth in numbers of United Nations staff, or the salaries they received, and the real development needs of Member States. Since the inception of the Organization, the membership had almost tripled, the number of items on the agenda of the General Assembly had quadrupled, and the expenditure of the Organization had grown 32 times, while Secretariat staff had increased by a factor of more than four, without taking into account the additional services provided by temporary staff, experts and consultants.

63. The Secretariat had almost entirely ignored the General Assembly's decisions concerning the change-over to the new system of programme budgeting. The budget had been compiled without the requisite study of the effectiveness and value of existing programmes, and without a genuine re-evaluation of such programmes in order to establish priorities and redistribute resources more rationally in consequence. It contained no information as to the Secretariat's views on completed, obsolete, marginal and ineffective areas of activity. Such information should be supplied to the Committee during its discussion of the various sections of the proposed programme budget.

64. As previously, the Secretariat had not only included provision in the budget for continuing practically all current activities, but had also provided for appropriations to expand programmes on its own initiative, in contravention of rules 153 and 154 of the rules of procedure of the General Assembly. It was again using the submission of budget proposals as a means of automatically increasing staff and reclassifying posts. Under the pretext of real growth in programmes and in expansion of activities, it was advocating the establishment of 245 new posts. His delegation could not support that request, considering that decisions on such matters should be taken only on the basis of exhaustive information on the use of human resources in all categories and at all levels and the number of vacant posts, which continued to grow. It supported the suggestion that the Joint Inspection Unit should study the actual use made of staff within the Secretariat and submit a report on the matter.

65. His delegation was seriously disturbed by the Secretariat's decision to include in the proposed programme budget, in contravention of a decision taken by the General Assembly, a substantial sum to cover the expected impact of inflation in the forthcoming biennium. The Assembly had stipulated that any increase in

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budgetary expenditure brought about by increases in prices should, as far as possible, be absorbed by means of economies, the reordering of programme priorities and transfer within the budget. Similarly, it had decided that the Secretariat, in selecting ways and means to compensate for the effects of inflation, should be guided by the opinions expressed by Member States. A large group of States had repeatedly suggested that budgetary increases due to inflation should be covered by means of savings, budget and programme readjustments or contributions (including voluntary contributions) by the developed States where United Nations Secretariat units were located. For some reason, the Secretariat had not yet supplied any information on the steps it had taken in that direction.

66. In recent times, the Secretariat had with increasing frequency begun to initiate transfers to the regular budget of posts financed by extrabudgetary resources, without any special decision by the General Assembly. The new budget contained a proposal to transfer 14 such posts. His delegation could not accept that practice, and had decided to withhold the corresponding sums from its contribution to the regular budget.

67. The budget proposals again contained an expenditure item for interest payments and instalments of the principal due on the "debt contracted to finance the operations carried out in the Congo and the Middle East in contravention of the United Nations Charter. The countries which had involved the Organization in those operations should accept full responsibility for them and pay their costs. The Byelorussian SSR had firmly opposed the operations, accepted no responsibility for their consequences and would not contribute to the expenses arising in that connexion.

68. His delegation shared the view that the financing of technical assistance out of the United Nations budget was not in accord with the precise meaning of Article 17 of the Charter. It favoured the exclusion of such expenditure from the regular budget, on the understanding that Member States would pay adequate voluntary contributions to UNDP. As in the past, it would pay its contribution for technical assistance in its national currency.

69. His delegation also shared the view that all new activities in the economic and social field should be financed either from already programmed resources or from those released as a result of the completion, reduction and modification of activities, the elimination of duplication and the reordering of priorities.

70. United Nations expenditure had reached such a level that simple statements were not enough. Energetic efforts by all countries, the Secretariat and, most of all, the Fifth Committee were needed to develop and adopt radical measures to stabilize expenditure. The principal task at the current session was to rid the budget, to the greatest extent possible, of unjustified expenditure, and that view would guide his delegation in the consideration of individual sections of the budget.

The meeting rose at 1.05 p.m.