

United Nations
GENERAL
ASSEMBLY

TWENTY-SECOND SESSION

Official Records



FIFTH COMMITTEE, 1185th
MEETING

Friday, 27 October 1967,
at 11 a.m.

NEW YORK

CONTENTS

Agenda item 80:

Implementation of the recommendations made by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies: reports of the Secretary-General (continued) 61

Agenda item 76:

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly:
(b) Committee on Contributions. 62

Agenda item 74:

Budget estimates for the financial year 1968 (continued)
General discussion (continued) 63

Chairman: Mr. Harry MORRIS (Liberia).

AGENDA ITEM 80

Implementation of the recommendations made by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies: reports of the Secretary-General: (continued) (A/6666 and Corr.1, A/6803, A/6853, A/C.5/1121 and Corr.1, A/C.5/1122, A/C.5/L.902, A/C.5/L.903/Rev.2, A/C.5/L.904)

1. Miss CILIA (Malta), again referring to the new revised text (A/C.5/L.903/Rev.2) of the draft resolution before the Committee, said that her delegation maintained the amendment (A/C.5/L.904) which it had previously submitted, since that amendment still applied to operative paragraph 4. It was not enough to request—in paragraph 5—the Economic and Social Council to give full consideration to the implementation of those recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies that fell within the Council's field of competence. The report which, by the terms of operative paragraph 4, the Secretary-General was requested to prepare should be submitted to the Council as well as to the Advisory Committee on Administrative and Budgetary Questions. The members of the Advisory Committee were experts and not government representatives and they lacked broad geographical representation. Many of the Ad Hoc Committee's recommendations were of interest to the Economic and Social Council and, in its consideration of their implementation, the Council would be greatly assisted by the Secretary-General's report on the subject.

2. Mr. ZIEHL (United States of America) said that the Maltese amendment raised certain difficulties and that, if it were put to a vote, his delegation would be compelled to vote against it.

3. Mr. CISS (Senegal) pointed out that the Council had already made arrangements to ensure that it was informed of the steps taken or contemplated to achieve the implementation of the recommendations of the Ad Hoc Committee concerning the development of an integrated system of long-term planning, programme and budgeting. In resolution 1275 (XLIII), the Council had requested the Secretary-General to submit a statement on that subject at its forty-fourth session through the Committee for Programme and Co-ordination. Not all the recommendations were of interest to the Council. The sponsors of the draft resolution had no wish to deprive the Council of any of its functions; indeed, most of the members of the Ad Hoc Committee were also members of the Council.

4. Mr. SANU (Nigeria) recalled that, as defined in General Assembly resolution 14 A (I), the functions of the Advisory Committee were to advise the Assembly concerning any administrative and budgetary matters referred to it and to examine on behalf of the Assembly the administrative budgets of specialized agencies and proposals for financial arrangements with such agencies. It was thus competent to consider all the recommendations made by the Ad Hoc Committee. The same was not true of the Economic and Social Council. In the view of the sponsors of the draft resolution, the point raised in the Maltese amendment was covered by operative paragraph 5 of their draft. In any event, the views expressed on the subject would be recorded in the Committee's report to the General Assembly.

5. Mr. MSELLE (United Republic of Tanzania) said that he had been unable to adopt a position with regard to the Maltese amendment and would therefore abstain in the vote on it.

The amendment submitted by Malta (A/C.5/L.904) was rejected by 54 votes to 1, with 27 abstentions.

The revised draft resolution (A/C.5/L.903/Rev.2) was adopted unanimously.

6. Mr. VIEIRA (Brazil) said that the recommendations of the Ad Hoc Committee made a most valuable contribution to the improvement of the administrative and budgetary practices of the United Nations family of organizations. The Secretary-General's report on the implementation of the recommendations (A/6803) was not encouraging but it had perhaps not done full justice to the efforts made by the agencies. His delegation therefore welcomed the unanimous adoption of the draft resolution inviting the Secretary-General

to prepare a report giving fuller information. Although the General Assembly would play a leading role in assessing the progress made by the agencies in the implementation of the recommendations, member States should also follow the progress being made and instruct their representatives on the legislative organs accordingly. In paragraph 91 of its second report,^{1/} the Ad Hoc Committee had expressed the view that effective co-ordination would eventually be achieved through co-ordination within Governments themselves of their own efforts and of the positions of their own representatives to the several organizations.

7. Mr. CISS (Senegal) said that the recommendations of the Ad Hoc Committee concerning medium-term and long-term planning were addressed to the United Nations as well as to the specialized agencies. The next report to be prepared by the Secretary-General should show how far those recommendations had been or would be implemented by the organs concerned, for example the Economic and Social Council and the Committee for Programme and Co-ordination.

8. Mr. TILAKARATNA (Ceylon) expressed his delegation's dissatisfaction with the phrase "the assurances given", in paragraph 2 of the draft resolution. It hoped that all the views expressed in the Fifth Committee would be taken into account by the joint inspection unit and all the bodies associated with it.

9. Mr. ESFANDIARY (Iran) thought that it would have been preferable for operative paragraph 1 of the draft resolution to reflect the concern expressed by many delegations at the fact that a number of the Ad Hoc Committee's recommendations had not been implemented. However, his delegation had supported the draft resolution, because it thought that a fuller report should be prepared.

10. Mr. FRANCIS (Canada) said that his delegation had voted in favour of the draft resolution.

11. The Secretary-General's report on the Panel of External Auditors of the United Nations and the specialized agencies (A/C.5/L.902) fully answered the questions raised concerning the nature and functions of the Panel and its relationship with the joint inspection unit. The Canadian delegation had been grateful to learn about the background of the Panel and interested to note that its members intended to expand the scope of their present work, where necessary, to include some auditing of a management or operational nature. It had also been pleased to note that the members of the Panel proposed to review the financial regulations governing external audit of agencies for which they were responsible for ensuring that the wording of those regulations enabled the Panel to make observations on administration and management, as recommended by the Ad Hoc Committee in paragraph 67, part A, sub-paragraph (a) of its second report. It was encouraging to note that the Panel intended to determine to what extent uniformity of wording could be obtained in the financial regulations of the various organizations concerning external audit.

12. His delegation endorsed the Panel's conclusion that the corporate role envisaged by the Ad Hoc Committee for a panel—to promote the development of common audit standards throughout the United Nations family—could and should be carried out by the existing Panel of External Auditors, which had been created for that purpose.

13. Canada appreciated the Panel's reservations about rotational auditing. The efficiency of audit procedures was of the utmost importance and the external auditors' excellent reputation in that regard should not be jeopardized for the sake of rotational audit, especially when, as indicated in paragraphs 24 and 25 of the Secretary-General's report, rotational audit already existed to a certain extent.

14. It was gratifying to note that the view that the head of the Panel of External Auditors and the joint inspection unit should meet to agree on a definition of the methods and procedures for their work. Canada was confident that the Panel and the unit would develop a harmonious relationship which would be mutually advantageous and thus of advantage to the whole United Nations family.

AGENDA ITEM 76

Appointments to fill vacancies in the membership of subsidiary bodies of the General Assembly:

(b) Committee on Contributions (A/6682, A/C.5/1116, A/C.5/1125 and Corr.1)

15. The CHAIRMAN invited the Committee to proceed with an election to fill the vacancy in the membership of the Committee on Contributions resulting from the resignation of Mr. Louis-Denis Hudon of Canada effective from 1 October 1967. The Canadian Government had nominated Mr. Thomas H. Bennett to serve for the unexpired portion of Mr. Hudon's term of office, namely, until 31 December 1968. Bibliographical information on Mr. Bennett was to be found in document A/C.5/1116.

16. Members were of course free to vote for whomsoever they wished, whether or not their names had been formally proposed.

At the invitation of the Chairman, Mr. Devendra (Nepal) and Mr. Rainford (Jamaica) acted as tellers.

A vote was taken by secret ballot.

<i>Number of ballot papers:</i>	95
<i>Invalid ballots:</i>	2
<i>Number of valid ballots:</i>	93
<i>Abstentions:</i>	1
<i>Number of members voting:</i>	92
<i>Required majority:</i>	47

Number of votes obtained:

Mr. Bennett (Canada)92

Having obtained the required majority, Mr. Thomas H. Bennett (Canada) was recommended by the Committee for appointment as a member of the Committee on Contributions for the unexpired portion of Mr. Hudon's term of office.

17. The CHAIRMAN invited the Committee to proceed with an election to fill three vacancies in the membership of the Committee on Contributions. As indicated in document A/C.5/1125, the terms of office

^{1/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

of Mr. Raymond T. Bowman (United States of America), Mr. F. Nouredin Kia (Iran) and Mr. Stanislaw Raczkowski (Poland) were to expire on 31 December 1967. Those three persons had been proposed for re-election by their respective Governments, subject to the provisions of rule 160 of the rules of procedure.

18. The members of the Committee were free to vote for whomsoever they wished, whether or not their names had been formally proposed.

At the invitation of the Chairman, Mr. Devendra (Nepal) and Mr. Rainford (Jamaica) acted as tellers.

A vote was taken by secret ballot.

<i>Number of ballot papers:</i>	90
<i>Invalid ballots:</i>	0
<i>Number of valid ballots:</i>	90
<i>Abstentions:</i>	0
<i>Number of members voting:</i>	90
<i>Required majority:</i>	46

Number of votes obtained:

Mr. Kia (Iran)	86
Mr. Raczkowski (Poland)	86
Mr. Bowman (United States of America)	81
Six other persons received one vote each	

Having obtained the required majority, Mr. F. Nouredin Kia (Iran), Mr. Stanislaw Raczkowski (Poland) and Mr. Raymond T. Bowman (United States of America), were recommended by the Committee for appointment as members of the Committee on Contributions for a three-year term beginning on 1 January 1968.

19. Mr. CISS (Senegal) observed that under rule 160 of the rules of procedure of the General Assembly, the members of the Committee on Contributions were to be selected "on the basis of broad geographical representation". However, of the ten members of that Committee, not one was from Africa. The Fifth Committee should seek to remedy the situation in future elections.

20. Mr. LOQUMAN (Mauritania) suggested that the Fifth Committee should bring the matter to the attention of the Assembly in plenary meeting through its report.

21. Mr. SANU (Nigeria) believed that it might be better if the African delegations in the Fifth Committee submitted a draft resolution on the subject calling for the enlargement of the Committee on Contributions. There were precedents for such enlargement, one being that of the Advisory Committee on Administrative and Budgetary Questions.

AGENDA ITEM 74

Budget estimates for the financial year 1968 (*continued*) (A/6705 and Corr.1, A/6707 and Corr.1 and 2, A/6854, A/6861, A/6878 A/C.5/1113 and Corr.1 and 2, A/C.5/1114 and Corr.1, A/C.5/1115 and Corr.1, A/C.5/1118, A/C.5/1123 and Corr.1, A/C.5/1124, A/C.5/1126-1129, A/C.5/1132, A/C.5/L.901, A/C.5/L.908)

General discussion (continued)

22. Mr. MORARU (Romania) said that the process of preparing the budget estimates was becoming in-

creasingly complex. There were technical problems, aggravated by often excessive haste, the lack of a period of gestation and evaluation, and the tendency to replace careful scientific elaboration by improvisation. There was in addition the major problem of reconciling the work programme and the available resources. Discussion of the budget estimates must of necessity be more than a routine debate on technical details and figures.

23. Referring to the form of the budget, he endorsed the remarks of the Advisory Committee on Administrative and Budgetary Questions (A/6707 and Corr.1 and 2, paras. 40-51) on the innovations and improvements introduced by the Secretariat in an effort to render the Fifth Committee's study of the estimates easier and more efficient.

24. The most striking feature of the budget estimates for the financial year 1968 (A/6705 and Corr.1) was that they continued and possibly even intensified the tendency of accelerated growth of budgetary expenditure. Gross expenditure under the estimates was over \$141 million, and that figure did not take the revised estimates into account.

25. The continual rise in the number of staff and in staff costs was most disquieting. Over \$60 million were requested under section 3 alone; if staff costs under sections 12 and 16 to 20 were added, the total came to more than \$84 million. Only in section 3, and excluding local posts, almost 300 new posts were requested. A major increase was also asked for in connexion with temporary assistance. Although part of that increase could be justified by the growing number of conferences and meetings, it was hard to understand the very large request for experts and consultants. If so many studies and reports were prepared by experts and consultants, one might ask what was left for certain permanent substantive officers to do. Perhaps a complete answer to that question would eventually be supplied in the context of an integrated programme budget.

26. The Advisory Committee had made a lucid analysis of the Secretary-General's requests relating to staff (A/6707 and Corr.1 and 2, paras. 85-88 and 155-199) and had recommended cuts which, although substantial, could have been even more severe. It was paradoxical that, at the very time when the recommendations made by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies in its second report ^{2/} were to be put into effect, there should be such an avalanche of new requests. The spiralling of the budget had led to a heavy increase in administrative expenditure. Administrative costs under the budget estimates for 1968 amounted to \$76 million (see A/C.5/1115 and Corr.1), which represented 60 per cent of the expenditures distributed under the three broad categories. But the yield from the rising administrative outlays was not what it should be; the law of diminishing returns seemed to be at work.

27. That was equally true of conferences and meetings. Recent years had seen a proliferation of both committees and meetings, including special

^{2/} Ibid.

meetings. The primary responsibility lay with the States Members of the United Nations which called for fewer meetings but then agreed to more, and to the establishment of new bodies. The estimates for special meetings and conferences had risen sharply since 1966. One of the consequences of the rise, affecting the volume of documentation, was mentioned by the Advisory Committee (A/6707 and Corr.1 and 2, para. 95).

28. In sections 12 (Special expenses) and 16 (Special missions), the budget estimates continued to carry certain items of expenditure which did not belong in the regular budget but required another financing procedure because of their status. His delegation maintained the reservations of principle it had already stated at the 1175th meeting, with the attendant implications.

29. In analysing the budgetary situation it was necessary to proceed from the obvious fact that the resources of the United Nations were limited. That fact must be borne in mind always, when allocating funds, when contemplating new projects and, most important, when attempting to establish guide-lines for United Nations work. However, some mechanism was needed to aid in that process. One of the defects of United Nations activity was the lack of a work programme as such. The existing programme was no more than a conglomeration of disparate resolutions and decisions. The General Assembly was unable to keep all the elements under control and to bring the parts into a coherent whole. Needless to say, it was extremely difficult to give budgetary sense to the conglomerate, after the fact. The notions of priority, long-term planning and effective utilization of internal resources and reserves simply did not fit within the context of the present manner of working. A remedy to the situation required the courage to admit what was happening and the courage to make the necessary action. He believed that the former was not lacking, and he mentioned in that regard the establishment of bodies like the Committee for Programme and Co-ordination and the Committee on Conferences, the Secretary-General's forewords to the various budget estimates and the observations made each year by the Advisory Committee. But the Fifth Committee, frightened perhaps at the prospect of structural change, hesitated to attack the core of the problem.

30. The first step, in his view, was to introduce a system of meetings which would make it possible to draw up the work programme and appropriations programme gradually but coherently. That meant that the meetings of subsidiary and main organs must be spaced in such a way that the recommendations of the subsidiary organs would go to the Committee on Programme and Co-ordination, which would prepare for the Economic and Social Council a duly justified draft programme based on considerations of efficiency, priorities and comparative merit. The Council, in turn, would submit to the General Assembly a draft work programme in the economic, social and human rights fields for a specified period. The draft would at that point come before the Advisory Committee for consideration from the budgetary standpoint. That manner of working would serve to eliminate improvisation,

duplication and waste while ensuring control over the achievement of targets and evaluation of results. It might be noted that in UNESCO two years were allowed for the preparation of the work programme.

31. It was furthermore desirable that the Economic and Social Council should continue to improve its working methods and devote attention to policy matters connected with the elaboration of the work programme in the economic, social and human rights fields.

32. There was one more essential requirement: a willingness by Member States to dispel myths and reject ambiguities. Methods that proved their worth should be applicable to the whole of the United Nations activities. Indeed, those activities could be only as effective as the Members wanted them to be. As for the budget, it would reflect the Organization's work to the extent that Members proved able to utilize the limited available resources with maximum efficiency.

33. Mr. PARTHASARATHI (India) thought it significant that, in its main report (A/6707 and Corr.1 and 2) on the budget estimates for 1968, the Advisory Committee had not commented on the Secretary-General's suggestion (A/6705 and Corr.1, foreword, para. 25) that the task of reconciling work programmes with budget resources might be facilitated by clearer guidance from the General Assembly as to the rate of growth in economic and social activities it would be prepared to support. As the Secretary-General pointed out (*ibid.*, para. 24) the programmes in the economic and social field were defined in the resolutions adopted by the principal legislative bodies, whereas the level of resources needed to carry them out was never prescribed with the same precision. However, his delegation had already emphasized, during the detailed discussion of the subject in the *Ad Hoc* Committee, that the imposition of a ceiling on expenditure or a fixed rate of growth was unacceptable, as it would curtail development activities and was therefore incompatible with Article 55 of the United Nations Charter. Many speakers in the General Assembly debate had drawn attention to the deplorable failure of international effort in the development field, and any action taken by the Fifth Committee to obtain acceptance of the concept of a budget ceiling would aggravate the already serious position of the developing countries. Multilateral international co-operation for economic development was the best insurance for peace and any erosion of the already pitifully meagre effort in that direction by those who could afford to make a far more generous contribution would have serious consequences.

34. The provisions of the Charter dealing with international and social advancement established a direct link between the economic and political activities of the United Nations and clearly stipulated that its economic activities should be subordinated to, but flow directly from, its larger political activities. The budget must therefore be considered only in the context of the concurrent attainment of all the Organization's objectives. His delegation shared the view, expressed by the representative of Sweden during the twentieth session at the 1075th meeting of the Committee, that the United Nations budget should be such

as would enable it to play its vital role in world affairs effectively. As that representative had pointed out, the world's per capita expenditures on armaments each year was \$50, compared with 4 cents on the operation of the United Nations. Any policy of "consolidation and containment" based on the specious argument that the United Nations and its specialized agencies were incurring unduly large expenditures would amount to the negation of the Organization's principles and purposes. His Government would continue to support a natural expansion of the multilateral development activities of the United Nations and was firmly opposed to the imposition of any artificial and arbitrary restrictions on a reasonable and natural rate of growth.

35. It was nevertheless necessary to strike a balance between the requirements of the Organization's Members and their capacity to provide resources to meet those requirements. That should be done by establishing priorities, planning expenditure on a long-term basis and evolving adequate methods of programme evaluation.

36. It had been suggested that, in the search for a solution, some thought might be given to improving the form of budget presentation and adopting a biennial budget cycle. The Secretary-General's reports on those subjects (A/C.5/1121 and A/C.5/1122) did not adequately bring out the context in which the Ad Hoc Committee had intended that the matter should be examined, but nevertheless confirmed his delegation's conviction that those reforms were unlikely to have the desired effect and might even aggravate the situation. The Secretary-General had rightly pointed out, in his statement to the Committee (A/C.5/1127), that technical devices such as a longer budget cycle and a more detailed budget format would not by themselves produce dramatic results and that the Member States, not the Secretariat, would ultimately have to provide satisfactory solutions to the fundamental problems involved. Moreover, the Ad Hoc Committee, in its second report,^{3/} expressed the view that programme budgeting did not require traditional budgeting to be cast aside, since the latter was essential for exercising financial control in each organization, and that the two methods of budgeting could and should operate in a complementary manner. The Secretary-General's reports reflected the same cautious approach to those reforms.

37. While his delegation favoured the principle of long-term planning, that did not, in its opinion, require a longer budget period. The necessary degree of flexibility was already available in the form of the General Assembly's annual resolution to meet unforeseen and extraordinary expenses and the supplementary estimates. Moreover, an attempt was being made to link the concept of a biennial budget cycle with the imposition of a ceiling on the rate of growth; although presented in strictly administrative and budgetary terms, the proposed arrangements would inhibit the natural growth of the United Nations as a dynamic political instrument for attaining the broader objectives of international co-operation. The adoption

of a biennial budget cycle would also require far-reaching legislative changes and re-arrangement of the work of the Fifth and Second Committees, the Advisory Committee, the Committee for Programme and Co-ordination and the Economic and Social Council. Such drastic measures were not justified. The necessary degree of advance planning could be achieved by marginal but effective refining and streamlining of existing budgetary and administrative procedures. For the present, it would be sufficient to concentrate on improving the work schedules of the Economic and Social Council and its Committee for Programme and Co-ordination and on fuller co-operation between the latter and the Advisory Committee.

38. As it had stated on previous occasions, his delegation was opposed to the suggestion that part V (Technical programmes) of the regular budget should no longer form part of the regular budget and that the activities in that sector, financed from funds realized by mandatory assessments, should in future be financed by voluntary contributions. The argument that development assistance could not be considered as an obligation on the Member States was unacceptable. The responsibility of the United Nations to the developing countries should be borne by the entire membership of the Organization according to the capacity of each member. Although a large part of the multilateral funds used for international development assistance came from voluntary contributions, it was long-established practice for part of the United Nations technical assistance programme to be charged to the regular budget. If greater meaning were to be given to Article 55 of the Charter, the benefits derived from that source should be greatly increased. While there was no reason to doubt the assurances that sums equivalent to those paid at present under assessed contributions towards part V would be made available on a voluntary basis, it should be borne in mind that recent appeals for larger contributions to UNDP had elicited a poor response. The United Nations programme in the economic and social field now under the regular budget should not be made dependent on the uncertainties of voluntary contributions. Such a step would be unsound, retrograde and unacceptable.

39. As the Secretary-General had pointed out in his statement to the Committee, the difficulties of reconciling programmes with available resources arose because programmes were reviewed and formulated without full regard to the possible financial consequences and decisions were taken on related budgetary resources without full knowledge of the programmes. The recently reconstituted Committee for Programme and Co-ordinated had already made a useful contribution to programme reappraisal and he was sure that, with more experience and fuller co-operation of all concerned, it would perform a valuable function in helping to overcome those difficulties. The Advisory Committee had also had to adapt its programme, following the recommendations made by the Ad Hoc Committee, and was responding admirably to its added responsibilities.

40. The Fifth Committee should in turn approach its new responsibilities in a more businesslike manner, by doing more original work and given more positive

^{3/} Ibid., para. 70.

directives to the Secretariat in its capacity as the final and authoritative adviser of the General Assembly on administrative and budgetary questions. The Advisory Committee and the Committee for Programme and Co-ordination had an important role to play in that connexion by furnishing the Fifth Committee with the necessary background material. It was also the function of the Fifth Committee to reconcile the differences of judgement regarding the allocation of resources. The Committee for Programme and Co-ordination had wisely recommended that its report on the work programme should be considered by the Fifth Committee in conjunction with the budget estimates and the Advisory Committee's report on them. He endorsed the Advisory Committee's proposal that the time-table of future meetings should be so arranged that the Advisory Committee would have before it the views of the Committee for Programme and Co-ordination on programmes and priorities when it examined the budget estimates for the following year. The Fifth Committee should nevertheless give independent consideration to the report of the Committee for Programme and Co-ordination,

whose role in the reconciliation of programming and budgeting would thus be enhanced.

41. The reorganization of the top echelon of the United Nations Secretariat (see A/C.5/1128) was entirely within the Secretary-General's own powers, although the Secretary-General had rightly sought the General Assembly's approval for the financial implications of the proposed reorganization. He expressed his delegation's support for any effort the Secretary-General might make to remodel the Secretariat in whatever manner he judged to be in the interests of greater efficiency. His delegation would favour any move which gave the Secretary-General greater flexibility in organizing the top levels of the Secretariat.

42. In conclusion, he emphasized his Government's conviction that the United Nations must be maintained as a living, growing, dynamic Organization, as it offered the last as well as the best hope for establishing a new era of peace and prosperity for all.

The meeting rose at 1.10 p.m.