



DEC 28 1984

SUMMARY RECORD OF THE 43rd MEETING

Chairman: Mr. MAYCOCK (Barbados)

Chairman of the Committee on Administrative and Budgetary

Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 109: PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (continued)

Travel of officials to attend the thirty-ninth session of the General Assembly
(continued)

Use of consultants and participants in ad hoc expert groups in the United Nations in 1982-1983

Programme budget implications of draft resolution A/C.1/39/L.13 concerning agenda item 65 (a)

Programme budget implications of draft resolution A/C.1/39/L.38 concerning agenda item 65 (b)

Programme budget implications of draft decision A/C.1/39/L.62 concerning agenda item 59 (1)

Programme budget implications of draft resolution A/C.1/39/L.23 concerning agenda item 63

Programme budget implications of draft resolution A/C.1/39/L.72/Rev.1 concerning agenda item 55

Programme budget implications of draft resolution A/C.3/39/L.33/Rev.1 concerning agenda item 101

Programme budget implications of draft resolution A/SPC/39/L.25 concerning agenda item 71

/...

*This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate fascicle for each Committee.

Distr. GENERAL
A/C.5/39/SR.43
10 December 1984

ORIGINAL: ENGLISH

/...

CONTENTS (continued)

AGENDA ITEM 111: FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)

- (a) REPORT OF THE NEGOTIATING COMMITTEE ON THE FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)
- (b) REPORT OF THE SECRETARY-GENERAL (continued)

AGENDA ITEM 112: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued)

- (a) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued)
- (b) IMPACT OF INFLATION AND MONETARY INSTABILITY ON THE REGULAR BUDGET OF THE UNITED NATIONS: REPORT OF THE SECRETARY-GENERAL (continued)
- (c) FEASIBILITY OF ESTABLISHING A SINGLE ADMINISTRATIVE TRIBUNAL: REPORT OF THE SECRETARY-GENERAL (continued)

The meeting was called to order at 11 a.m.

AGENDA ITEM 109: PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (continued)

Travel of officials to attend the thirty-ninth session of the General Assembly
(continued) (A/C.5/39/L.14)

1. The CHAIRMAN recalled that, at the 28th meeting, the representative of the United States had requested the Secretariat to submit a paper on the official travel of staff members to Headquarters in connection with the thirty-ninth session of the General Assembly. The information requested was now before the Committee in document A/C.5/39/L.14.
2. Mr. NYGARD (United States of America) thanked the Secretariat for the information provided in the paper. He would, however, have appreciated further details, particularly with regard to the length of stay of staff members away from their normal duty station.
3. Mr. ABRASZEWSKI (Poland) also welcomed the paper submitted by the Secretariat. He noted that a number of improvements had recently been made with regard to official travel, notably through the promulgation of an administrative instruction earlier in the year to reduce travel costs, and he hoped that the trend would continue in the future. He encouraged the Secretariat to provide the Committee with more information on official travel in documents relating to the programme budget, although not necessarily in a separate report.
4. After consultations with other interested delegations, he wished to propose the following draft decision:

"The General Assembly,

"1. Takes note of the report of the Secretary-General in document A/C.5/39/L.14 on the question of travel by United Nations staff members to attend sessions of the General Assembly,

"2. Requests the Secretary-General to continue to assure that the maximum restraint be exercised concerning such travel,

"3. Decides to keep the matter under periodic review.

He pointed out that the draft decision used the word "travel by United Nations staff members", which should avoid any confusion with the travel of representatives appointed to attend the General Assembly. The draft decision was based on decisions taken in previous years and reflected the desire that official travel by staff members should be kept under periodic review.

5. Mr. MAJOLI (Italy) said that the draft decision proposed by the representative of Poland was worthy of support. He also endorsed the comment by the United States

/...

(Mr. Majoli, Italy)

representative that it would be useful to know the duration of stay of staff members away from their normal duty stations and the related costs to the Organization of per diem allowances paid during such periods.

6. Mr. ABRASZEWSKI (Poland) agreed with the representative of Italy and trusted that such information would be considered within the context of the periodic review proposed in the draft decision.

7. Mr. RUEDAS (Under-Secretary-General for Administration and Management) confirmed that the Secretariat had taken note of the points raised by the representatives of the United States, Poland and Italy, and would in future provide the information requested.

8. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to adopt the draft decision proposed by the representative of Poland.

9. It was so decided.

Use of consultants and participants in ad hoc expert groups in the United Nations in 1982-1983 (A/39/7/Add.9; A/C.5/39/19)

10. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of ACABQ in document A/39/7/Add.9, said that the Secretary-General's report on the use of consultants and participants in ad hoc expert groups (A/C.5/39/19) was a considerable improvement over reports previously submitted to the General Assembly on that subject, and he hoped that that trend would continue in the future. The Advisory Committee's report had no specific recommendations to make, but rather it summarized the main issues raised by the Secretary-General and provided additional information which had been submitted to it both in writing and orally.

11. Paragraphs 8 to 10 of the ACABQ report discussed the implementation of resolution 37/237, which specified that no former staff member who was in receipt of a pension benefit from UNJSPF should receive emoluments from United Nations funds exceeding \$12,000 in any one calendar year. The Secretary-General's report indicated that a small number of officials had received emoluments above that limit; additional information requested by the Advisory Committee was reflected in paragraph 9 of its report. ACABQ wished to indicate that it was satisfied with the explanations provided by representatives of the Secretary-General in that regard. In paragraph 10 of its report, the Advisory Committee concurred in the approach followed by the Secretary-General concerning exceptions to resolution 37/237, and believed that any future departures from the principle outlined in that resolution should occur only in exceptional circumstances and should be fully explained.

12. Paragraphs 11 and 12 of the ACABQ report considered the question of obtaining information as to whether former staff members were actually in receipt of pension benefits. Representatives of the Secretary-General had indicated that the

(Mr. Mselle)

Secretariat of the Pension Fund could not release such information without the agreement of the former staff member. The Secretariat believed that it was safe to assume that former staff members over the age of 60 enjoyed pension benefits and the Fifth Committee might wish to consider whether that approach was satisfactory.

13. Mr. KHALEVINSKI (Union of Soviet Socialist Republics) welcomed as a step in the right direction the Secretary-General's decision to reduce the costs of appointing experts and consultants by 20 per cent during the current biennium, and hoped that further such measures would be taken in preparing the budget for 1986-1987. His delegation wished to confirm its position of principle that the problem of recruiting external consultants should be resolved on the basis of the more effective use of Secretariat staff. It was illogical for departments to appropriate considerable funds for such consultancy services when they already had large staffs of highly qualified specialists. He was pleased to note that consultancy costs in 1982-1983 had been reduced by more than \$2 million compared with the preceding biennium, but felt that more could be accomplished in that area.

14. Special attention should be drawn to the abuses of the principles and directives concerning the use of consultants. Table 5 of the Secretary-General's report showed that the Secretariat was apparently unwilling to inform the Committee about the actual purposes for which consultants were hired. The respective priorities of the programme were unclear, and the numbers of consultants hired for "other purposes" had remained virtually unchanged since 1980. Was that not an illustration of the concealed practice of recruiting additional staff under budget expenditures on consultants?

15. Attention should also be drawn to breaches of the income limit specified in General Assembly resolution 37/237. The Secretary-General stated that there had been six cases of abuse in 1983, but no indication was given as to the reasons or any measures taken against those who violated a clear directive by the General Assembly.

16. The Soviet delegation had repeatedly stressed the need to observe the principle of fair geographical representation in the hiring of experts and consultants. The Secretary-General's report, however, clearly pointed to the fact that unjustified priority was still being given to some countries to the detriment of others. In 1982-1983, for example, 1,079 consultants had been hired from seven Western European countries and the United States - virtually half of the total number - whereas only 182 had been contracted from the Eastern European countries. A similar situation applied with regard to the hiring of consultants from most of the developing countries. Urgent measures were needed to ensure a balanced geographical approach and to establish definite quotas, on a percentage basis, for hiring consultants from various regions. In addition, effective internal machinery for the centralized review of recruitment by departments should be established in the Secretariat and requests for budget appropriations should be standardized to provide a clear picture of expenditures with regard to the priority and length of contractual work.

/...

17. Mr. TAKASU (Japan) welcomed the Secretary-General's report but felt that it had failed to clarify the situation with regard to the income limit of \$12,000 and the extent of "double dipping". For the purposes of recruiting consultants, a distinction should obviously be made between former staff members who had retired on reaching the statutory maximum age and those who had separated from the Organization early, but the real distinction was between those former staff members who were in receipt of pension benefits and those who were not, irrespective of age. Resolution 37/237, in imposing the \$12,000 income limit in any one calendar year, referred solely to work performed under contract or a special service agreement. With a view to ensuring that the actual intention of the resolution was achieved, consideration should be given to plugging any loopholes that might arise as a result of that particular wording.

18. Accordingly, consideration should be given to the question of former staff members returning to the language services on a contractual basis, after retirement. He was aware that resolution 37/237 did not deal with language services personnel, and he recognized that they contributed an essential service to the Organization. Nevertheless, many were in receipt of pension benefits. For the sake of equitable treatment, consideration might be given to initiating an amendment to the General Assembly's directive. He wondered whether there was any limit on the emoluments earned by former language staff members or any controls on pension benefits which could be applied under the Pension Fund Regulations.

19. Mr. ABRASZEWSKI (Poland) said that over the years reports on the use of outside experts had provided overall figures and information concerning the geographical origin of consultants but had failed to state whether the guidelines established by the General Assembly had been observed in practice. Future reports should specifically comment on that point.

20. Mr. PEDERSEN (Canada) said that the main concern must be to avoid abuses, and in that regard the situation could be improved. A distinction should be drawn between those receiving a pension and others, and attention should be paid to contracts with firms, since it was relatively simple for a person to incorporate himself, thus evading the rules established by the General Assembly. In discussing exceptions to the earnings limit, it would be as well for the report to specify whether the same staff members were exempted in more than one year.

Programme budget implications of draft resolution A/C.1/39/L.13 concerning agenda item 65 (a) (A/39/7/Add.10; A/C.5/39/56)

Programme budget implications of draft resolution A/C.1/39/L.38 concerning agenda item 65 (b) (A/39/7/Add.10; A/C.5/39/57)

Programme budget implications of draft decision A/C.1/39/L.62 concerning agenda item 59 (1) (A/39/7/Add.10; A/C.5/39/58)

Programme budget implications of draft resolution A/C.1/39/L.23 concerning agenda item 63 (A/39/7/Add.10; A/C.5/39/59)

Programme budget implications of draft resolution A/C.1/39/L.72/Rev.1 concerning agenda item 55 (A/39/7/Add.10; A/C.5/39/60)

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of ACABQ in document A/39/7/Add.10, said that non-conference-servicing requirements amounted to \$205,700, the bulk of which was to cover travel and subsistence expenses for three ad hoc expert groups, comprising a total of 43 governmental experts, who were due to attend eight weeks of meetings during 1985. Conference-servicing requirements of \$1,167,000 had been estimated on a full-cost basis, and would be included in the consolidated statement. Experience had shown that not all experts participated in full in all meetings, in view of which the Advisory Committee had recommended a reduced estimate of \$175,000.

22. The CHAIRMAN proposed that, on the basis of the Advisory Committee's recommendations, the Fifth Committee should inform the General Assembly that, should it adopt draft resolutions A/C.1/39/L.13, L.38, L.23 and L.72/Rev.1, and draft decision A/C.1/39/L.62, additional appropriations totalling \$175,000 would be required under section 2E of the programme budget for the biennium 1984-1985, apportioned in the following way: \$85,000 in respect of draft resolution A/C.1/39/L.13; \$55,000 in respect of draft resolution A/C.1/39/L.38; and \$34,500 in respect of draft decision A/C.1/39/L.62.

23. Conference-servicing requirements estimated, on a full-cost basis, at \$1,167,000 would arise, apportioned in the following way: \$388,700 in respect of draft resolution A/C.1/39/L.13; \$261,300 in respect of draft resolution A/C.1/39/L.38; \$158,200 in respect of draft resolution A/C.1/39/L.23; \$206,800 in respect of draft resolution A/C.1/39/L.72/Rev.1; and \$152,000 in respect of draft decision A/C.1/39/L.62. The actual additional appropriations required would be considered later in the context of the consolidated statement of conference-servicing requirements. A recorded vote had been requested.

24. Mr. NYGARD (United States of America), speaking in explanation of vote before the vote, said that, had it been decided to take separate votes, his delegation would have voted in favour of the appropriations in respect of draft resolutions A/C.1/39/L.23 and L.72/Rev.1.

25. A recorded vote was taken.

In favour: Afghanistan, Algeria, Angola, Argentina, Australia, Austria, Bahrain, Bangladesh, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Central African Republic, Chile, China, Colombia, Congo, Costa Rica, Cuba, Cyprus, Czechoslovakia, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Finland, France, German Democratic Republic, Ghana, Greece, Guinea-Bissau, Guyana, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kenya, Kuwait, Lebanon,

Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mexico, Mongolia, Morocco, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, Senegal, Singapore, Somalia, Spain, Sri Lanka, Swaziland, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Venezuela, Viet Nam, Yemen, Yugoslavia, Zambia, Zimbabwe.

Against: United States of America.

Abstaining: Belgium, Germany, Federal Republic of, Israel, Netherlands, United Kingdom of Great Britain and Northern Ireland.

26. The Chairman's proposal was adopted by 101 votes to 1, with 5 abstentions.

27. Mr. MURRAY (United Kingdom) said that his delegation had abstained on financial grounds. In so far as draft resolutions A/C.1/39/L.13 and L.38 were concerned, there was a disquieting trend for studies to continue beyond the period originally envisaged. There was also an expectation that the travel and subsistence expenses of experts nominated by Governments should be met from the regular budget, which was inappropriate.

28. Ms. van DRUNEN LITTEL (Netherlands) said that her delegation had abstained but did not object to the appropriations in respect of draft resolutions A/C.1/39/L.23 and L.72/Rev.1.

29. Mr. HOLBORN (Federal Republic of Germany) said that his delegation had abstained on financial grounds. His delegation would have voted in favour of the appropriations in respect of draft decision A/C.1/39/L.62, had there been a separate vote.

Programme budget implications of draft resolution A/C.3/39/L.33/Rev.1 concerning agenda item 101 (A/C.5/39/66)

30. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General had indicated that the funding required to implement the provisions of paragraph 11 of the draft resolution would be provided from extrabudgetary sources. The proposed meeting of heads of national agencies for preventing drug abuse, requested in paragraph 10 of the draft resolution, would involve conference-servicing costs of \$169,000, to be considered by the Assembly at its fortieth session. There would be no additional appropriations in the current biennium.

31. The CHAIRMAN proposed that, on the basis of the Advisory Committee's recommendations, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/C.3/39/L.33/Rev.1, conference servicing requirements would arise in 1986 which had been estimated, on a full-cost basis, at

(The Chairman)

\$169,000. The actual additional appropriations required would be considered in the context of the consolidated statement of conference-servicing requirements to be submitted during the fortieth session.

32. The Chairman's proposal was adopted.

Programme budget implications of draft resolution A/SPC/39/L.25 concerning agenda item 71 (A/C.5/39/69)

33. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that an amount of \$249,900 had been appropriated for 1984 by the General Assembly at its thirty-eighth session. Total expenditure for 1984 had subsequently been estimated at \$236,493. A request for \$237,300 for 1985 had been made, with which the Advisory Committee concurred. An additional appropriation of \$31,800 would be required under section 31 (Staff assessment) to be offset by a similar amount under income section 1 (Income from staff assessment). Estimated conference-servicing requirements of \$391,700 would be considered in the context of the consolidated statement.

34. The CHAIRMAN proposed that, on the basis of the Advisory Committee's recommendations, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/SPC/39/L.25, an additional appropriation of \$237,300 would be required under section 23 of the programme budget for the biennium 1984-1985. An additional appropriation of \$31,800 would also be required under section 31 (Staff assessment), to be offset by a similar amount under income section 1 (Income from staff assessment). Conference-servicing requirements estimated, on a full-cost basis, at \$391,700 would arise. The actual additional appropriations required would be considered in the context of the consolidated statement to be submitted later during the current session.

35. Mr. LADOR (Israel) said that his delegation wished a recorded vote to be taken on the proposal, and would vote against it.

36. Mr. NYGARD (United States of America) said that his delegation would also vote against the proposal.

37. At the request of the representative of Israel, a recorded vote was taken.

In favour: Afghanistan, Algeria, Angola, Argentina, Bahrain, Bangladesh, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Central African Republic, China, Colombia, Congo, Costa Rica, Cuba, Cyprus, Czechoslovakia, Democratic Yemen, Ecuador, Egypt, Ethiopia, German Democratic Republic, Ghana, Greece, Guinea-Bissau, Guyana, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Libyan Arab Jamahiriya, Madagascar, Malaysia, Maldives, Mali, Mexico, Mongolia, Morocco, Mozambique,

/...

Niger, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Poland, Qatar, Romania, Sao Tome and Principe, Saudi Arabia, Senegal, Singapore, Somalia, Spain, Sri Lanka, Swaziland, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Venezuela, Viet Nam, Yemen, Yugoslavia, Zambia, Zimbabwe.

Against: Israel, United States of America.

Abstaining: Australia, Austria, Belgium, Canada, Denmark, Dominican Republic, Finland, France, Germany, Federal Republic of, Ireland, Italy, Japan, Malawi, Netherlands, New Zealand, Norway, Portugal, Sweden, United Kingdom of Great Britain and Northern Ireland.

38. The Chairman's proposal was adopted by 88 votes to 2, with 19 abstentions.

AGENDA ITEM 111: FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)

- (a) REPORT OF THE NEGOTIATING COMMITTEE ON THE FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)
- (b) REPORT OF THE SECRETARY-GENERAL (continued) (A/39/622; A/C.5/39/10 and Corr.1)

39. Ms. CONWAY (Ireland), speaking on behalf of the member countries of the European Community, expressed deep concern at the continuing increase in the short-term deficit of the United Nations. The projected rate of increase of 3.7 per cent was in fact understated, since it did not take full account of anticipated withholdings from peace-keeping operations up to the end of 1984. The Ten subscribed to the Secretary-General's view that the attitude of many Member States, which seemed to be to pay as little as possible as late as possible, had a direct negative impact on the capacity, role and credibility of the Organization. The worsening pattern of payments was one of the most worrisome aspects of the present situation. The unprecedented low rate of payment reflected in paragraph 5 of the Secretary-General's report (A/C.5/39/10 and Corr.1) had placed the Organization in a negative cash position as at 30 September 1984. Unless Member States responded positively and quickly, it was likely that the Organization would not have sufficient cash to meet its obligations early in 1985, a situation that endangered both its financial stability and its functioning and could not be allowed to continue.

40. While the decision to suspend financial regulations 5.2 (d), 4.3 and 4.4 for the 1980-1981 and 1982-1983 bienniums had increased the Organization's cash balances by a total of \$40 million, the Secretary-General had still been forced to borrow from the peace-keeping account on 30 September 1984 to meet other major obligations. Obviously, the Secretary-General must make up for late payment or non-payment of contributions by whatever means were at his disposal, but it was

(Mr. Conway, Ireland)

regrettable that he had been forced to borrow from the peace-keeping account since that would presumably further delay reimbursements to troop-contributing States, a number of which were developing countries.

41. With regard to the view expressed in the final sentence of paragraph 8 of the Advisory Committee's report (A/39/622), the Ten wished to reiterate that the palliative measures taken thus far had failed to produce a significant long-term improvement in the Organization's financial situation and that any real solution must deal with the problem of withholdings. If all Member States with outstanding contributions were to pay those contributions, and if all Member States forwarded their 1985 contributions early in the year, there would be no need to consider changes in the financial regulations. Most of the increase in the short-term deficit was the result of continued withholdings from peace-keeping operations. Clearly, financial responsibility for such operations should, in accordance with Article 17 of the Charter, be shared by all Member States in the proportions established by the General Assembly for that purpose. Withholding imposed a disproportionate burden on other Member States, particularly troop-contributing countries, and could also endanger efforts to ensure broad geographical representation in peace-keeping forces. The Ten hoped therefore that Member States would heed the Secretary-General's urgent appeal and would review their position and take appropriate action as soon as possible.

42. The Ten welcomed the detailed information on the Organization's cash-flow situation given in annex III to the Secretary-General's report and hoped that such information would be provided yearly in the future.

43. The Ten appealed to all Member States to live up to their obligations, in accordance with the principle of collective financial responsibility. It was in the interest of all Member States to place the Organization's finances on a sound footing once again so that it could fulfil its responsibilities.

AGENDA ITEM 112: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY
(continued):

- (a) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS
(continued) (A/39/592);
- (b) IMPACT OF INFLATION AND MONETARY INSTABILITY ON THE REGULAR BUDGET OF THE UNITED NATIONS: REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/39/44);
- (c) FEASIBILITY OF ESTABLISHING A SINGLE ADMINISTRATIVE TRIBUNAL: REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/39/7 and Corr.1)

44. Mr. NYGARD (United States of America) expressed appreciation for the Advisory Committee's report in document A/39/592. The comparative tables of approved regular budgets and established posts reproduced in that report suggested a continuing slow-down in growth which was appropriate to both the current global

/...

(Mr. Nygard, United States)

economic situation and the advanced stage of growth of the organizations of the United Nations system. However, those aggregate data probably concealed, as much as they revealed, actual budgetary developments within the United Nations system. For instance, the slow-down in the growth of established posts had apparently been accompanied by increased expenditures on temporary assistance and consultants and the slow-down in the growth of agency budgets expressed in dollar terms had been attributable partly to the strength of the United States dollar. Significant growth in the United Nations regular budget had in fact been financed through savings generated by a strong dollar and low inflation. Such a fortunate combination of circumstances could not be counted on to finance expenditures in the future and there must therefore be an increased commitment to further budgetary restraint.

45. His delegation commended the Advisory Committee's comprehensive review of the budgetary practices of the specialized agencies and IAEA. That review showed that the most perplexing and persistent budgetary problem was that of selecting an appropriate exchange rate. Extreme fluctuations of foreign currencies vis à vis the United States dollar in recent years had made the problem even more acute. In that connection, while his delegation generally supported the approach described in the final three sentences of paragraph 15 of the Advisory Committee's report, it believed that the United Nations operational rate of exchange in effect one month prior to the adoption of the budget should be used to adjust the budget estimates. If such a practice became generally accepted, the entire system would benefit.

46. Although some budgetary problems remained, his delegation had been impressed by a number of the procedures instituted by specialized agencies to minimize budgetary growth. The ICAO secretariat, for instance, rarely sought additional budgetary appropriations and instead compensated for unexpected expenditures by redeploying posts. Staffing policy at WMO required the creation of a new post to be offset by the elimination of an existing post, a procedure which might be employed with advantage at the United Nations. His delegation also strongly endorsed the recommendation in the second sentence of paragraph 17 of the Advisory Committee's report and would welcome its widespread application.

47. His delegation urged the Advisory Committee to refine and expand the information which it collected on voluntary contributions. Thus, it might wish to include in future reports annual data on both pledges and payments made by Governments for a particular year. The system currently used by the United Nations Secretariat for measuring cash payments, since it made no reference to the year to which pledges related, introduced distortions and anomalies. In conclusion, his delegation wished to express its appreciation to the Chairman and members of the Advisory Committee and the excellent ACABQ secretariat.

The meeting rose at 12.35 p.m.