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**GENERAL
ASSEMBLY**

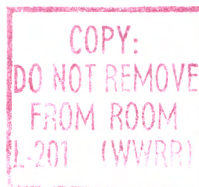
THIRTY-SECOND SESSION

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FIFTH COMMITTEE
5th meeting
held on
Thursday, 29 September 1977
at 3.15 p.m.
New York

SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. TALIEH (Iran)

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

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ORGANIZATION OF WORK

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 100: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979 (A/32/6, A/32/8, A/32/38; A/C.5/32/12 and 13) (continued)

General debate (continued)

1. Mr. SEKYI (Ghana) said that his delegation was pleased that the relationship between the Advisory Committee and the Secretariat continued to be characterized by mutual trust, especially at a time when the upward growth of the budget magnified the areas of disagreement between them.
2. His delegation welcomed the reduction in the size of the budget document. It agreed, however, with the views expressed by both the Chairman of the Advisory Committee and CPC that it did not contain enough information to facilitate responsible decision-making in the Fifth Committee. The budget document must aim at answering rather than raising questions and doubts, particularly where requests for resources were involved. What was needed was not additional volumes of a budget document but selected information which would help the General Assembly take informed decisions.
3. It was a matter of great regret that the proposals in the performance report submitted by the Secretary-General at the thirty-first session had been taken as the maintenance base for the programme budget currently before the Committee. Both the performance report and the related comments of the Advisory Committee had been issued at the very end of the preceding session and it had been impossible in the circumstances for members of the Committee to familiarize themselves adequately with their contents. Several delegations had made statements at that session deploring the tactics of the Secretariat in springing surprises and pressuring Member States into approving financial proposals which they had not had sufficient time to consider. In order to avoid a recurrence of that situation, his delegation endorsed the recommendation of ACABQ that the first performance report of a biennium should be confined solely to the necessary impact of inflation, variations in rates of exchange, and decisions of policy-making organs the implementation of which could not be deferred to the following biennium.
4. On the question of personnel, his delegation was concerned chiefly about the practice of converting temporary posts to permanent ones and transferring posts financed from extrabudgetary resources to the regular budget. In its report on the work of its seventeenth session (A/32/38), CPC had noted that a distinction should be made between transfers of posts that had clear authorization and those for which there was none. Unauthorized transfers might not only distort priorities duly set by the Economic and Social Council and the General Assembly but might very well be unconstitutional. A case in point was the transfers made in UNEP which were purportedly based on an interpretation of the originating resolution. The

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(Mr. Sekyi, Ghana)

conversion of temporary posts into permanent posts was a tactic aimed at making non-recurrent expenditure recurrent and was, moreover, an unwholesome method of building a maintenance base for future programme budgets.

5. One of the most difficult aspects of the programme budget for the biennium 1978-1979 was the question of the growth rate. His delegation had sympathy both for those bodies such as CPC which had to determine growth rates for programmes and for the Secretariat which had to apply them. It understood the problems faced by the Secretary-General in implementing the General Assembly's directives on growth rates and hoped that CPC would help the General Assembly to give clearer instructions in that regard in future.

6. He noted that the financial emergency of the United Nations - which the Secretary-General had not mentioned in his opening statement - remained on the Committee's agenda.

7. His delegation had sometimes been dismayed by the voting behaviour of certain delegations. It was at a loss to understand why certain delegations voted against appropriations for the Economic Commission for Africa, for example, and at the same time expected delegations from Africa to vote with them when appropriations for their regional commissions were considered. Perhaps if members of the Committee had an opportunity to observe at first hand the constructive projects undertaken by the economic commissions in the developing regions they might better appreciate their importance to the peoples concerned.

8. Mr. GARRIDO (Philippines) expressed satisfaction with the documentation for the proposed programme budget for the biennium 1978-1979 and noted that considerable improvements had been made in the preparation of budget documents since the initiation of programme budgeting three years earlier. There was still a need, however, for a closer correlation of inputs and outputs to facilitate the assessment of budgetary proposals. As the Chairman of the Advisory Committee had stated, an overview of full costs of the various programmes should be given. While the uses of extrabudgetary funds were properly indicated in the programme budget, it would be useful to have information on all the sources of such funds. In addition, the over-all sources of funds should appear ahead of the expenditure estimates in the budget presentation. It was advisable to project the totality of resources for each programme, existing or proposed subprogramme or programme component. His delegation concurred with the recommendation of the Advisory Committee that comparative figures on extrabudgetary resources for the preceding biennium should also be furnished. The Secretary-General might also wish to look into the feasibility of providing quantifiable data suggested by the Advisory Committee in support of requests for resources. In the past the Fifth Committee had advocated the improvement of the accounting system of the Office of Financial Services and his delegation regretted the inadequacies in the data base caused by accounting deficiencies.

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(Mr. Garrido, Philippines)

9. The rising level of the programme budget and the fact that three fourths of programme growth were related to additional staff caused concern to Member States. The Secretary-General should, however, be commended for his efforts to strike a reasonable balance between the most urgent requirements and the financial burden borne by Member States. Since most of the resources of the budget were eaten up by inflation and currency fluctuations, Member States should allow for a reasonable rate of real growth if the budget was to be used as a tool of development and as a means of implementing the objectives of the new international economic order. A 2.2 per cent real growth rate was reasonable within the context of General Assembly resolution 31/93. At its seventeenth session, CPC had differed with the Secretary-General on the interpretation of real growth in the light of that resolution. While his delegation did not dispute the manner recommended by CPC of assigning growth rates to the 26 major programmes, it tended to agree with the Secretary-General that the method was not applicable to other programmes such as those of policy-making organs. The Secretary-General had also made a strong case for the non-applicability of the relative growth rates defined by CPC in connexion with direct or full costs. The regional economic commissions should have the flexibility to set their own priorities among programmes within an over-all level of growth. In accordance with General Assembly resolution 2681 (XXV), the regional economic commissions should meet the need for a unified approach to development analysis and planning; guidelines for setting growth rates should not defeat the purpose of that resolution. There was a greater need than ever to establish an appropriate methodology for measuring real growth which could be applied to the current medium-term plan. The Secretariat might wish to comment on the questions raised by CPC in paragraph 65 of its report (A/32/38). His delegation agreed with the recommendation of CPC that, in determining relevant growth rates in future, the assumptions regarding the availability of extrabudgetary resources should be spelt out. His delegation would therefore appreciate hearing the views of the Secretariat on the transfer of posts from extrabudgetary funds to the regular budget which, as noted by CPC, tended to distort priorities set by the Economic and Social Council and the General Assembly.

10. His delegation shared the concern of the Advisory Committee over the apparent failure of programme managers to analyse systematically the composition and contents of the maintenance base, which prevented the elimination of subprogrammes, programmes, projects or activities which were obsolete, of marginal usefulness or ineffective. Due attention must be given to the calculation of salaries and common staff costs in order to provide an accurate picture of the maintenance base. In that connexion, his delegation would like to know why the Secretariat had selectively applied the zero-base approach only in respect of certain expenditure items.

11. His delegation supported the policy of full budgeting applied by the Secretary-General. Pending the determination of a common methodology for estimating inflation and its impact on the budget, provision for inflation should be made in the budget estimates on the understanding that the rate should be based on an annual average and be subject to revision should circumstances warrant.

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(Mr. Garrido, Philippines)

12. If the General Assembly decided that the fifth session of UNCTAD should be held in Manila in 1979, his Government would do its utmost to make UNCTAD V successful in every respect. The Philippine Convention Centre in Manila was equipped with the latest facilities and could easily accommodate a large conference such as UNCTAD. In accordance with General Assembly resolution 2609 (XXIV), the Philippine Government would, of course, assume the additional costs arising from holding the session away from Geneva.
13. In considering individual items in the budget, his delegation would take into account the comments of CPC on the programme evaluation reports. It agreed, however, that the increased emphasis on economic and social information should be maintained and reflected in the regular budget. In that connexion, the Committee should give favourable consideration to the establishment of an information service unit in the Department of Economic and Social Affairs.
14. His delegation noted with interest the plans of the Secretary-General for the expansion of meeting rooms and the improvement of conference servicing and delegate facilities at Headquarters. The problem of accommodation should be met squarely by the General Assembly, since it loomed larger as more Members were admitted into the Organization and the growth of staff continued unabated. In considering those plans, Member States might wish to take into account the corrosive effects of inflation on building projects which were delayed or postponed.
15. His delegation looked forward to the report of the Secretary-General on technical innovations in the production of publications and documentation of the United Nations and hoped that his proposals would lead to economy and efficiency in the production of documentation, which consumed a large part of the budget.
16. One of the most important reports to be considered at the current session was the report of the International Civil Service Commission, which would cover, among other things, principles for determining conditions of service and salary scales in the General Service category in Geneva. His delegation hoped that a practical solution would eventually be reached in that regard.
17. On the question of staff, his delegation was confident that, despite political pressures, the Secretary-General would do his best to comply with the criteria and guidelines laid down in the Charter and General Assembly resolutions for the establishment of staff characterized by professionalism, loyalty and dedication.
18. Lastly, his delegation supported the budget estimates for the Conference on Technical Co-operation among Developing Countries and the estimates for programmes in the economic and social sectors, taking into account the related reports of the Advisory Committee.
19. Mr. SCHMIDT (Federal Republic of Germany) said that in recent years Member States, particularly some of the larger contributors, had become increasingly

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(Mr. Schmidt, Federal Republic of Germany)

alarmed over the continuous growth of the budget. Their concern had not abated. An increase in the total budget proposed for 1978-1979 of more than 26 per cent over the initial estimates for 1976-1977 did not permit a relaxation of the efforts to arrive at a restrictive budgetary policy. The Secretary-General's personal initiative in promoting sound administrative and financial practices was of crucial importance to the prestige of the United Nations and to international co-operation.

20. His Government believed that no attempt should be made to attribute scientifically precise values to the cost components in the Secretary-General's budget proposals; that was especially true of the figures for the rates of real growth of individual programmes, which should be regarded simply as indicators. Methodology was a device for coping with a complex reality; it should not be substituted for the reality itself. His delegation could not agree that the maintenance of programmes could be equated with the maintenance of resources and that therefore the Secretary-General had little control over the cost components constituting the maintenance base. To accept such reasoning would be to relieve the Secretary-General of his obligation to keep the effectiveness of programmes under review and to eliminate or reduce obsolete and marginally useful activities. Even though the budget document paid lip service to zero-base budgeting, there was still no serious attempt at programme evaluation in the United Nations. The Secretariat continued to shelter behind the argument that only intergovernmental bodies could alter priorities and change or abolish programmes, even though a number of programmes preserved only a tenuous link to some bygone resolution. Admittedly, the difficulties of adjusting personnel costs to changed circumstances were considerable. However, in regard to such other items as consultants, travel and supplies, the method of calculating the maintenance base, the real growth rate and the inflationary component left much to be desired.

21. His delegation encountered a similar problem in accepting the Secretary-General's statement that the inflationary component of the budget proposals was beyond his control. It was one of the Secretary-General's responsibilities to find ways of absorbing the inflationary costs, just as national Governments were constrained to do. Perhaps semi-full budgeting would lead to greater budgetary discipline; however, regardless of the budgeting technique adopted, the main objective must be to place some limitation on automatic cost increases ascribed to inflation.

22. With regard to personnel costs, massive proposals for the conversion to established posts of current temporary-assistance posts, the use of credits from extrabudgetary sources to finance established posts, and substantial new requests for temporary assistance funds masked the true picture. In future submissions, the Secretary-General and the Advisory Committee should give a complete analysis of the total manpower requirements of the Organization, indicating which posts were charged to the regular budget and which to extrabudgetary sources and which posts represented support functions. The present separation of posts into established posts and full-time temporary posts, some of which had existed for many years, was unrealistic; moreover, it served to promote the idea that established posts were permanent and untouchable.

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(Mr. Schmidt, Federal
Republic of Germany)

23. Nevertheless, his delegation detected a positive trend and was appreciative of the efforts being made by the Secretary-General and his staff to implement a stricter budgetary policy than in the past. It understood the Secretary-General's difficulties and the changing requirements of the Organization and would participate in a positive spirit in the section-by-section consideration of the proposed programme budget. Its final position would depend on the way the discussions evolved and on developments in the consideration of other questions during the current session.

24. Among the important questions to be settled was the acceptance of a scale of assessments for the coming biennium and the matter of finding a solution to the problem of the current deficit. The improved cash position of the United Nations was due solely to the Secretary-General's continuous endeavour to collect the full assessed contributions on time and to the co-operation of a number of Member States. His delegation did not find it easy to continue to agree to the reconstitution of the \$40 million Working Capital Fund whose resources were continuously being depleted to fill the gap created by the withholding of assessed contributions.

25. His delegation shared the Secretary-General's view that an equitable solution in the matter of General Service salaries at the Geneva Office was urgently called for if staff action was to be forestalled. His Government would have no sympathy with such action if it were to take place and welcomed the promise given by the Secretary-General to act with speed.

26. His country was mindful of its responsibility as a large contributor to the regular budget; it was as ready as ever to give full financial backing to the United Nations and at the same time to further the Organization's objectives by working towards a sound financial policy and an economical administration.

27. Mr. GEORGE (India) paid tribute to the Secretary-General for his illuminating statement and to the Advisory Committee for its thorough, conscientious and sensitive treatment of the issues.

28. In the Secretary-General's budget proposals, the allocation of resources to the various major programmes had, for the first time, been influenced considerably by the CPC recommendations on relative real growth, recommendations which had subsequently been endorsed by the General Assembly in resolution 31/93. The average growth rate, however, emanated from the Secretary-General's proposals themselves rather than from a legislative decision. Moreover, resource fluctuations in a number of areas - for example, political and decolonization activities, common services and maintenance - influenced the average growth rate, which in turn affected the volume of resources available for activities in the economic and social spheres. In small programmes the impact could be substantial, even though the increased demands by the Secretary-General might be entirely justifiable, as in the case of the narcotics control and human rights programmes. He suggested that the Budget Division should comment on the impact on the major economic and social programmes of the growth of those sections of the budget which had not been studied in depth by CPC.

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(Mr. George, India)

29. The calculation of the maintenance base was of vital importance for on it the establishment of the average growth rate, and consequently the entire resource allocation to major programmes, depended. The Advisory Committee appeared to be somewhat dissatisfied with the method used by the Secretary-General for such calculation, although it did not suggest an alternative method or figure. He hoped that the Advisory Committee would shed some further light on the problem and propose a better method. Clearly, too, the defined aims of channelling the growth of the budget into pre-determined priority areas had not been fully achieved. A considerable amount of study by the Secretariat, the Advisory Committee and CPC was required before a satisfactory resource allocation for the various major programmes could be arrived at. In that context, his delegation associated itself with the observations of CPC in paragraphs 60 to 65 of its report (A/32/38) on the practical problems of determining real growth. It might be useful for the Advisory Committee and CPC to exchange views on that crucial issue so that each could benefit from the experience of the other.

30. With regard to the comments in paragraph 23 of the Advisory Committee's first report (A/32/8), he asked the Chairman of the Advisory Committee to remind delegations of the recommendations made by that Committee in previous biennia, and the Secretariat to respond, so that there could be an evaluation of the progress made.

31. Frank internal and external evaluation was a pre-condition for the precise allocation of priorities among programmes and subprogrammes and for economy in programme delivery. Yet, surprisingly, CPC had discovered that few programme managers conducted a stringent evaluation of the effectiveness of the activities for which they were responsible, because few means of measuring programme effectiveness existed in the Secretariat and because the criteria suggested to programme managers for evaluation were based on financial considerations rather than on concern for effectiveness of delivery. At the same time, clear possibilities for improvement existed thanks to the availability of unused raw data within the Secretariat and of an internal machinery of objective evaluation reporting directly to the Secretary-General. It would be better to institute evaluation by an independent Secretariat unit of that nature rather than to continue with self-evaluation by the programme manager. Absence of data on the impact of programmes was an obstacle to objective evaluation. His delegation therefore appealed to all developing countries to assist in assessing the effectiveness of United Nations programmes implemented on their initiative.

32. Use of the growth rate as a means of budgetary control could have serious consequences for the expansion of activities in the economic and social sectors. In the past, extrabudgetary sources had often been used to fill gaps and, consequently, his delegation was not alarmed by the Secretary-General's proposal to transfer some extrabudgetary activities to the regular budget. Indeed, the Organization could usefully learn from the experience in that regard of some of the more innovative agencies in the United Nations system.

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(Mr. George, India)

33. The substantial provision for inflation in the Secretary-General's budget proposals represented a particularly onerous burden for the smaller contributors without offering any compensation through increased programme delivery. Mitigation in the form of a reduced assessment would have an adverse impact on the policy of recruiting staff on a wider geographical basis.

34. Careful scrutiny of the budget proposals revealed several instances in which obsolete programmes and programmes of marginal usefulness had been terminated and new activities had been initiated on the basis of existing staff resources. That phasing-out of ineffective activities, which was not always clearly documented in the Secretary-General's submission, was welcome.

35. With regard to the manning-table, the Secretary-General had requested the conversion to established posts of a number of posts, currently charged to general temporary assistance and extrabudgetary sources. Before the Committee considered the sections of the budget thus affected, his delegation would welcome clarification as to how acceptance of the Secretary-General's proposals would affect the principle of equitable geographical distribution, and particularly the implementation of those provisions of resolution 31/26 which related to the representation in the Secretariat of developing countries. His delegation shared the Advisory Committee's concern about the vacancy situation, especially the shortage of personnel in the economic commissions serving the developing regions. It supported the CPC recommendations on decentralization of activities. However, since effective implementation of those recommendations would depend on the availability of resources, it wished to hear some explanations regarding problems in recruitment and retention of personnel in the regions before the Committee took up the sections of the budget relating to the regional commissions. It would also like the Office of Personnel Services to state the extent to which the practice of charging staff on short-term contracts against vacancies impinged on established recruitment policies.

36. In conclusion, he suggested that, before the Committee scrutinized the individual sections of the budget, the Chairman of the Advisory Committee should inform Member States of the effects of that Committee's recommendations on the average and relative growth rates of the proposed budget.

37. Mr. FOKINE (Union of Soviet Socialist Republics) said that the attitude of the USSR to administrative and budgetary questions was based on the Soviet Government's support for the United Nations, its active participation in the Organization's activities and its concern with respect to enhancing the effectiveness of the United Nations as an important instrument for the maintenance of peace and security. Resources must be used rationally and should be devoted primarily to accomplishing the basic tasks of the United Nations as set forth in the Charter, namely maintaining international peace and security, promoting the relaxation of international tension and making those processes irreversible.

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(Mr. Fokine, USSR)

38. In recent years, United Nations expenditure had been growing at an unjustifiably high rate. The Soviet Union could not accept that trend, which was reflected more than ever before in the proposed programme budget for the biennium 1978-1979. Contributions by Member States were not devoted entirely to those tasks for which the Organization had been founded, and some funds were even used for purposes inconsistent with the Charter. It was also wrong for funds to be used ineffectively or even squandered.

39. The United Nations budget had been growing much faster than the average national income of Member States, and the resources which States were willing to make available to the United Nations had fallen well behind the increase in the Organization's expenditure. Such a contradiction was intolerable, and must be solved through the more rational and economical planning of such expenditure. Member States, particularly the developing countries, would not benefit from the rapid increase in United Nations expenditure. Budgetary outlays were devoted primarily to the upkeep of Secretariat staff, and the increases in the already overstuffed and under-employed Secretariat, as well as the unjustified increases in staff emoluments, bore no relation to the real development needs of Member States.

40. The proposed programme budget ought to have been prepared with due regard for the requirements of the General Assembly, the concern of many Member States concerning the current situation, the need to increase the effectiveness and economy of United Nations activities and the need to stabilize the budget. However, the Secretariat had not only ignored those requirements but had proposed unjustified increases in expenditure. The proposed programme budget for the biennium 1978-1979 represented an increase of \$232.5 million over the proposed programme budget for the preceding biennium, and decisions by intergovernmental bodies and the General Assembly might result in a considerably greater increase.

41. The inadequacy of the upper echelons of the Secretariat with respect to increasing the effectiveness and economy of the Organization's activities on the basis of General Assembly directives had been demonstrated more clearly than ever before. There had been a number of serious short-comings in the preparation of the proposed programme budget, the elimination of which could result in the reduction of unjustified expenditure. The programme budget contained practically none of the information requested in General Assembly resolutions 3534 (XXX) and 31/93 concerning programmes about to be completed or cut and the resources released. Similarly, there was no information on programmes that were obsolete, of marginal usefulness or ineffective; in general, the proposed programme budget had been prepared without a proper analysis of all existing programmes. Member States were therefore unable to determine which new activities could be carried out on the basis of resources which had been released or which were due to be released in the course of the following biennium, nor could they judge the extent to which proposed increases in expenditure were justified. The Secretariat should therefore comply with General Assembly resolutions 3534 (XXX) and 31/93 and make the relevant information available before the Fifth Committee completed its consideration of the proposed programme budget. In the proposals before the Committee, the Secretariat had not only included practically all current activities of the Organization but had also,

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on its own initiative, requested appropriations for expanding programmes; such an approach ran counter to rules 153 and 154 of the rules of procedure and to the view of the Advisory Committee that increases in programmes were generally supposed to follow the decisions of policy-making bodies rather than precede them. The Secretary-General, in his capacity as chief administrative officer of the Organization, was responsible for complying with the instructions of the General Assembly and ensuring that the Secretariat did not exceed its authority.

42. The Secretariat had proposed the establishment of 487 new posts. However, it had failed to justify expenditure, thereby violating the principles of zero-base budgeting, it had not provided information on resources released, and it had failed to take into account all the personnel and financial resources available to it. The proposal to establish new posts was therefore unacceptable, and his delegation disagreed on principle with the Secretariat's policy of automatically increasing its staff. Personnel requirements should be determined on the basis of modern managerial techniques, the needs of priority programmes and the proper use of resources released. The productivity of the Secretariat could be raised by improving the organization of work, perfecting managerial techniques and increasing accountability. Programme budgets must be designed to ensure the correct utilization of resources, particularly human resources, and his Delegation was again submitting a proposal to the effect that the Joint Inspection Unit should be entrusted with the task of verifying actual utilization of personnel in the Secretariat. His delegation could not support requests for additional permanent or temporary posts.

43. In its resolution 31/93, the General Assembly had approved the CPC recommendations concerning the rate of growth of major programmes, but the Secretariat had circumvented those recommendations when preparing the proposed programme budget. For example, the rate of growth of programmes concerning the environment, assistance to refugees and public information had been classed as "considerably below average", but the rate of growth for those programmes under the proposed programme budget was 8.4 per cent, 5.3 per cent and 2 per cent respectively. Similar discrepancies were present in other programmes, and the Fifth Committee must therefore make the necessary readjustments.

44. The monetary and financial crisis which was affecting capitalist countries and which was giving rise, among other things, to spiralling inflation was beginning to have an adverse effect on the United Nations budget, but the decision of the Secretariat to shift the burden of the additional expenditure involved to all Member States was inconsistent with the decision taken at the twenty-first session of the General Assembly whereby increased expenditure due to rises in prices should so far as possible be absorbed by making economies, by reassessment of priorities and by adjustments within the budget. In addition, a General Assembly resolution adopted at the twenty-ninth session had suggested that, when dealing with problems of inflation, the Secretariat should be guided by the views of Member States, and many States had repeatedly advocated that the effects of inflation should be absorbed through economy, adjustments within the budget or contributions from those developed countries where the Secretariat had branches. The Secretariat had failed

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to take those views into account, and his delegation could not, therefore, support proposals to include in the proposed programme budget appropriations to cover inflation. The Secretary-General should take effective measures to control the impact of inflation on the budget, institute austerity measures, improve the planning of purchases and consult with the Governments of those developed countries which were most affected by inflation and where United Nations agencies were located. Similarly, his delegation could not support the proposal concerning voluntary contributions to cover inflation, and it requested that the Secretary-General submit an annual report to the General Assembly on the question of inflation.

45. The Secretariat had estimated the real growth of the proposed programme budget at 2.2 per cent, but the actual growth rate had been understated. The basis of comparison used was not the programme budget for the period 1976-1977 as approved by the General Assembly (\$783.9 million) but the level of activities attained during the current budget period expressed in 1977 end-of-year prices (\$841.8 million). Moreover, the new method took into account not the total real growth of the new budget (\$43.7 million), but only a part of that growth less the so-called non-recurrent expenditures. If calculations had been based on the methodology used in the past, the growth rate of the proposed programme budget would amount to 5.6 per cent, and that rate must be compared with a growth rate of 4.2 per cent for the programme budget for the biennium 1976-1977. The methodology used to calculate the growth rate had therefore distorted the actual rate and thus caused it to climb even higher.

46. There had been an increasing tendency in the Secretariat to transfer posts previously financed from extrabudgetary funds to the regular budget without a special decision of the General Assembly, and according to the proposed programme budget 41 such transfers would be effected. In that connexion, the attitude of the Advisory Committee was inconsistent: two years previously ACABQ had opposed such transfers but it currently endorsed a number of them. His country strongly opposed the practice. If posts currently financed from voluntary and other extrabudgetary funds were transferred to the regular budget, it would consider withholding the amount to be used to cover those posts from its contribution to the regular budget.

47. In general, the tendency to upgrade posts was unjustified, since it was not related to increased responsibility or to an increase in the volume or complexity of the workload, and served merely to facilitate staff promotions. Post reclassifications should depend exclusively on programme requirements, and his delegation therefore opposed the post reclassifications included in the proposed programme budget. Future budgets should indicate the costs of all kinds of services, including the lease of premises by the Organization to other agencies in the United Nations system and voluntary funds, and should provide for the full reimbursement of the cost of those services to ensure that the activities of other agencies were not financed under the regular budget of the United Nations. UNDP should reimburse the actual overhead costs incurred by the United Nations and the agencies in respect of the implementation of UNDP programmes.

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48. It was to be regretted that the proposed programme budget still included expenditure to repay the "loan to the United Nations" negotiated in connexion with operations undertaken in the Congo and the Middle East. The Soviet Union had opposed those operations, was not responsible for them and refused to cover the expenditure involved. The operations were undertaken in violation of the Charter, and the resulting financial implications should be borne by the countries which had imposed them on the Organization. With respect to the financing of technical assistance, it was clear from Article 17 of the Charter that such assistance must be financed solely on the basis of voluntary contributions. As in previous years, his country would make its voluntary contributions for technical assistance in national currency.

49. The rate of growth of the United Nations budget was unjustifiably high, and both the Secretariat and Member States must play an active role in solving the problem. In that connexion, the number of programmes should be determined by the resources which Member States were able and prepared to contribute. Strict priorities must be established with regard to the implementation of programmes, and it must be determined whether programmes could be completed within the time available. In determining programme priorities, account must be taken of alternative ways to implement programmes within the United Nations system, the goal being to increase co-ordination and reduce duplication. Meetings of new organs and conferences must be financed from resources saved through the setting of priorities, reductions in the number of United Nations organs and in the length of their sessions, a more rational and economic organization of meetings, reductions in expenditure on documentation, and so on. Further reductions in expenditure on experts and consultants, overtime, travel and telegraph costs, purchases of permanent and other equipment, and the construction and repair of premises could result in significant savings. Finally, a ceiling should be established with respect to the annual increment in budgetary expenditure, a ceiling to be agreed upon by Member States with due account being taken of the views of the main contributors to the budget. With respect to the proposed programme budget under discussion, the level of expenditure on United Nations activities during the biennium 1978-1979 should be the same as that for the current biennium, and all new activities approved by the General Assembly should, as far as possible, be financed with funds released from programmes that had been completed or cut or with funds obtained through the establishment of priorities, the elimination of duplication, increased productivity in the Secretariat and greater economy throughout the system.

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(Mr. Fokine, USSR)

50. Some progress was being made with respect to improving the geographical distribution of Secretariat staff, but the principle of equitable geographical distribution must be observed more strictly in order to prevent States from exceeding their quotas. The rejuvenation of the Secretariat could be achieved through the timely retirement of staff members of pension age, and the efficiency of the Secretariat could be increased by eliminating permanent contracts. His delegation had proposed a realistic and just method of solving the Organization's financial difficulties. With respect to the financing of UNEF, the Secretariat had not provided enough information on how the relevant appropriations were spent, and it was to be hoped that the Secretary-General's report on the question would contain information on both future and past expenditure. While it had contributed to the maintenance of UNEF since 25 October 1975, the Soviet Union had had nothing to do with the second Egyptian-Israeli agreement concluded outside the framework of the Geneva Peace Conference, and it could not, therefore be responsible for the implications of that agreement. Accordingly, it would not pay that part of its contribution to UNEF which was intended to cover expenses incurred in connexion with the agreement in question. United Nations forces were stationed in the Middle East on a strictly temporary basis and should not be used to delay a comprehensive settlement in the region.

51. His delegation supported all the recommendations of ACABQ and CPC with respect to making United Nations activities more effective and economical. However, the Advisory Committee must intensify its efforts to ensure reductions in expenditure, it must show greater persistence in supervising the implementation of its own recommendations and it must be more consistent in those recommendations. In its latest report, the Advisory Committee had failed to provide a fundamental assessment of the role of the Secretariat concerning the unjustifiably high rate of growth of the budget and of the Secretariat's failure to implement a number of important General Assembly directives. ACABQ and CPC should assume a more active role in stabilizing the programme budget and, in that connexion, the Secretariat should provide a report on the financial implications of the decisions of CPC with regard to the programme budget. In addition, the Secretary-General should do everything within his power to improve the administrative and budgetary management of United Nations activities and to ensure compliance with the requirements of the General Assembly concerning the effective and economical running of the Organization. In general, radical action would have to be taken in order to implement General Assembly resolutions concerning the budget and in order to stabilize expenditures. The proposed programme budget for the biennium 1978-1979 was totally unsatisfactory and unacceptable to the Soviet delegation.

ORGANIZATION OF WORK

52. The CHAIRMAN suggested that, in order to ensure full use of the time allocated to the Committee, consideration of item 10⁴ should be advanced to the week of 3 October.

53. It was so decided.

The meeting rose at 5.15 p.m.