CANADIAN MISSION TO THE UNITED NATIONS

CAUTION: ADVANCE TEXT

PRESS RELEASE No. 46

October 19, 1967

FOR RELEASE ON DELIVERY

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New York, N. Y. 10017
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UN 1968 BUDGET ESTIMATES

Text of Statement to be Delivered in the General Debate on the United Nations 1968 Budget Estimates by the Canadian Representative in the Fifth Committee, Mr. Lloyd Francis, on October 19, 1967.

The Fifth Committee meets this year at an important juncture in the administrative and budgetary field in the life of the United Nations. Over its first twenty years, the Organization developed rapidly in a largely ad hoc manner, mushrooming into a complex of specialized agencies, regional and functional commissions, expert groups and development programmes. With the noble preamble to the Charter as our blueprint, my delegation has never doubted that during this process we were building on the right foundation. However, after 20 years of continuous development it was reasonable to question whether the structure we had built on this foundation was fully rational and efficient in its administrative and budgetary procedures. Over the last two years we have been engaged in reassessing the institutional edifice which we have gradually constructed in order to determine in what ways it might be better equipped to serve today's international community.

It was in this spirit that my country welcomed the establishment two years ago of the Ad Hoc Committee of Experts on UN Finances to examine the finances of the United Nations and the Specialized Agencies and it was in this same spirit that we willingly served on this Committee. We welcomed the Ad Hoc Committee not because we anticipated that its recommendations for administrative and budgetary innovation would help limit the rate of growth of the organization and save expenses for the Canadian tax payer, but rather because we felt it could make recommendations which would, if accepted, lead to greater efficiency in operations, thus ensuring that member states would obtain increasingly greater value from the resources which they placed at the disposal of the United Nations.

At the twenty-first session, this committee, and subsequently the General Assembly, unanimously adopted the report of the Ad Hoc Committee. My delegation feels that the recommendations contained in the report will be remembered as a highly significant step in the reassessment of United Nations procedures. We believe that if this Organization is going to fulfill effectively the tasks before it, then the fullest possible implementation of this report is essential.

The question, indeed the approach, of reassessment, is particularly significant as we approach the end of the first Development Decade. The tasks we have undertaken, the objectives we support and the goals we seek are all embodied in the concept of a Development Decade. As we become increasingly aware of the complex nature of the task of economic and social development, we also become increasingly conscious of the need to improve in every way possible the efficiency of our Organization. Thus, when the Secretary-General points out, as he did in his forward to the budget estimates for 1968 that, and I quote, "the total demands to be made on the United Nations are far in excess of the resources which can reasonably be made available" he is restating a fundamental economic principle, namely that choices have to be made and that it is mandatory that we make the best possible use of the limited resources at our disposal. It is for this reason that we have supported a general reassessment of our administrative and budgetary procedures and it is with this attitude that we would hope that the United Nations will proceed.

I said at the outset that the United Nations is at a turning point this year in the administrative and budgetary field. Two years ago we began an important process of reassessment so that we might move forward with an organization better equipped to cope with the tasks before it.

Now, we have reached the point where we can begin to see the fruits of our reassessment in the implementation of some of the recommendations of the Ad Hoc Committee of 14. My delegation is pleased, for example, at the encouraging progress that has been made towards the establishment of the joint Inspection Unit along lines which should enable the Unit to function effectively. We trust that it will, in fact, be possible for the Unit to begin its work by the target date of January 1, 1968.

We are pleased that the Economic and Social Council reconstituted the former Special Committee on Co-ordination into the Committee for Programme and Co-ordination in keeping with the Ad Hoc Committee's recommendation. This Committee

has the potential to play a vital role in the implementation of the recommendations of the Ad Hoc Committee relating to programme formulation, evaluation and co-ordination. We were encouraged in this regard by the observations and recommendations of the majority of members of this Committee on the subjects of long-term planning and programme formulation in paragraphs 41 to 45 of the Committee's report on the first part of its first session. I refer to document E/4383.

My delegation is also encouraged by the request of the Economic and Social Council in E/RES/1264 of its 43rd Session that its subsidiary bodies attempt to reduce their total meeting time and documentation, that they attempt to rationalize the system of subsidiary economic and social bodies and that they draw up, where they have not already done so, long-range programmes of work containing clear indications of the priorities amongst various projects. Rigorous attention to these requests of the Economic and Social Council by its subsidiary bodies will be of considerable assistance in the successful implementation of the Ad Hoc Committee's recommendations.

Implementation of the Ad Hoc Committee's recommendation that the Advisory Committee on Administrative and Budgetary Questions (ACABQ) should from time to time review the administrative and management procedures of the specialized agencies is also a matter of great interest to us. We look forward, therefore, to considering the ACABQ's report on the administrative and management procedures of UNESCO in this Committee.

According to paragraph 9 of the Secretary-General's latest report on the implementation of the Ad Hoc Committee's recommendations (A/6803), the various United Nations agencies have arranged to meet later in the year, to take steps towards greater standardization of nomenclature in budget documents and in financial regulations and rules. This determination to implement the recommendation of the Ad Hoc Committee of 14 in paragraph 59 of its second report is to be commended.

My delegation also wishes to commend the Secretary-General and his staff for the number of useful changes they have introduced in the presentation of the 1968 budget estimates, which the Secretary-General has said represent "a first systematic step towards the long-term study recommended by the Ad Hoc Committee of Experts on the possible standardization of budget presentations." We welcome the Secretary-General's new distribution of expenses under Section 3 of the budget by major organizational units within

the Secretariat. Canadian officials have found this new form of presentation of considerable assistance and would like to encourage the Secretary-General to extend it to other sections of the budget in the 1969 estimates. My delegation feels that changes in budgetary presentation of this nature represent an important step forward in the direction of programme budgeting which was recommended by the Ad Hoc Committee of 14. At the same time, the retention of the conventional budgetary layout by object of expenditure will ensure that effective central control is maintained over the budget. There is still a long way to go before an integrated system of programme budgeting and long-term planning is realized, but this change in presentation of the estimates is a first step forward towards the provision of budgetary information on the basis of which the Secretary-General can propose feasible long-term programmes and member states can judget the acceptability and likely effectiveness of the programmes proposed.

We were pleased to receive in April the Secretary-General's report on budget performance for 1966 (document A/6666) prepared in response to the recommendation of the Ad Hoc Committee of Experts in paragraph 34 of its second report. We support the view of the Secretary-General in paragraph 9 of the Foreword to the budget estimates that this report would be of greater benefit to Member States if it were supplemented by an evaluation of accomplishments in respect of the work programme during the same period, especially in the economic and social field. A more detailed breakdown of expenditures in the various chapters and sub-chapters (recommended by the ACABQ in paragraph 49 of A/6707) would also, in our view, augment the utility of the report on budget performance.

My delegation appreciates the improvements which have been made in the annexes to the budget estimates this year, particularly the amplification of the information provided in Annex 1. We would also like to thank the Secretary-General for issuing separately a further information annex (Document A/C.5/1115) which breaks expenditures down into administrative costs, operational costs and general research and study costs. Such an annex was recommended for all United Nations Organizations by the Ad Hoc Committee of 14 in paragraph 123 of its second report. Finally, on the subject of budget presentation, may I add, that we await with interest the Secretary-General's report on proposals for changes in the present form of the United Nations budget.

There are other areas where my delegation hopes that it may be possible to make progress at this session in improving our administrative and budgetary procedures. One

of these is the containment of the steady increase in United Nations conferences, meetings and documentation, a problem which was raised by the Ad Hoc Committee in Chapter 9 of its second report. With regard to documentation, while we recognize that there will be no quick solution to this question, we, nonetheless, look forward to considering the report of the Secretary-General (A/6675) on the publications and documentation of the United Nations. We hope that this report and the recommendations of the Publications Board contained in it will be a first step toward the elimination of unnecessary and out-moded publications.

The volume of documentation is, of course, closely related to the number and length of United Nations conferences and meetings. Control over documentation is, therefore, contingent on controlling the expansion of United Nations conferences and meetings. We look forward, therefore, at this session to learning the recommendations of the new Committee on Conferences on the proposed conference programme for 1968. We consider that this new Committee should be able to make useful recommendations on the conference programme although we recognize that it will not be able to perform miracles. In the end, it is up to member governments as a whole to tackle this problem in as determined a manner as possible and to make every effort to bring the proliferation of conferences and meetings under control. The Secretary-General stated in paragraph 19 of his foreward to the budget estimates, that regardless of the criteria applied in defining a special conference of major proportions, some seven such conferences are scheduled for 1968 as compared to five in 1967. This being the case, the principle approved in Resolution 2116 at the 20th General Assembly, that no more than one special major conference be held annually, would appear to be incapable of realization. We would hope, however, that the Committee on Conferences, apart from its major task of considering the conference programme for 1968, might still give consideration to the concept "major special conference." We appreciate that this term is vague and that it might not be possible for the Committee to define the concept precisely. We would hope, however, that the Committee would consider the term and that it might make recommendations as to the criteria which should be used by the Assembly in trying to control the number of conferences of a major and special nature which might be held in any given year.

We also look forward at this session to receiving the Secretary-General's study of the possibility of biennial budgeting for the United Nations regular budget, a report which the Ad Hoc Committee called for in paragraph 56 of its second report. We are interested in knowing the results of this study because we feel that there is merit in the

United Nations adopting a biennial budget. A useful by-product of biennial budgeting which also interests us is that it might prove to be a way of improving the relationship between the ACABQ and the Committee for Programme and Co-ordination. At the 43rd session of the Economic and Social Council my country co-sponsored a resolution (E/RES/-1275) which, inter alia, expressed the hope that the timetable of meetings of the CPC and ACABQ might be arranged in such a way that the ACABQ would be able in future years to be represented at all meetings of the CPC on the work programme and to take into account the report or reports of the CPC prepared in the light of the Secretary-General's budget proposals for the forthcoming year. At the moment, it is proposed that next year the CPC should meet in April at which time it would analyze and assess the United Nations programmes and establish priorities for these programmes for the following budgetary period. The ACABQ as indicated in paragraph 82 of A/6707 proposes next year to meet at the end of the first week of June to begin consideration of the budget estimates for 1969. It will, therefore, be able to have the views of the CPC on the work programme before it when it examines the budget estimates. This arrangement marks an improvement over the current year when regrettably it was not possible for the ACABQ during its review of the Secretary-General's budget proposals for 1968 to take into account the report of the Committee for Programme and Co-ordination of the United Nations work programme in the economic, social and human rights fields. However, since the Secretariat apparently cannot present the budgetary implications of the work programme for the following year to the CPC in time for its April meeting, the ACABQ has suggested in paragraph 82 of A/6707 that the CPC should review the work programme for the coming year within the budgetary framework of the approved appropriations for the current year. My delegation believes, however, that the CPC to be fully effective should use the Secretary-General's budget proposals for the following year in its review of the United Nations work programme. The adoption of biennial budgeting by the United Nations would probably make this possible, since it would then be easier to supply budgetary information for the following year to the CPC in time for its spring meeting. Alternatively, of course, the problem could be resolved by the introduction of programme budgeting based on an agreed long-term plan. In the absence of either of these developments, progress might be made on this problem by the Secretariat producing, as the Secretary-General suggests in paragraph 13 of his foreword to the Budget Estimates, one set of budgetary and programme data to serve the ACC, CPC and ACABQ, since this would be of great assistance in speeding up the whole presentation of budgetary information.

There is one other area where my delegation hopes that it might be possible for us to make progress at this session in improving our administrative and budgetary procedures, and that is with respect to controlling the use of supplementary estimates. We share the doubts of the ACABQ, expressed in paragraph 58 of A/6707 and the doubts expressed already by many delegations in this Committee as to whether certain additional expenditures which have been incurred by United Nations bodies at various times could legitimately be regarded as "unforeseen and extraordinary expenses" and hence could properly be financed during the current budgetary year under the terms of the General Assembly resolution relating to unforeseen and extraordinary expenses. We endorse the ACABQ's view that too wide a degree of latitude is being allowed in the use of this resolution and that it has, in effect, become a device for increasing the Organization's budget beyond its approved level. The ACABQ has suggested that the annual resolution on unforeseen and extraordinary expenses should perhaps be modified to indicate, as recommended by the Ad Hoc Committee of 14 (in paragraph 43 of A/6343) that unforeseen and extraordinary expenses are to be limited to "clearly exceptional cases involving emergencies." My delegation hopes that it will be possible for the Fifth Committee to give consideration at this session to modifying the resolution on unforeseen and extraordinary expenses along the lines proposed by the Ad Hoc Committee of 14.

I think it is evident from what I have said thus far that we have already made some degree of progress towards implementing the recommendations of the Ad Hoc Committee of Experts on UN Finances and accordingly in improving our administrative and budgetary procedures. We may be able to make still further progress in this regard during the course of the present session. However, my delegation would like to emphasize that we have only made a beginning; we have only just begun the inevitably long process of administrative and budgetary reform. Much more remains to be accomplished before it can be said that our organization is as cohesive and efficient as practical and that we are making the best possible use of available resources.

We believe that in particular there is need for much more progress in such fields as programme budgeting, coordination, evaluation and long-term planning. And we look forward to a much fuller report from the Secretary-General on the progress made in implementing the recommendations of the Ad Hoc Committee of 14 in these areas than we received this year in documents E/4391 and A/6803. We recognize, of course, that full and successful implementation in these fields will take more time than in other areas and will

involve a continuing process over a number of years. However, it is the progress that we make in these vital areas which will ultimately determine our success in improving the efficiency and cohesiveness of this Organization.

I should like at this stage to refer briefly to two factors which my delegation feels could be of great importance in furthering the continuing process of administrative and budgetary improvement.

One of these is the General Review to be undertaken by the Enlarged Committee for Programme and Co-ordination. The purpose of the General Review is in part to obtain a clear and comprehensive picture of the existing operational and research activities of the United Nations system in the fields of economic and social development. The Enlarged Committee is to recommend any changes which it feels are necessary in existing arrangements in order to ensure that resources are concentrated on programmes of direct relevance to member states and that the programmes themselves are so organized as to permit an early and flexible response to the needs of individual countries and regions while placing the minimum burden on the administrative resources of both member states and the United Nations organizations concerned. The Committee is also to make recommendations to ensure the evolution of an integrated system of long-term planning on a programme basis and the improvement of evaluation techniques. The purposes of the General Review are, therefore, closely related to the purposes of the reassessment on which we embarked two years ago. While we are under no illusions about the difficulties implicit in the general review we, nonetheless, regard it as an important adjunct to the improvement of our administrative and budgetary procedures and as an essential prerequisite to the attainment of the objective, to which we subscribe, of achieving a coherent programme of assistance to developing countries emanating from a closely-linked United Nations system of organizations. We hope that a first step was taken in that direction about three weeks ago when the Enlarged Committee compiled a list of priority questions for consideration. Out of its study of these important questions there may in time emerge recommendations which will do much to improve the methods of work of the organizations of the United Nations family.

Second, I would like to remind member states that the Ad Hoc Committee of 14 was charged with not one, but two tasks and produced not one, but two reports. It is my delegation's view that in our concern with implementing the recommendations contained in the second report of the Ad Hoc Committee, we are in danger of overlooking its first

report. I refer to the Ad Hoc Committee's analysis of the finances of the United Nations (A/6289). Under the terms of the General Assembly resolution which established the Ad Hoc Committee (RES. 2049 (XX)), the Committee was called upon as its first order of business to examine the financial situation of the United Nations and to transmit its comments on that subject to member states at the earliest possible date. The Ad Hoc Committee duly issued its report on March 28, 1966. That report concluded that as of September 30, 1965, the deficit of the Organization towards which voluntary contributions were requested from member states in order to assist the Organization out of its financial difficulties was either $52 million or $73.4 million. Against this deficit voluntary contributions paid or pledged totalled $20.1 million at that time, leaving $31.9 million or $53.3 million still to be covered by voluntary contributions.

It is over a year and a half now since the Ad Hoc Committee issued its first report. During that time, the deficit of the Organization has not been treated with the seriousness it deserves. When we participated in the Ad Hoc Committee we did so partly in the belief and hope that the Committee's first report would set forth such a clear analysis of the state of UN finances that member states which had not yet done so would come forward with voluntary contributions without hesitation. However, despite numerous appeals for contributions by the Secretary-General--appeals which were endorsed on at least two occasions by General Assembly resolutions--the special solvency fund now stands at only $23.6 million. In other words, a further $28.4 million to $49.8 million is still required in voluntary contributions simply to meet the deficit as of September 30, 1965. We would like to point out, however, that according to the Secretary-General's foreword to his Annual Report, the Organization's deficit has in fact risen by a further $8 million to $10 million since the Ad Hoc Committee issued its first report.

The Secretary-General states, in his foreword and I quote:

> "The generous example of twenty-three countries in voluntarily contributing approximately $23.6 million to assist the United Nations out of its financial difficulties has failed to inspire others to follow suit despite repeated assurances that such support would soon be forthcoming."

As one of those countries which made a voluntary contribution, we deplore this tendency of many member states to ignor the financial deficit of the Organization, notwithstanding the consensus reached at the 19th Session.

We believe that during this current process of administrative and budgetary reform, our first priority must be the elimination of the too long outstanding financial difficulties of this Organization. All of our changes and reforms will, in fact, be in vain if we do not at the same time liquidate the United Nations' deficit.

My delegation, therefore, urges member states which have not yet done so to consider what contributions they can now make to strengthen the financial position of the United Nations so that as we persevere in the process of administrative and budgetary reform, we may do so with confidence in the knowledge that our Organization is on a sound financial basis.

Finally, I would like to comment on the Secretary-General's request in his foreword to the 1968 estimates for clearer guidance as to the rate of budgetary growth which the General Assembly would be prepared to support either annually or over a longer period of time.

My delegation is fully aware of the importance of this question. The United Nations system being "big business" needs to be approached in an ever-more business-like way. The Ad Hoc Committee of 14, realizing this, opted for long-term planning and programme budgeting as the solution to this problem. It believed that a serious attempt had to be made to rationalize what the United Nations family of agencies was doing, to sort out and establish priorities, build coherent programmes taking into consideration those priorities, and to place a price-tag on each major or significant programme comprising each agency's budget. On the basis of this information, member states would, first, either accept or modify the programme, second, study the cost implications and the time-phasing, and third, reach agreement on whether they were prepared to support financially what was proposed. Thus, the various organizations, having presented their proposals, would leave it up to the membership to decide the extent to which it wished to be committed financially for some definite future period.

While my delegation appreciates the Secretary-General's desire for guidance on an acceptable rate of budgetary growth, we believe that a solution should be sought through the adoption of long-term programme planning rather than by attempting to establish an arbitrary rate of budgetary growth. It is our view that without an opportunity to examine, comment and decide upon priorities and programme content, we cannot assume any advance commitments on budget levels or rates of growth.

I would like if I may to quote from a statement made by the Canadian representative on the Ad Hoc Committee of 14 on this subject of rate of growth. On June 13, 1966, our representative said to the Ad Hoc Committee: "The limits of future growth of UN economic and social activities will depend on the merits of the plans put forward and on the reaction of member states to those plans. We do not think these limits should be determined in advance. Good planning arrangements can give us a much better idea of where we are going and therefore a much better basis for supporting and for increasing support of worth-while endeavours by the UN and its agencies. Long-term planning must mean that you judge proposals on their merits--that you judge them in terms of the usefulness or worthiness of the job which is set out to be done. If there are many important jobs to be done--as there are--jobs which appeal to the national priorities of Member States then the appropriate funds are likely to be made available provided they are clearly presented and planned well ahead."

My delegation, therefore, commends the approach of long-term planning to the Secretary-General and member states as the most effective way of resolving the question of rate of growth. Long-term planning would also make it easier for the Advisory Committee and all member states to review the annual budgetary estimates of the United Nations, since the Secretary-General's requirements would be directly related to approved long-term programmes. In the absence of programme planning, however, it is difficult for this Committee to determine whether new budgetary requests reflect in all instances real and immediate needs. We have reservations, this year, for example--particularly in the light of the vacancy situation in the Secretariat, which the Advisory Committee has described in its report on the on the 1968 budget estimates (A/6707)--as to whether existing staff resources are being fully utilized and as to whether the Secretary-General's request for 524 new posts for 1968 is, therefore, fully justified. We feel that the Advisory Committee's recommended cuts in staff are reasonable, as well as its cuts under other section and that they deserve the support of member states.

We wish to emphasize, however, that we support these cuts not because we wish to restrict unduly the expenditures of the Organization, but because we feel that before we can support any sizeable increase we need to know that these increased expenditures are the result of carefully considered programme needs. Well conceived planning might indeed result in a higher level of United Nations expenditures than would otherwise be the case.

What is crucial, therefore, in the view of my delegation, is that we persevere with the fullest possible implementation of the recommendations of the Ad Hoc Committee of 14. By so doing, we will ensure that the resources which we place at the disposal of the United Nations are more effectively utilized and we will in the process encourage member states to take a more positive attitude towards United Nations activities in the future.