



SUMMARY RECORD OF THE 8th MEETING

Chairman: Mr. KUYAMA (Japan)

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

CONTENTS

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 114: PATTERN OF CONFERENCES (continued)

- (a) REPORT OF THE COMMITTEE ON CONFERENCES (continued)

AGENDA ITEM 107: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued)

- (a) UNITED NATIONS DEVELOPMENT PROGRAMME (continued)
- (b) UNITED NATIONS CHILDREN'S FUND (continued)
- (c) UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (continued)
- (d) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (continued)

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CONTENTS (continued)

(e) VOLUNTARY FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (continued)

(f) UNITED NATIONS FUND FOR POPULATION ACTIVITIES (continued)

AGENDA ITEM 115: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued)

The meeting was called to order at 10.45 a.m.

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/C.5/38/9 and Add.1)

1. Mr. RALLIS (Greece), speaking on behalf of the 10 States members of the European Community, noted with concern that the deficit of the United Nations had continued to increase despite the numerous resolutions adopted on that subject by the General Assembly. While Member States had paid their contributions more promptly in the early part of 1983, that favourable trend had not continued and the short-term deficit as at 31 December 1983 was expected to be some 12 per cent higher than in 1982. As the Chairman of the Advisory Committee has stated, there was little cause for satisfaction.

2. The measures which had been adopted so far and the various suggestions made by Member States at preceding sessions would not bring about a significant long-term improvement in the current financial situation, which could undermine the Organization's financial credibility. The only genuine solution was one which would deal with the unjustified practice of withholding by Member States. As emphasized in the Secretary-General's report, the increase in the deficit was due primarily to the withholding of contributions by certain Member States for peace-keeping activities, and, to a lesser extent, to the withholding by some Member States of part of their assessed contributions to the regular budget. The ten members of the European Community held that duly authorized peace-keeping activities must, in accordance with Article 17 of the Charter, be financed by the Members of the United Nations in accordance with a scale established by the General Assembly. The refusal of certain Member States to contribute towards peace-keeping forces affected the overall finances of the Organization and placed a disproportionate burden on troop-providing States. The situation thus created could hinder efforts to promote a broader geographical participation in peace-keeping forces. In view of the importance of the issue, it was to be hoped that the Member States concerned would reconsider their positions.

3. The withholding of assessed contributions to the regular budget could likewise pose a threat to the financial stability and functioning of the United Nations.

4. He noted with regret that the Secretary-General's report contained no information on the cash-flow situation of the Organization, as requested in General Assembly resolution 37/13. The Secretariat should provide each year, as it had done at the thirty-sixth session, a description of the cash-flow situation broken down by quarters.

5. In conclusion, the Ten appealed to all Member States to live up to their obligations, since it was in the interest of all that the finances of the Organization should be placed on a sound footing so that it could discharge its weighty responsibilities in the most effective manner possible.

AGENDA ITEM 114: PATTERN OF CONFERENCES (continued)

(a) REPORT OF THE COMMITTEE ON CONFERENCES (continued) (A/38/32)

6. Mr. TAKASU (Japan) said that, as the United Nations had expanded its sphere of activities, the number of meetings had grown continuously. There was a widely shared concern that the proliferation of meetings and documentation would soon be out of control. The efforts of the Committee on Conferences were part of a larger attempt to regain control over the situation by ensuring optimum utilization of conference resources and avoiding waste. His delegation attached importance to the continuation of the Committee's work and fully supported the draft resolutions it was recommending in its report.

7. Draft resolution C would facilitate the implementation of the principles contained in the relevant resolutions of the General Assembly on the pattern of conferences by increasing understanding of those principles on the part of both Member States and the Secretariat. Although the Committee on Conferences had recognized the enormous extent of the problem of underutilization of conference-servicing resources, it had chosen to adopt a rather cautious tone. A number of important considerations emerged from the Committee's report. First, an across-the-board reduction in the number of meetings of all organs might be counterproductive; a selective approach would seem to be more effective. Second, it was the responsibility of the members of various organs to reverse the trend toward the underutilization of conference resources by adjusting their programmes of work and considering the possibility of shorter or biennial sessions. In that connection, he noted with interest the recent efforts of the Governing Council of the United Nations Environment Programme to streamline its sessions. Third, there would not be much improvement in that area unless the organs in question co-operated fully with the Committee on Conferences. Once draft resolution D was adopted, the officers of all relevant bodies should be briefed on its intent and urged to extend their complete co-operation to the Committee on Conferences. The report of the Secretariat detailing the use of conference resources over the preceding three years should be distributed to all members of the Fifth Committee.

8. Member States had a primary responsibility for the control and limitation of documentation. The efforts of the Secretariat to reduce the length and number of reports originating with it were encouraging. Progress towards more concise reports of subsidiary organs, however, was too slow, in part because there was insufficient awareness among the various organs of the seriousness of the problem and in part because reports were not always well drafted. Draft resolution E contained many good suggestions on how to improve that situation.

9. Mr. YAKOVENKO (Union of Soviet Socialist Republics) said that a number of useful recommendations by the Committee had brought some order to conference activities at the United Nations. Its recommendations that subsidiary organs of the General Assembly should include the limitation of documentation on their agendas and consider the possibility of holding shorter or biennial sessions deserved universal support. As it pursued that line of thought, it should, of course, remain flexible and make allowance for the particular kind of work done by individual intergovernmental political bodies. But the Committee had not

(Mr. Yakovenko, USSR)

accomplished its main task, which was to halt the growth in budgetary spending on conference activities. In the nine years of its existence there had been several dozen special conferences, together costing Member States over \$100 million; the number of sessions, conferences and meetings continue to grow year by year, and the volume of documentation published swelled by hundreds of thousands of pages annually. His delegation ascribed the lack of results in that area to the fact that the Committee often busied itself with secondary issues that were really the responsibility of the Secretariat. It should concentrate on basic issues, producing recommendations that would return the maximum material yield. In so doing, it should be guided by the directives handed down by the General Assembly calling for a reduction of the number of special conferences held every year to a minimum, the optimum allocation of conference resources between different spheres of activity according to the importance accorded to them by the Charter, and the co-ordination of conference activities system-wide by means of consultations. The Department of Conference Services should be given a more active role as a source of ideas and proposals for consideration by the Committee.

10. His delegation was prepared to support the draft resolutions put forward in the report of the Committee on Conferences with the exception of paragraph 8 (i) of draft resolution C. The General Assembly had never endorsed any delineation of the fields of activity on which special conferences should be held. The wording approved by the General Assembly at its thirty-third session should be retained, omitting the bracketed words "political, scientific, economic, social and legal".

11. Mr. DITZ (Austria) said that, in spite of the successes achieved, the labours of the Committee on Conferences to establish a workable calendar of conferences and to devise ways and means of controlling and limiting documentation were reminiscent of those of Sisyphus.

12. There had been hardly a single meeting during the first half of the year where the late submission of documentation had not been criticized by delegations. While it was easy to place sole blame on the Secretariat, closer examination showed that the main source of the problem was at the intergovernmental level. Effective control of documentation could therefore only be exercised by delegations themselves. Neither the Committee on Conferences nor the Fifth Committee could solve the documentation problem by itself. If Member States were to have documents which were concise and which were issued on time, they would have to reduce demands for new reports, forgo entitlements to extensive meeting records and convince members of other committees to do likewise.

13. At the initiative of the Fifth Committee, the General Assembly had adopted numerous resolutions dealing with the different types of documentation. It was not rules that were lacking, but the determination to apply them. It had, however, become almost impossible to keep track of the different regulations and guidelines pertaining to documentation, and the Committee on Conferences should therefore continue its codification of decisions and recommendations in that field. If such rules were issued in a comprehensive and easily accessible form, it would facilitate their application and monitoring.

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(Mr. Ditz, Austria)

14. With respect to the calendar of conferences, some Member States believed that there had simply been too great a proliferation of bodies which required servicing by the Secretariat and participation by government representatives. Others held the view that the way in which conferences were scheduled could be improved so as to avoid unnecessary costs to the Organization, overburdening of the Secretariat and serious inconvenience to Member States. Whether a particular body should or should not continue to exist was a substantive and political question which had to be answered elsewhere. The Fifth Committee was concerned with the manner in which meetings were scheduled, in terms of timing, duration and venue, in order to ensure an effective and economic use of scarce conference resources.

15. Most delegations based in New York realized that an uneven conference schedule, in which documentation-intensive meetings were concentrated in the period March to June each year, required too much time of delegations and produced too many documents which were too often poorly prepared or issued too late. In order to avoid that, a more even distribution of meetings over the year and among the existing United Nations conference centres in New York, Geneva and Vienna was clearly called for. Greater use should be made of the facilities at the Vienna International Centre. As a first step towards that, New York-based bodies currently authorized to meet in Geneva might also be permitted to meet in Vienna. Since the greater part of the work of the spring session of the Economic and Social Council related to social and humanitarian matters which were the concern of substantive units located at Vienna, authorization of the Council to meet in Vienna would not only be in keeping with the letter of the rule requiring bodies to meet at their established headquarters but would truly comply with its spirit.

16. His delegation welcomed the draft resolutions on the pattern of conferences contained in the Committee's report (A/38/32). It believed, however, that the conference programme of an organization like the United Nations could not be fixed or static but was a living and dynamic organism requiring constant adjustment.

17. Since there was at least a latent feeling among Member States that the proliferation of United Nations bodies had gone too far and should be halted if not reversed, it seemed justifiable to ask whether there was a real need for a Committee on Conferences or whether the Secretariat or the Fifth Committee could not do the job. However, while the Secretariat had the necessary know-how to draw up a rational calendar of conferences tailored to resource availability, it was obviously not in a position to choose between the competing demands of intergovernmental bodies for scarce conference resources. It could not, furthermore, overrule intergovernmental bodies which wished to change the duration or venue of meetings or hold additional sessions. Nevertheless, because the conference programme had grown to such proportions that it simply could not be left to the individual bodies concerned to determine how much of the limited resources they would use, a central co-ordinating body was clearly called for. The Fifth Committee, for its part, simply did not have the time to devote to the question and met only during sessions of the General Assembly, making it unable to deal with conference matters which might arise at other times. The renewal of the mandate of the Committee on Conferences was therefore essential for the smooth functioning of the work programme of the United Nations.

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18. Mr. TRUSCOTT (Australia) said that his delegation supported the continuation of the efforts of the Committee on Conferences and the draft resolutions it was recommending in its report. The Committee on Conferences played a significant role in helping to promote efficiency in the organization of the work of the United Nations. Of necessity, that work was carried out through meetings and conferences, and there was a tendency for meetings to proliferate. He was personally sceptical that anything much could be done to prevent such a proliferation. It was therefore all the more important that meetings should be scrutinized to ensure efficiency and economy. Through its monitoring role, the Committee endeavoured to keep the United Nations lean and efficient rather than bloated and wasteful. His delegation supported the Committee's recommendations concerning the most effective use of conference resources by avoiding the underutilization of those resources and eliminating unnecessary records.

19. The volume of documentation was overwhelming, and the late issue of documents was of concern to many Member States, since it made it difficult for them to give adequate consideration to documents before they were discussed at meetings. It was to be hoped that every effort would be made to improve the situation.

20. While there was a trend towards closer adherence to the 32-page limit for reports, there was a continuing need for careful and constant monitoring of the situation. He welcomed the suggestion that an effort should be made to improve the drafting skills of Secretariat officials.

21. In the current financial circumstance, there was more reason than ever for the United Nations to demonstrate that it was running a tight ship. The Committee on Conferences had done much good work but much still needed to be done. The contribution of that Committee alone could not overcome the financial difficulties of the Organization. Nevertheless, through the activities of bodies like the Committee on Conferences, the Organization demonstrated that it was endeavouring to promote efficiency and act in a responsible manner.

22. Mr. KHZEM (Afghanistan) said that his delegation appreciated the efforts of the Committee on Conferences and endorsed its report. The Committee should spare no effort in seeking to cut down the number of unnecessary meetings and conferences so as to ensure the optimum apportionment of conference resources, facilities and services in accordance with General Assembly resolution 32/72.

23. The Committee should also vigorously pursue the possibility of shortening the sessions of United Nations bodies or programming their meetings on a biennial basis. He welcomed the suggestion that conference resources for certain organs should be reduced in future by half the time they had failed to use over the preceding three-year period. Departures from and additions to the calendar of conferences could have financial implications and should, therefore, be kept to a minimum.

24. His delegation fully supported the 32-page limit on reports and urged the Committee on Conferences to monitor compliance with all existing rules on documentation and study the various causes for the late issue of documentation with

(Mr. Khzem, Afghanistan)

a view to proposing specific solutions. His delegation endorsed the recommendations of the Committee in paragraphs 37 to 47 of its report and hoped that the Committee itself would seek to adhere to the 32-page limit in its own future reports.

25. The efforts of the Committee to ensure the optimum utilization of conference-servicing resources could help to reduce costs and thereby to increase the resources available for programme activities.

26. Mr. LAHLOU (Morocco) paid a tribute to the Under-Secretary-General for Conference Services and Special Assignments, under whose leadership the Department of Conference Services (DCS) had made progress in ensuring the timely issue of documents in all the relevant languages. He also noted with satisfaction the measures introduced by the Secretary-General to ensure balance in the use of the working languages of the Secretariat.

27. Delays in the issue of documentation were not always the result of failings on the part of DCS. It was to be hoped, however, that where DCS was at fault, corrective action would be taken, including steps to ensure that all the various services and units concerned had sufficient means to perform their functions efficiently. Delays in the issue of documents were often due to the late submission of manuscripts by substantive departments for translation and processing. The Secretary-General should, therefore, take steps to ensure that substantive departments submitted manuscripts to DCS in good time.

28. He did not support all the proposals of the Committee on Conferences, some of which seemed arbitrary. The United Nations and DCS were being asked to provide services for increased international co-operation. United Nations activities covered more and more fields as time went on. Talk of controlling documentation and conference services, therefore, should be viewed in the light of the political decisions by Member States asking the United Nations to play a more extensive role in international co-operation.

29. Several of the Committee's recommendations did, however, seem useful, including the request to the Secretary-General to improve the drafting skills of Secretariat officials. Intergovernmental bodies for their part must specify the number and duration of their meetings, and cut down on their requirements. Certainly other, more specialized bodies could undertake the task, but it would be damaging to impose limitations on political bodies without knowing what means they used to accomplish their tasks. With those reservations, his delegation could support the remaining recommendations contained in the report of the Committee on Conferences.

30. Mr. KELLER (United States of America) said that over \$250 million had been requested for conference services for the biennium 1984-1985, not including temporary assistance, staff costs incurred in the preparation of reports or substantive staff required to service meetings, and the costs to Member States in providing subsistence and travel for members of their delegations were of perhaps equal magnitude.

(Mr. Keller, United States)

31. During the preceding three years there had been a continuous growth in the responsibilities of the Committee on Conferences and it had been instrumental in identifying areas of weakness and initiating corrective action.

32. His delegation considered the Committee to be a necessary body and, provided it was allowed to serve a useful purpose, supported the renewal of its mandate. It needed the continued support of the whole membership, however, and without it its usefulness would immediately cease.

33. There was an immediate need to tackle the problem of the underutilization of conference resources by subsidiary bodies. At the preceding session, his delegation had supported a move to cut by a given percentage the number of meetings scheduled in 1983. Other delegations, while agreeing that some control had to be exercised over the continued increase in the number and length of meetings, had argued that no arbitrary formula applied to all United Nations bodies could be equitable.

34. Taking into account the views of the Fifth Committee, the Committee on Conferences had proposed a set of carefully crafted draft resolutions in its report. The Committee recommended that it should be authorized to pursue its consultations with those bodies seriously underutilizing the conference resources allocated to them, and had already written to those in which underutilization over the past three years had reached an average of 25 per cent or more. A second set of letters would be sent proposing that future allocations should be subject to reductions of one half the time of the previously unused services. His delegation strongly endorsed that proposal since it should alleviate many of the concerns expressed by delegations at the previous session. It was equitable in that it targeted only those bodies which underutilized available resources and provided them with an opportunity to state the case for not reducing their resources.

35. His delegation also supported the suggestion that, in drawing up the calendar of conferences, account should be taken of the fact that much of the time of many bodies was taken up with informal meetings and consultations. Informal meetings did not have records and thus helped to reduce documentation; consultations drew only in a very limited way on conference resources. Since much of the most useful work was accomplished in such meetings, their use should be encouraged.

36. Conference resources should be viewed as a scarce commodity to be distributed carefully, and simply because a body was allocated a certain amount of time in one year it should not have an unquestionable right to the same amount in the following year. The roles and responsibilities of the various bodies had not remained static throughout the years, and the calendar must reflect the ever-changing demands of the Organization.

37. In that connection, he praised the measures adopted by the Governing Council of the United Nations Environment Programme at its eleventh session to rationalize its meeting schedule, which would result in an anticipated net saving of \$430,000 over the next biennium. The Governing Council had also decided, on an experimental basis, not to hold a session in 1986. Such decisions were worthy of emulation.

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(Mr. Keller, United States)

38. The increase in the number and length of meetings in recent years had adversely affected the level of participation of Member States. It was essential that the Fifth Committee should fully support the proposal of the Committee on Conferences to rationalize the meeting schedule and set the standard for other bodies in the system.

39. With regard to the financial implications of inter-sessional departures from the calendar, his delegation was pleased that the Committee on Conferences had decided that it needed to know only the incremental costs of any changes. Moreover, once the calendar was drawn up, a fairly good cost estimate should also be available and be provided. The full cost estimates which the Fifth Committee now received were often confusing and of limited value, and it, too, might wish to receive statements of the incremental costs for conference servicing.

40. The Committee on Conferences had put forward a number of proposals on documentation, and his delegation whole-heartedly supported any efforts made to reduce the length and number of reports and to ensure the timely issue of documents. One of the most promising approaches would be to encourage reporting at greater intervals, since change in the Organization was not exceedingly rapid, and reports were often very repetitive.

41. Since the adoption of Assembly resolution 36/117 C, which contained fairly strongly worded provisions on the control and limitation of documentation for the three treaty bodies, little had been accomplished. In spite of the detailed nature of their reports, those bodies were also convinced that they needed summary records. They should have one or the other, but not both. His delegation could not accept the response, or lack of response, provided by those committees. The situation was now worse than ever since the Committee on the Elimination of Discrimination against Women was now functioning and had asked for both a report and meetings records. That body should set a good example and demonstrate a rational approach to the question.

AGENDA ITEM 107: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/C.5/38/L.3 and 4)

- (a) UNITED NATIONS DEVELOPMENT PROGRAMME (continued)
- (b) UNITED NATIONS CHILDREN'S FUND (continued)
- (c) UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (continued)
- (d) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (continued)
- (e) VOLUNTARY FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (continued)
- (f) UNITED NATIONS FUND FOR POPULATION ACTIVITIES (continued)

42. Mr. HOUNGAVOU (Benin) proposed the addition, at the end of paragraph 3 of draft resolution A/C.5/38/L.3, of the words "including problems relating to the use of experts and consultants where appropriate". His delegation endorsed the amendment proposed by the Greek delegation, on behalf of the States members of the European Community, at the previous meeting.

43. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to adopt the amendments to draft resolution A/C.5/38/L.3 that had been put forward by the delegations of Greece and Benin.

44. It was so decided.

45. Draft resolution A/C.5/38/L.3, as amended, was adopted without a vote.

46. Draft decision A/C.5/38/L.4 was adopted without a vote.

47. The CHAIRMAN announced that the Committee had thus concluded its consideration of agenda item 107.

AGENDA ITEM 115: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/38/11 and Add.1 and Add.1/Corr.2)

48. Mr. KELLER (United States of America) said that the Committee on Contributions had accomplished what many would have thought impossible, given the contradictory and confusing guidance contained in General Assembly resolutions 36/6 B, 36/231 A and 37/125 B. Too many Member States continued to regard the scale of assessments as a form of income redistribution instead of a means of involving the entire membership in the collective financing of the Organization on an equitable and reasonable basis.

49. One serious failing in the directives prepared in recent years by the Fifth Committee was that they contained provisions which seemed to seek short-term advantage for blocs of Member States. That was an error in approach and was, indeed, in conflict with the terms of the Charter. What might appear valid at a given time might no longer prove true after intervals of five or ten years, and a variety of factors could bring about significant shifts in a nation's relative wealth. Any new directives on how to interpret "capacity to pay" therefore required careful thought, and what might seem beneficial from an assessment point of view one year might prove to be quite the opposite a few years later.

50. The Committee on Contributions should continue to study the various alternative methods, outlined in its report, of assessing the real capacity to pay of Member States. The first three were completely new approaches and merited more detailed examination. Alternative IV consisted of several variants of the current methodology. The weakness of the first variant, an attempt to integrate economic and social indicators in the current assessment scale methodology, was that it involved double counting, subtracting once for lowered national income and a second time for low social and economic indicators. However, the table in annex II to the

(Mr. Keller, United States)

report revealed some very interesting results, suggesting that some countries had a higher capacity to pay than had been evident from recent trends in assessment.

51. The second variant, which provided for adjustments for inflation and changes in exchange rates, presented certain methodological difficulties but had the merit of correcting certain distortions and should be studied further.

52. There was much less merit in the other variants of alternative IV. There were already difficulties brought on by manipulations of the base period and the low per capita income allowance. There might, however, be merit in a proposal to prevent excessive shifts in the scale from one period to the next.

53. Mr. SAGRERA (Spain) said that the rational basis for the first of the methods of assessing the real capacity of Member States to pay discussed by the Committee on Contributions in its report (Alternative I) could not be questioned. The existence of the three groups of States concerned was beyond doubt. Deciding what proportion of the budget should be paid by each of the groups, however, was an essentially political problem that the General Assembly would have to face, and it could lead to extensive controversy. The apportionment of contributions within each group would also be difficult, particularly in the group labelled "others". What was more, while the three groups existed in fact, they had no juridical basis; only the States which were permanent members of the Security Council met that condition and they could thus perfectly well be assigned a special contribution to reflect their privileged position. Dividing Member States into groups would ultimately create problems similar to those currently found among the full membership of the United Nations.

54. It seemed unlikely that Alternative II would win general acceptance. It would lead to striking changes in the relative size and distribution of Member States' contributions. Without knowing what supplements or reductions, such as those discussed in paragraph 17 of the report, would apply the ultimate effect of the proposal could not be judged, but the method utterly failed to take into account economic factors more indicative of Member States' capacity to pay than those proposed and was predicated on a structure that would conflict with the independence of the International Civil Service.

55. The difficulty with Alternative III was that available statistical data on national wealth were limited and inconsistent, making it impossible for the moment to use national wealth as a distinct factor in determining capacity to pay.

56. His delegation had no fundamental objection to the incorporation of economic and social indicators in the current methods of measuring capacity to pay, as suggested under Alternative IV. Selecting such indicators and deciding on the weighting each should receive, and the levels to use as a reference, was a problem. Even so, that approach should be pursued, since suitable corrections could be made if its specific application gave rise to anomalous results. His delegation agreed with the Committee's decision to explore further the technical aspects of that alternative.

(Mr. Sagrera, Spain)

57. The Committee had also considered the introduction of adjustments for inflation and changes in exchange rates, which was a topic of evident importance, since the distortion of national income figures caused by inflation had a direct effect on the assessment of contributions to the United Nations. Since enough data were now available to deal with the problem generically, rather than making allowance for it in specific cases as had been done in the past, his delegation favoured the introduction of "pseudo" exchange rates to provide more realistic estimates of national income. Another very important corrective factor was a limit on excessive increases or reductions in a given Member State's assessment. Of course, defining an "excessive variation" was itself difficult but not, given the right methods, an insuperable problem.

58. In short, the proper way to proceed at the current stage was not to replace the current system for determining contributions with other procedures entirely, whose effects could not be foreseen, but to make suitable corrections to that system. He firmly believed that the technical experience and expertise which the Committee on Contributions had acquired over the years should not in any event be wasted. On the contrary, it should be used to the fullest extent to avert an arbitrary approach that would have the gravest consequences for the United Nations.

59. Mr. MOLTENI (Argentina) said that it was essential that the Fifth Committee should provide adequate guidance to the Committee on Contributions to enable it to carry out the mandate laid down in General Assembly resolution 37/125 B, so as to avoid the kind of disagreement over the basic meaning of the capacity to pay which had hampered the Fifth Committee's work in 1976 and 1982. Of the various alternative methods for calculating the scale of assessments studied by the Committee on Contributions, Alternative I, while having the merit of being relatively simple, might in practice give rise to disagreement within the various groups over the criteria for apportioning percentages among them, and that would affect the possibility of reaching agreements that would be useful to the General Assembly. Accordingly, his delegation considered that the percentages which were actually borne by each of the groups in question should be taken as the political parameters for the future apportionment of percentage points among the groups, since a majority in the General Assembly was opposed to any increase in the proportion of the Organization's expenses borne by the developing countries as a group. Nevertheless, it did not seem feasible to use such an approach as the legal basis for the scale of assessments.

60. Turning to Alternative II, he said that the "personnel" and "sovereignty" factors had no bearing on the capacity to pay. While capacity to pay should be measured in the light of particular circumstances, it should not be abandoned as the basic criterion for the calculation of assessments.

61. His delegation regretted that, owing to the unavailability of relevant data for all countries, it was not possible to adopt Alternative III. However, he urged the Committee to continue to explore that alternative at its future sessions.

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(Mr. Molteni, Argentina)

62. In the circumstances, the best way to ensure that all Member States were assessed fairly was to refine the existing methodology. An adjustment for inflation was of great importance since in many countries inflation distorted the national income in money terms. That was especially true of countries where domestic inflation was not adequately corrected through the devaluation of the national currency. While sharing the Committee's views concerning the problems connected with the use of "pseudo" rates of exchange, his delegation considered that the Committee should continue to correct manifest irregularities which could skew the scale of assessments. The Committee should also pursue its consideration of the possibility of integrating socio-economic indicators in the method for calculating the scale of assessments. That question was important since, theoretically, national income could be replaced by data reflecting a country's general level of development, or such indicators could be used, in conjunction with the existing methodology, for granting specific relief. His delegation was keenly interested in the latter alternative.

63. In view of the unfavourable world economic situation, his delegation supported the view that the Committee on Contributions should be asked to consider the introduction of a shorter base period, which would more accurately reflect the real situation of many countries, especially those whose financial situation was critical even though they had enjoyed earlier periods of prosperity that were still included in the current 10-year base period.

64. His delegation had been among those to point out that the increase in a country's rate of assessment exceeded the growth of its national income as a result of the application of the low per capita income allowance formula. In order to correct that situation, the relief afforded should be distributed pro rata to all Members of the Organization.

65. Mr. DITZ (Austria) said that, each State would obviously prefer a scale of assessments under which it would pay the least and would probably not fail to regard that scale as the only fair and equitable one. To establish a scale of assessments which truly was both fair and equitable was, therefore, a formidable and challenging task. The most difficult aspect of that process had been the search for a methodology to assess the capacity to pay of Member States. As recently as December 1982, the General Assembly had reaffirmed that capacity to pay should be the fundamental criterion on which the scale was based. Alternative II outlined by the Committee on Contributions in its report did not reflect that concept, and there was therefore no reason for the Committee to devote more time and effort to its exploration.

66. While there was merit in using the concept of national wealth as a basis for the apportionment of the expenses of the Organization, there were certain doubts as to whether the method was technically feasible. The Committee on Contributions had concluded that the lack of comparable data on the criterion of national wealth did not, at least not yet, warrant its use as a main indicator in the determination of relative capacity to pay. His delegation would like to stress that it sympathized with the desire of many to make use of that concept instead of national income, but the present state of the art simply did not permit its use.

(Mr. Ditz, Austria)

67. With regard to social and economic indicators, the Committee had once again concluded that certain indicators were not available for all countries or, if available, were not always comparable. It indicated, however, its intention to study the issue further.

68. The Committee should abandon Alternative I, since it did not reflect capacity to pay, and Alternative III, since it was not technically feasible, and should concentrate on the remaining alternatives.

The meeting rose at 1.05 p.m.