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SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. AMARI (Tunisia)
(Vice-Chairman)

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

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In the absence of Mr. Vilchez Asher (Nicaragua), Mr. Amari (Tunisia), Vice-Chairman, took the Chair.

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

AGENDA ITEM 118: JOINT INSPECTION UNIT (continued) (A/49/34, A/49/423, A/49/560, A/49/629 and A/49/632; A/50/34, A/50/113 and Add.1, A/50/125 and Add.1, A/50/126 and Add.1, A/50/140 and Add.1, A/50/503 and Add.1, A/50/507, A/50/509, A/50/549/Add.1, A/50/571, A/50/572, A/50/686, A/50/692, A/50/721, A/50/742, A/50/753, A/50/780 and A/50/784; E/1993/119 and Add.1)

1. Mr. FAGUNDES (Brazil), speaking on behalf of the Group of Latin American and Caribbean States, said that feedback from Member States was essential to the endeavour by the Joint Inspection Unit (JIU) to improve its performance. In that context, the Group supported the suggestion by the Chairman of the Unit that the system of considering its reports on an annual basis should be reinstated. In addition, the Group believed that, in view of the large number of documents pertaining to the Unit, future reports should be listed under the relevant agenda items, thereby facilitating their more substantive consideration.

2. With regard to the Unit's 1995 report (A/50/34), the Group concurred with the views contained in chapter IV, on the need for staff support and measures to ensure the Unit's budgetary independence, and therefore supported the corresponding recommendations by the Advisory Committee contained in paragraphs IX.4-IX.10 of its report on the proposed programme budget (A/50/7).

3. In addition, the Group supported the findings in chapter VI of the Unit's report that the main issues to be addressed by Member States were the strengthening of its secretariat, the selection of the inspectors, the Unit's budgetary and administrative independence and its leadership. Where the Unit's work programme was concerned, updated information was required on the status of those reports listed in annex II which had not yet been presented to the General Assembly. In particular, close attention should be given to measures to strengthen the external oversight bodies, as mandated by General Assembly decisions 47/454 and 48/493. The resumed session of the Fifth Committee would offer an ideal opportunity for that purpose.

4. Turning to the Office of Internal Oversight Services, he said that the Group agreed with the Unit's recommendation contained in document A/50/459/Add.1 that the General Assembly should consider only those of the Office's reports that had been commented upon by the Unit and believed that the same provision should be extended to the Board of Auditors. Turning to the issue of implementation and follow-up of the Unit's recommendations, he drew attention to the observations contained in paragraph 77 of its report, stressing the need for joint efforts by the Unit and other concerned bodies, and urged all involved to abide fully by the relevant General Assembly provisions. In accordance with resolution 48/218 B, the Office of Internal Oversight Services must ascertain compliance of programme managers with the approved recommendations of external oversight bodies, including the Joint Inspection Unit.

5. Ms. RODRIGUEZ (Cuba) said that JIU had been criticized in the past for the excessively general nature and limited practical value of its recommendations but that it had made considerable efforts in recent years to improve its performance and any criticism of its work should be constructive and designed to promote that improvement. Her delegation believed, however, that the Unit was still not properly fulfilling its mandate, namely, to identify specific administrative and management problems throughout the United Nations system and to make practical and specific recommendations. In addition, some of the Unit's reports went beyond its terms of reference, as established in article 5 of its statute. In such cases, the Unit's recommendations had not been welcome.

6. Turning to the issue of the relationship between the Unit and the Office of Internal Oversight Services, she stressed the need for an effective coordination of efforts, to ensure maximum impact, as provided for in paragraph 7 of resolution 48/221. In accordance with the General Assembly's wish that the functions and attributions of the various external and internal oversight bodies should be kept distinct, her delegation stressed that the Unit was an internal mechanism of the Secretariat, reporting to the Secretary-General, while the Office of Internal Oversight Services covered the entire United Nations system and reported to the Member States. As an internal body of the Secretariat, however, the Office came under the supervision of the Unit. Her delegation commended both bodies on their excellent working relations and, in particular, on the correct interpretation of their separate roles.

7. Drawing attention to the commitment contained in decisions 47/454 and 48/493 to analyse the functioning of the external oversight bodies with a view to their strengthening, her delegation regretted the lack of progress in that area and hoped that the matter would be properly addressed by the Committee during its resumed session.

8. Noting the Unit's appeal for action and guidance from the General Assembly with regard to its needs for administrative support, her delegation regretted that the Secretariat had ignored appropriate directives of the General Assembly and hoped that Member States would ensure that their decisions were properly implemented during deliberations on the 1996-1997 proposed programme budget. In particular, her delegation failed to understand how the Secretariat could recommend 14 new posts for the Office of Internal Oversight Services, while refusing the Unit's request for a modest increase in resources.

9. After expressing her delegation's concurrence with the view, expressed in paragraph 72 of the Unit's report (A/50/34), that follow-up was the most important phase of its work and the starting-point for testing the quality and impact of its recommendations, she commended the Unit on the internal efforts it had made to that end.

10. Mr. CHUDY (Poland), welcoming the improvement in the working methods of the Joint Inspection Unit, stressed the need in future to avoid duplication of reports and unnecessary reporting. In addition, he supported the statement by the Norwegian representative at an earlier meeting that the Unit should strengthen and refine its cooperation with the Office of Internal Oversight Services. He endorsed the suggestion that the General Assembly should consider the Unit's annual reports on an annual basis.

11. Mr. BOUAYAD-AGHA (Chairman of the Joint Inspection Unit) said that the Unit, which was defined by the mandate entrusted to it by the Member States, could not be popular and also discharge its functions as an inspectorate effectively.

12. The representative of Japan had sought clarification from the Secretariat on the omission of the Unit's budgetary proposals from the proposed programme budget. The Secretariat's failure to respond to the Japanese request was an indication of its attitude towards the Unit's budgetary requirements and the relevant decisions of the General Assembly, and he expressed the hope that Member States would not permit that attitude to prevail.

13. With regard to the issue of the Unit's leadership, referred to in paragraph 48 of its report (A/50/34), he said that the Unit intended to consider ways of enhancing the roles of the Chairman and Vice-Chairman in order to harness more effectively the collective wisdom of the Unit, as envisaged in its statute.

14. In response to a request from the Group of Latin American and Caribbean States, he provided updated information on the status of various reports, listed in document A/50/34, annex II, which had not yet been submitted to the General Assembly. The investigation into the management-Staff Union relationship in the United Nations system had been started some time ago, but the Unit was currently waiting for important information, especially from the United Nations Secretariat. The report on common services of United Nations organizations in New York was nearly complete and would be introduced during the resumed session of the Fifth Committee. The system-wide comparative review of methods of geographical distribution should be complete in time for the fifty-first session of the General Assembly. The Office of Internal Oversight Services was looking into the card access system, and the Unit was waiting to learn the results of that investigation. Part II of the report on the inspection of the application of United Nations recruitment, placement and promotion policies would be submitted to the Fifth Committee at the resumed session. The report on United Nations system development cooperation in science and technology: Latin America and the Caribbean, had been postponed until 1996, owing to the Unit's inadequate research capacity. The evaluation of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s had been completed and transmitted to the participating organizations for action. Finally, the reports on the military component of United Nations peace-keeping operations and strengthening the United Nations system's capacity for conflict prevention were being translated.

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (continued) (A/50/30 and Corr.1; A/C.5/50/5, A/C.5/50/11, A/C.5/50/23, A/C.5/50/24 and Corr.1 and A/C.5/50/29)

15. Ms. KIENLE (Germany) said that her delegation wished to associate itself with the statements made at earlier meetings by the representatives of Japan and the Republic of Korea concerning the Secretary-General's decision to suspend permanent and probationary appointments. At a time when the International Civil Service Commission (ICSC) was proposing measures to improve conditions of service, that decision would bring about a deterioration in such conditions, especially for young staff members recruited through national competitive

examinations, without in any way, ameliorating the cash-flow situation or promoting a more sound management culture. She therefore hoped that it would be withdrawn.

16. Mrs. ARCHINI (Italy) said that her delegation joined the representative of Germany in supporting the statements by the Republic of Korea and Japan. Italy had been very concerned by the decision to suspend permanent appointments after the probationary period for young staff members recruited through national competitive examinations and hoped that the Secretary-General would reconsider the decision.

17. Ms. ALMAO (New Zealand), supporting the statements by the previous speakers, said that the decision was unacceptable as it represented a breach of contract with staff members recruited through competitive examinations.

18. Mr. MUÑOZ (Spain), also supporting the statements by previous speakers, hoped that the Secretariat would reconsider and rescind the decision.

19. Mrs. EMERSON (Portugal) said that her delegation joined the others in expressing concern about the decision. The Secretary-General should respect not only the contracts made with new staff members recruited by competitive examination but also the corresponding understandings with Member States. Her delegation hoped that the decision would be rescinded.

20. Mr. HANSON (Canada), associating himself with previous speakers, said that entry-level recruitment was the oxygen by which any organization lived: the young people recruited today would be the lifeblood of the Organization in 10 years' time, and his delegation therefore hoped that the decision would be suspended.

21. Mr. BEL HADJ AMOR (Chairman of the International Civil Service Commission), responding to questions raised during the general debate on the report of the International Civil Service Commission (ICSC) for the year 1995 (A/50/30 and Corr.1), said that the changes in margin methodology approved by the Commission in 1995 related to the inclusion of special pay systems and the method of aggregating them with the General Schedule. The changes applied to all relevant elements of net remuneration on the comparator side, including bonuses and merit awards, and their combined effect was approximately four percentage points.

22. Responding to the suggestion that the Commission had approved the changes with the intention of lowering the margin, he emphasized that only those changes which were necessary to effectively represent the full range of remuneration provided by the comparator service had been introduced. Changes in the comparator's remuneration system which had the effect of introducing new special pay systems and eliminating or revising others had made it necessary to examine the manner in which such pay systems should be considered in net remuneration margin comparisons. In addition, the effect of the delay in reflecting several special agency rates after their introduction in the comparator service had been to understate the true level of compensation available in the comparator's systems. The consequence of the failure to adapt margin methodologies to the realities of the comparator pay system would have been to tie them to the least

competitive element of the comparator's pay system, namely, the General Schedule.

23. A number of delegations had sought clarification on the methodology used to make remuneration comparisons between the United Nations and the United States federal civil service. The Commission's review of the application of the Noblemaire principle included a comprehensive study of the measurement procedures used to determine remuneration levels on both sides. Such periodic reviews were essential in the light of the rapid evolution of pay systems in the comparator civil service. The task of measuring the pay of the comparator civil service had grown increasingly complex as the comparator's pay systems had evolved. In fact, the United States federal civil service was no longer a single monolithic system that could be adequately represented by the General Schedule. It currently reflected more than 100 separate pay systems, many of which paid rates that were 30 to 40 per cent higher than the General Schedule because of the latter's non-competitiveness in the United States labour market. The Commission believed that effective implementation of the Federal Employees' Pay Comparability Act (FEPCA) of 1990 would have gone a long way towards resolving the comparator's recruitment and retention problems and would have reduced related problems in the United Nations common system. The failure to implement the reforms provided for in FEPCA, however, meant that the comparator's General Schedule pay levels remained uncompetitive.

24. There appeared to be some misunderstanding on the subject of special rates. The Commission was opposed to the introduction of special pay rates on an agency-wide basis, but it supported the introduction of special occupational rates in the common system as a means of addressing recruitment problems for some specialized technical occupations.

25. The record of the Commission's deliberations on the review of the application of the Noblemaire principle reflected the different perspectives of individual members. While the Commission sought in its report to reflect the diversity of views expressed, emphasis should be placed on its final recommendations and decisions, which reflected a consensus position.

26. Disappointment had been expressed over the Commission's failure to complete the studies aimed at identifying the highest-paid national civil service. It was the Commission's understanding that all relevant data had been collected and appropriately reported to the Assembly under paragraphs 122 to 172 of its annual report. Consequently, while it would continue to monitor the German/United States total compensation comparison, ICSC considered the chapter on studies closed.

27. As for the analysis of the study's results, the Commission was not persuaded that extending the study to the rest of Germany would have much impact, since the difference between the overall level of compensation in Beamte and Angestellte was only 3 per cent and any shift in the relative weights of those two categories would therefore have only a marginal effect on the overall result.

28. With regard to the Commission's recommendation to restore the net remuneration margin to the desirable mid-point of 115 in 1996, he recalled that

in its resolution 40/244 the General Assembly had approved the range of 110 to 120 with a desirable mid-point of 115. That range had been confirmed in subsequent resolutions. As for the suggestion that the increase in post adjustment in New York which was due in November 1995 would lead to increases at other duty stations throughout the world, he wished to emphasize that the increase was applicable only to New York.

29. Turning to the recruitment and retention difficulties reported by organizations, he noted that statistics on recruitment difficulties had always been difficult to compile and interpret. Following a detailed analysis of the matter in 1994, the Commission remained unconvinced of generalized recruitment problems. The Commission also had difficulty in agreeing with the conclusion that the performance of staff in the common system did not measure up to that of staff in the private sector, non-governmental organizations and Member States. It was becoming clear, however, that absolute proof of the difficulties cited by the organizations in attracting and retaining high-calibre staff from all countries, including those with high pay levels, would be difficult to obtain. Accordingly, that was one of the many factors which the Commission had taken into account in making its recommendations.

30. The Commission strongly believed that productivity gains should go hand in hand with improvements in conditions of service. Improved salary levels did not run counter to management reforms and increased productivity. Indeed, the two elements were mutually reinforcing.

31. The Commission continued to monitor the relationship between the net remuneration levels of the Professional and higher categories and the General Service and related categories. It had also scheduled for 1996 a comprehensive review of the operation of the mobility and hardship scheme.

32. Finally, with regard to the call for the Commission’s proceedings to be more open and transparent, he wished to stress that deliberations on all substantive issues were carried out with the active participation of all concerned parties. The difficulty seemed to lie more with the outcome of the process than with the process itself, but such criticism was part of the price to be paid for impartiality of action.

33. Mr. HALLIDAY (Assistant Secretary-General, Office of Human Resources Management) said that he wished to support the Chairman of ICSC on certain aspects of the Commission’s report. On the question of the recruitment and retention of staff, the Consultative Committee on Administrative Questions (CCAQ) had submitted to ICSC in 1994 the results of a study covering the period 1989 to 1993. The study analysed the rate of staff turnover due to voluntary departures, the qualifications of applicants for vacancies in the Organization, the number of applicants declining job offers and the rate at which organizations were obliged to hire staff above the mid-point of the respective salary scale.

34. The data compiled by CCAQ showed that during the period in question, there had been 736 voluntary departures from 9 different organizations, more than 950 vacancies in 8 organizations had remained unfilled, 234 cases of appointments above the mid-point of the respective salary scale had been recorded in 7

organizations, and there had been 83 documented cases of offers of appointment which had been declined in 5 organizations. The above data confirmed the experience of the United Nations that, to an increasing extent, the compensation systems available at the United Nations were simply not attractive enough for the best and the brightest from the Organization for Economic Cooperation and Development (OECD) countries and other countries whose salary structures were competitive with those of the international market-place. The sample chosen was significant and representative in terms of the type of organizations reporting as well as the grades and occupational spreads covered.

35. The study also showed that the United Nations common system had an overall turnover rate for staff that was greater than that of the United States federal civil service at comparable grades. Approximately one third of departures were voluntary and took place after an average of six years' service. Of the total number of voluntary departures, 89 per cent was due to resignations and non-renewal of contracts. The problem of retention of staff was particularly acute at the P-4 and higher levels and in respect of staff from Western European countries working in the medical, scientific, technical and administrative fields.

36. The percentages of voluntary departures from United Nations organizations in 1992 replicated the departure rates cited by a study conducted by the United States Government in 1987. Analysis had shown that during the period 1992-1993, there had been some 20,000 applications to fill 455 vacancies. Of the 54 applicants for each post, only 3.3 had been deemed to be adequately qualified.

37. On the question of special rates of pay, since 1985 the United States federal civil service had resorted to special pay rates. By 1989, 11 per cent of all federal civil servants had been paid at special rates in 10 federal agencies. In accordance with the Noblemaire principle, a case could be made for comparing United Nations remuneration for each relevant occupational group directly with the highest special rates paid to employees in the federal civil service.

38. Regarding the suspension of the granting of permanent contracts to holders of probationary contracts recruited through national competitive examinations, he acknowledged that the issue was an important one both for those countries which had voiced their concern and for the Organization, whose future depended on the willingness of young recruits to remain for the long haul. The Secretary-General's decision had not been intended to undermine the desire of young recruits to work with the Organization or to weaken any aspect of the career system in the United Nations. Indeed, the Secretary-General recognized that the granting of permanent contracts was important in order to provide management by a core of professional staff. The granting of permanent contracts was one of the few advantages that set the United Nations apart from the World Bank, OECD and other international employers.

39. Over the previous few days he had met with his young colleagues and had listened to their concerns. He had explained that the change in status was not directly related to their career development and should not be viewed as a reduction in the Secretary-General's commitment to their long-term goals.

Security of employment in the Organization depended more on the quality of an individual's performance over the years than on any contractual relationship.

40. Nevertheless, following the discussions which he and the Under-Secretary-General for Administration and Management had had with concerned Member States, consultations had been initiated with the Office of Legal Affairs to determine how best to respond to the concerns that had been raised. He hoped to be able to submit a compromise solution to the Secretary-General that would satisfy both the young professionals and Member States. He further hoped that, at its fifty-first session, the General Assembly would develop some policy proposals on the issue of permanent contracts with a view to determining the proper balance between fixed-term and permanent appointments.

AGENDA ITEM 164: NORMALIZATION OF THE SITUATION CONCERNING SOUTH AFRICA (A/50/250/Add.3, A/C.5/50/1/Add.1 and A/50/L.44)

41. The CHAIRMAN said that, owing to the financial complexity of agenda item 164 on normalization of the situation concerning South Africa, the General Assembly had invited the Fifth Committee to provide technical observations regarding the implementation of draft resolution A/50/L.44.

42. Mr. TAKASU (Controller) introduced an informal note prepared by the Secretariat to facilitate consideration of item 164 and clarify the procedures to be followed in the event of the adoption of draft resolution A/50/L.44 by the General Assembly. Under the draft resolution, South Africa's unpaid assessments accruing up to 23 June 1994, the date of adoption of General Assembly resolution 48/258 A authorizing South Africa to resume its participation in the General Assembly's work, would be considered no longer due and payable.

43. South Africa's total unpaid assessed contributions to the regular budget for the period from 30 September 1974, when its participation in the General Assembly's work had been suspended, to 31 December 1993 came to $53,881,711. When Member States failed to pay assessed contributions, the corresponding shortfall was borrowed from the Working Capital Fund or the Special Account or from budgetary surpluses retained at the end of the biennium through suspension of the Financial Regulations by the General Assembly. The total amount retained in that manner was currently $122.2 million, which would be returned to Member States on a pro rata basis when the financial situation improved. In the event of the adoption of draft resolution A/50/L.44 by the General Assembly, Member States would permanently waive the right to their respective shares in $53,881,711 of the surplus for the biennium 1986-1987 retained under the terms of General Assembly resolution 42/216 A. Annex I of the informal note showed the indicative amounts to be offset for individual Member States against the surplus retained for that biennium. The designation of Member States listed in the annex reflected their official designation during the period 1986-1988 and not their current political status.

44. South Africa's outstanding debt of $250,000 to the Working Capital Fund was not mentioned in the draft resolution so that South Africa's liability to contribute its full share to that Fund was presumably unaffected.

45. South Africa's total unpaid assessed contributions for peace-keeping operations for the period from 30 September 1974 to 23 June 1994 came to $40,905,714. In the event of adoption of the draft resolution, the unpaid contributions could be offset either by assessment of Member States for the equivalent amount or by means of a permanent waiver by Member States of their rights to a corresponding share in the budgetary surpluses already retained. Such surpluses existed for only two special accounts: $64.9 million for the United Nations Emergency Force/United Nations Disengagement Observer Force (UNEF/UNDOF) and $108.5 million for the United Nations Interim Force in Lebanon (UNIFIL). If the second option was chosen, Member States might decide to waive their rights to their respective shares in the budgetary surpluses on a pro rata basis. Annex II showed the indicative amounts to be offset against those surpluses for individual Member States. The figures were indicative because the current scale of assessments and current membership of the Organization had been used in making the calculations, which would otherwise have been extremely complicated.

46. Mr. TELLO (Mexico) said that at a time when the United Nations was going through a serious financial crisis his Government was extremely confused to learn that the Fifth Committee was discussing such matters as a rise of almost 10 per cent in the salaries of United Nations staff and the possibility of waiving payment of South Africa's assessed contributions. The action proposed in draft resolution A/50/L.44 implied suspension of the terms of Article 19 of the Charter of the United Nations. South Africa was a country with a vast supply of natural and human resources and with sufficient financial resources to have produced and later destroyed nuclear weapons. If the unprecedented step of suspending Article 19 were to be taken on behalf of South Africa, why not do so also on behalf of other States that had been unable to fulfil their commitments to the United Nations?

47. South Africa's total outstanding contributions had been given as $118,943,354 in document A/50/666/Add.2 dated 28 November 1995. That figure had subsequently been adjusted downwards to $103,776,764 so as to reflect the situation during the period from 30 September 1974 to 23 June 1994. His delegation noted that the total had been further reduced to $94,787,425 in the informal note currently before the Committee and wished to know whether that figure was official or merely "informal". Given the downward trend, it looked as though South Africa's debt to the Organization might disappear entirely if the General Assembly waited long enough.

48. His delegation would have no objection to the adoption of draft resolution A/50/L.44 if the sponsors of the draft resolution were willing to assume financial responsibility for its implementation. In that connection, he was surprised to note that the United States of America, currently the Member State with the largest debt to the Organization, was one of the sponsors. However, if the financial implications of the resolution were to be borne by all Member States, his delegation would have to seek instructions from its Government before joining in a consensus that would require it to waive its right to reimbursement of over $500,000.

49. The list of Member States in annex I of the informal document included some States, such as Czechoslovakia and the German Democratic Republic, that no

longer existed and excluded certain other countries. He asked what the implications were for the pro rata sharing of costs.

50. Lastly, he pointed out that although Mexico was contending with an unprecedented financial crisis, it had paid its contributions to the regular budget in full.

51. Mr. HO (Singapore) said that his delegation was sympathetic to the exceptional circumstances faced by South Africa and was therefore a sponsor of draft resolution A/50/L.44. The Controller had stated that the draft resolution determined that South Africa's unpaid assessments accruing to 23 June 1994 would be considered no longer due and payable. However, the draft resolution referred specifically to the period between 30 September 1974 and 23 June 1994. He asked the Controller to explain the apparent inconsistency.

52. Mr. ELZIMAITY (Egypt) said that his delegation was a sponsor of draft resolution A/50/L.44 and hoped that it would be adopted by consensus.

53. Mr. RONNEBERG (Marshall Islands) said that his delegation, which was a sponsor of draft resolution A/50/L.44, believed that the arrears owed by the former apartheid regime should be considered no longer due and payable and therefore agreed with paragraphs 5 and 8 (b) of the informal note prepared by the Secretariat. Its support for the draft resolution was contingent on the understanding that the General Assembly was not setting a precedent that might be selectively applied in the future.

54. Mr. LACLAUSTRA (Spain), speaking on behalf of the European Union, said that a number of questions remained to be answered in the context of the informal note and that the European Union looked forward to participating in the informal consultations on the subject.

55. Mr. CHINVANNO (Thailand) said that he wished to know if there was a particular reason for offsetting the unpaid contributions against the budget surplus for the biennium 1986-1987.

56. Mrs. ARAGON (Philippines) said that her delegation had decided to become a sponsor of draft resolution A/50/L.44.

57. Mr. MALAN (Côte d'Ivoire) said that the reasoning underlying the remarks by the representative of Mexico was inconsistent with reality, logic and the political philosophy underlying the establishment of the United Nations. His delegation supported draft resolution A/50/L.44 because South Africa had not participated in the work of the United Nations during the period of its suspension. However, now that that country had eliminated the abject system of apartheid and had resumed its participation, the international community should make a positive gesture towards it. The matter should not be viewed in the context of the financial crisis facing the United Nations.

58. Mr. GJESDAL (Norway) said that his delegation was pleased to support the technical options for waiving the unpaid contributions of South Africa set out in paragraphs 5 and 8 (b) of the informal note.

59. As to the question of how to accommodate the General Assembly's request to the Fifth Committee for its technical observations, the Bureau should convey to the Assembly the gist of the various technical observations made at the current meeting.

60. Mr. Soong Chul SHIN (Republic of Korea) announced that his Government had decided to become a sponsor of draft resolution A/50/L.44.

61. Mr. TAKASU (Controller) said that all the data provided in the informal note prepared by the Secretariat were official and that every effort had been made to ensure their accuracy to the nearest dollar. Other documents issued by the Secretariat, including those relating to the status of outstanding contributions, indicated that the current amount owed by South Africa was $118 million. The figure referred to in draft resolution A/50/L.44 pertained to the period 30 September 1974 to 23 June 1994, and was therefore lower.

62. With regard to paragraph 4 of the informal note, he said that in view of the high level of outstanding contributions the General Assembly had decided on four occasions in the past to suspend the Financial Regulations to allow the Secretariat to continue to operate. The budgetary surpluses retained in such instances were the figures pertaining to Member States at the particular time concerned. It had been suggested in the current instance that Member States would waive their rights to their respective shares of surpluses for the biennium 1986-1987 because paragraph 1 of draft resolution A/50/L.44 had designated that biennium. That was the period which had resulted in a sufficient budgetary surplus to cover the amount owed by South Africa for the period of its non-participation in the work of the General Assembly.

63. Annex I had been included in the informal note to indicate the amounts to be offset for the Member States during the biennium 1986-1987. It was very important to bear that in mind. Questions of succession or political status did not enter into consideration.

64. Mr. TELLO (Mexico) said he was pleased that no objection had been raised to the idea that the Member States which were sponsors of draft resolution A/50/L.44 would be the ones to waive their rights to their respective shares of the budgetary surplus for the biennium 1986-1987. He requested the Controller to provide a new informal document indicating the precise amounts to which those Member States would be waiving their rights. He also wished to know whether the waiver of rights would be recorded in a note to the Secretary-General or would take some other form.

65. Mr. MWAKAWAGO (United Republic of Tanzania) said that his delegation, which was a sponsor of draft resolution A/50/L.44, considered the issue a matter of principle and deemed it unrelated to the financial crisis. The idea that only the sponsors of the draft resolution should be considered as having waived their rights was entirely unprecedented.

66. Mr. HANSON (Canada) said that, in accordance with the Charter, the moneys involved were expenses of the United Nations and as such were to be borne by all Member States without exception.

67. Mr. TELLO (Mexico) said that his country maintained very cordial relations with South Africa, and the question had nothing to do with bilateral relations between States. One reason his delegation was not a sponsor of draft resolution A/50/L.44 was that the cost to Member States had been unknown until the informal note had been circulated. His delegation still had to consult with its Government regarding the matter.

68. Notwithstanding the statement in paragraph 3 of the draft resolution, delegations must realize that, whether they liked it or not, they were setting a precedent which might be invoked by any Member State in the future. It was therefore crucial that Members should adopt any decision on the matter with full knowledge of what was involved.

69. The CHAIRMAN pointed out that the Committee was not expected to take any action on draft resolution A/50/L.44. The text had been submitted to the Committee for its technical observations. Those observations would be transmitted to the plenary Assembly, which would take action.

70. Mr. TAKASU (Controller) said that paragraph 1 of draft resolution A/50/L.44 provided the basis for the statement in paragraph 5 of the informal note prepared by the Secretariat that "Member States would be permanently waiving their rights to their respective shares of $53,881,711 of the surpluses for the biennium 1986-1987". The amount authorized by General Assembly resolution 42/216 A for retention was more than sufficient to cover the unpaid contributions of South Africa for the regular budget for the period in question. The reference was to the budgetary surplus belonging to the States Members of the United Nations at the time the surplus had been declared. Pursuant to the Financial Regulations, once the financial situation of the Organization improved, the budgetary surplus would be returned to the States Members of the United Nations on the basis of the scale of assessments at the time in question. That was why paragraph 5 of the informal note indicated that Member States would be permanently waiving their rights to the amount concerned.

71. Mr. TELLO (Mexico) said that when surpluses accumulated in the United Nations budget, particularly for peace-keeping operations, the Secretariat sent written notification to Member States. Mexico had always acknowledged such notifications, asking the Secretariat whether those amounts would be offset against future payments due from Mexico or credited against Mexico’s current outstanding debts. Accordingly, he wondered whether the Secretariat would expect each Member State to submit, in writing, an explicit waiver of its entitlement to its share of the 1986-1987 budget surpluses or whether consideration should be given to an arrangement whereby the debt was distributed among the sponsors of the resolution.

72. Mr. TAKASU (Controller) said that on numerous occasions the General Assembly had decided to suspend the financial regulation relating to budgetary surpluses and not to return those funds to Member States. Such a provision was contained in paragraph 1 of the draft resolution: the budgetary surplus accumulated in the biennium 1986-1987 would be reduced by an amount of $53.8 million, subject to the General Assembly’s approval.

73. Annex I of the informal note indicated the amounts by which Member States' credits arising from the 1986-1987 budget surplus would be reduced should that decision be adopted. He stressed, however, that the figures were purely indicative.

74. Mr. TELLO (Mexico) said that, where the regular budget was concerned, it was his understanding that Member States would not be required to submit written notifications to the Secretary-General waiving their entitlements. He wondered, however, whether the same was true of the amounts retained from the special peace-keeping accounts and whether those figures were also purely indicative.

75. Mr. NATHON (Hungary) pointed out that, by selecting the budget surplus accumulated during the biennium 1986-1987, the Secretariat was introducing a discriminatory element. Hungary had been a Member of the Organization at that time and hoped eventually to receive its share of the accumulated surplus.

76. Mr. OBLIN (France) said that, like other members of the European Union, France was willing to explore means of finding a harmonious solution to the problem. He pointed out that in France, as in many other countries, it was a relatively common practice to waive credits, as an internal arrangement, but that such measures might have to be treated as a new assessment, requiring new authorization.

77. Mr. HANSON (Canada) said that his country had decided to sponsor the draft resolution in view of the unique circumstances which had given rise to it. For some 20 years, South Africa had, by decisions of the General Assembly, been excluded from participation in the work of the General Assembly and, in accordance with the principle that there could be no taxation without representation, South Africa could not be expected to pay its contributions for that period. The Organization was now faced with the consequences of its decisions, and their financial implications would have to be borne by the entire membership.

78. With regard to the issue of waivers, he pointed out that over the previous few months the United Nations had adopted funding arrangements for international tribunals which were based partly on offset credits. That arrangement had been made by decision of the General Assembly alone and without the need for any waiver by the Member States concerned.

79. Mr. OWADE (Kenya) said that his country had also sponsored the resolution in view of the unique nature of the situation, which could not therefore be considered as setting a precedent. He pointed out that it was not the Committee's function to discuss whether or not to cancel South Africa's debt: rather it was required to prepare technical advice.

80. Mr. TAKASU (Controller) said that annex II of the informal note listed the likely amounts that would be offset against credits for peace-keeping operations. The calculations had been based on the current scale of assessments and were purely indicative.

81. In response to the representative of Hungary, he said that the biennium 1986-1987 had been selected as it had produced the only surplus large enough to cover the arrears owed by South Africa.

82. The CHAIRMAN suggested that the Committee should authorize him to inform the President of the General Assembly that, should the General Assembly adopt draft resolution A/50/L.44, it would be understood that the draft resolution would be implemented in accordance with the procedures contained in paragraphs 5, 6, 8 (b) and 9 of the informal note.

83. Mr. TELLO (Mexico) said that his delegation would need to consult its Government for instructions on how to proceed in the matter and that it would require at least 48 hours for that purpose.

84. With regard to the procedure to be followed, he said that Mexico had taken careful note of the emphasis placed by the Controller on the indicative, rather than official, nature of the document and of such anomalies as its allocation of amounts to countries which no longer existed.

85. Mr. LACLAUSTRA (Spain), speaking on behalf of the European Union, said that the exchange of views on the issue had been very useful and would provide a good framework for informal consultations on the technical observations which the General Assembly had requested.

The meeting rose at 6.35 p.m.