



SUMMARY RECORD OF THE 15th MEETING

Chairman: Mr. BUJ-FLORES (Mexico)

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

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The meeting was called to order at 3.05 p.m.

AGENDA ITEM 97: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (A/35/11) (continued)

1. Mr. LAHLOU (Morocco) said that, in the opinion of his delegation, the Committee on Contributions would never be able, despite an assiduous search for precise indicators, to claim that it had evaluated the capacity to pay of each Member State correctly, no matter how precise the statistics available to it. The Moroccan delegation, which had followed with interest the Committee's work on the eight items which the General Assembly had asked it to study, was generally in agreement with the conclusions that the Committee had reached.
2. Although it was difficult to measure States Members' capacity to pay, undoubtedly the use of comparable data would yield a closer approximation to fairness. However, as far as the indicators for determining such capacity to pay were concerned, there could be no question of confining them to comparisons of per capita income or other conjunctural factors, particularly at the present time when both the international economy and national economies were undergoing serious disturbances. It seemed desirable that national income should be supplemented by other economic and social indicators as a measure of capacity to pay, and it would accordingly be appropriate to continue the studies started some three years earlier with a view to defining the parameters to be taken into account in forming an accurate estimate of real national wealth. It was regrettable that the in-depth study undertaken by the Committee of the possibility of combining certain indicators reflecting the socio-economic situation of the various countries, in particular the developing countries, had not resulted in a composite indicator that could be regarded as precise and unchallengeable.
3. There was no doubt that certain countries were more hard-pressed by economic difficulties than others. It would be fundamentally unjust to apply the same rules to those countries which were seeking merely to survive and to preserve their economies from the disasters threatening them as to countries whose current economic difficulties were merely conjunctural in nature. In that connexion, the Committee should complete its study of disparities in inflation rates and their effects on national economies.
4. As far as the Moroccan delegation was concerned, it was quite clear that the responsibility for inflation rested with the developed countries, which, for reasons of domestic policy, provoked currency fluctuations and price movements in order to solve an economic and social problem or to adjust their producer prices so as to preserve their dominant positions on international markets.
5. The developed countries had a duty to share in the expenses of the Organization to the extent of their capability without trying to reap a benefit from it. It was

(Mr. Lahlou, Morocco)

disquieting to note, therefore, that in one way or another the rich countries absorbed a considerable part of the Organization's resources while at the same time benefiting from their situation as lenders. It would be contrary to the principles of the United Nations for certain countries to find themselves in a position of inferiority solely on account of their poverty or difficult economic situation.

6. Morocco spared no effort to enable the Organization to operate in the best possible circumstances and, on the whole, it preferred a poor Organization with strong principles to an institution where money spoke loudest. It was amazed, therefore, to hear certain States claim that the United Nations cost them too much, whereas they had no hesitation in engaging in other far more considerable expenditures.

7. Mr. KUYAMA (Japan) said that, according to the latest available statistics, Japan's total contributions made it the second largest contributor to the financing of the Organization's expenditures. It was also well known that Japan's assessment, which was almost 10 per cent of the total assessed contributions, was the third largest, exceeded only by the assessments of the United States and the USSR. It was of course a great honour to be in that position, in so far as it was a reflection of Japan's economic situation, but it was an expensive honour, and the fact that Japan's contributions to the United Nations and other organizations in the United Nations system (excluding the World Bank) had increased 10 times over the last 10 years was giving rise to increasingly serious problems and criticism inside the country.

8. In point of fact, the Japanese Government was confronted with a very delicate fiscal situation, since 34 per cent of its national budget was financed through the issuance of national bonds. Moreover, the effect of the increase in assessed contributions was to restrict Japan's possibilities as far as voluntary contributions were concerned. Furthermore, it was no longer possible to ignore critical comments from the Japanese public and from parliamentary circles in Japan regarding the discrepancy between the heavy financial burden that Japan was asked to bear and its position in the Organization.

9. The Japanese Government endorsed the principle whereby the expenses of the Organization should be apportioned broadly according to capacity to pay. As it had stated repeatedly, however, capacity to pay should not be estimated on the sole basis of traditional indicators, such as national income, but should be based also on other indices, such as accumulated wealth and national welfare. Since it was aware of the difficulties associated with the use of such socio-economic indicators, the Japanese delegation was pleased to learn that some progress had been achieved in the methodological work on the subject and that relevant statistics were becoming more widely and easily available. It hoped that the work would be continued so as to arrive at a reasonably acceptable set of indicators that could be used as a supplement to national income as a measure of capacity to pay, but it felt that it would be advisable, until the statistical data for those indicators became available, to extend the base period used to calculate the scale of assessments. It was

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(Mr. Kuyama, Japan)

unfortunate that the Secretariat did not publish the national income statistics used to calculate the scale and steps should be taken to remedy that.

10. The Japanese delegation thought it essential that a formula should be established whereby excessive variations in the assessments of the various countries between two successive scales could be avoided. Limits could be fixed in terms of percentage points and absolute amounts. The application of a reasonable limit would not depart essentially from the principle of capacity to pay, since the present measure, national income, did not alone reflect adequately a Member State's capacity to pay.

11. Regarding the application of the low per capita income allowance formula, the Japanese delegation endorsed the observations in paragraph 40 of the report of the Committee on Contributions. In conclusion, on the matter of currency fluctuations and their impact on national income data expressed in United States dollars, the Japanese delegation considered that the Committee on Contributions should seek to devise methods of mitigating the effect of those fluctuations.

12. Mr. EL-SAFY (Egypt) said that the General Assembly had asked the Committee on Contributions to examine the question of excessive variations of assessments between two successive scales as long ago as 1976, but the Committee had been unable to agree on a definition of excessive variations and had been obliged simply to postpone the matter from one session to the next. In paragraph 12 of its report (A/35/11), the Committee had concluded that the question should be re-examined at future sessions. It should be noted, however, that the Committee occasionally refrained from defining certain factors which it thought ought to be taken into account in calculating assessments. That was the case, for example, with the price factor, which the Committee took into account in making its calculations when it had an appreciable effect on assessments. In that connexion, the Committee had not thought it necessary to define what was meant by a high rate of inflation. The Egyptian delegation had hoped that the Committee on Contributions would be able to adopt a unified position and to make specific recommendations with a view to helping the Fifth Committee and the General Assembly to reach a decision. Unfortunately, the Committee had confined itself to recording the views expressed in the Fifth Committee without trying to bring them closer together.

13. On the other hand, the Committee had apparently gone back over some ground covered previously, in particular the possibility of introducing a scale in terms of four decimal digits. The objection put forward in paragraph 11 of the report, to the effect that a scale based on more decimals than at present used might convey the impression of a higher degree of precision in the underlying statistics than was actually the case, was not convincing, since the statistics in question would be transmitted by Governments which would take care that they were accurate.

(Mr. El-Safty, Egypt)

14. With regard to the economic and social indicators of capacity to pay, his delegation did not see why the Committee had sought, in paragraph 16 of its report, to draw a parallel between taxes paid by the citizens of a country and contributions paid by members of the international community, particularly since the subject was dealt with later on in the report and a perfectly clear and satisfactory answer was given.

15. With regard to the factors which should be taken into account in determining a State's ability to secure convertible currency, his delegation was of the opinion that the list in paragraph 23 of the Committee's report should include external public debt expressed as a percentage of national income. Furthermore, it would be interesting to know what method the Committee had used to make downward adjustments when calculating the assessment of countries that devoted a substantial portion of their foreign earnings to servicing their external public debt. His delegation was pleased to learn from paragraph 46 of the Committee's report that countries with centrally-planned economies were able to provide the Secretariat with detailed economic statistics to enable it to make the necessary adjustments in order to estimate national income in market prices.

16. Pursuant to the request made by the General Assembly in resolution 34/6 B, paragraph 2 (g), the Committee had decided to take steps when reviewing the scale of assessments to ensure that the data covered a uniform period. However, the Committee had made no recommendation in paragraph 85 of its report concerning the method which the United Nations Statistical Office should use to convert fiscal year data into calendar year data.

17. His delegation endorsed the Committee's comments, given in paragraphs 92 et seq. of its report, concerning the payment of contributions in currencies other than United States dollars. With regard to the request submitted by the World Tourism Organization for information concerning national income and related data used by the Committee in determining the assessment of Member States, the Committee had not explained in its report why WTO needed such data, which, for the most part, did not fall within the terms of reference of that organization and were of a confidential nature. As the World Tourism Organization was not a specialized agency of the United Nations, it would not seem possible to provide it with other information than the scale of assessments of Member States. Finally, with regard to the draft resolution which the Committee on Contributions was recommending to the General Assembly for adoption on the subject of the scale of assessments for the apportionment of the expenses of the United Nations, his delegation was astonished that the draft resolution did not explain the method used to calculate the increase in the assessment of Saint Lucia.

18. Mr. MAJOLI (Italy) said that the report of the Committee on Contributions demonstrated the seriousness with which that Committee had considered the delicate and complex questions submitted to it. On several occasions, as could be seen from paragraphs 12, 20, 25 and 42 of its report, the Committee had concluded that further

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(Mr. Majoli, Italy)

study was needed. His delegation associated itself entirely with those conclusions. Indeed, only by dint of thorough study could acceptable and realistic solutions be found.

19. The Committee had pointed out in paragraph 16 of its report - as certain delegations had done in the Fifth Committee - that, in determining capacity to pay, account should be taken of accumulated wealth as well as national income. The Committee had therefore proposed that net income should be supplemented by net worth. In that respect, he pointed out that whereas the accumulated wealth of an individual was certainly a significant indicator, the situation with respect to a country's accumulated wealth was quite different. Some elements of a country's heritage, although of considerable value, could not be sold. The case of Venice sprang to mind. What was more, the expenditure involved in maintaining Venice surpassed by far the income which could be derived from it, for example, through tourism. It was to be hoped that the Committee would take that fact into account when carrying further the study on which it had apparently embarked. His delegation wished to reaffirm that there was no direct relationship between wealth of a country and its capacity to pay.

AGENDA ITEM 96: PATTERN OF CONFERENCES: REPORT OF THE COMMITTEE ON CONFERENCES (continued) (A/35/32 and Add.1; A/C.5/35/12; A/C.5/35/L.5 and L.6)

20. Mr. ASANTE (Ghana) said that his delegation was happy to note the positive, though limited, results achieved by the Secretariat with respect to control of documentation, especially the application of the 32-page and six-week rules. Concerning the latter, his delegation questioned the reasons advanced by the Secretariat for its continued failure to comply with that rule. It agreed with the Committee on Conferences that the Secretary-General should ensure that detailed and adequate explanations should be provided for any delays in issuing documents. However, noting the positive results of overprogramming, his delegation had no difficulty with the Committee's recommendation that the Secretary-General should be encouraged to continue applying maximum overprogramming to achieve the better utilization of conference resources.

21. His delegation strongly endorsed the Chairman's decision to establish a small working group to carry out consultations with the Chairmen of the subsidiary bodies listed in annex II of the Committee's report (A/35/32). The question of special conferences and preparatory meetings constituted the focal point of the report. It was true that the number of special conferences had reached considerable proportions since 1972, that their cost had become substantial and that considerable disenchantment with the United Nations might grow among the public, Governments, delegations and the Secretariat if special conferences failed to produce the results expected of them. Nevertheless, his delegation reaffirmed its confidence in the collective wisdom of the international community, which was perfectly capable of determining which special conferences were necessary. The Committee on Conferences had a duty to call the attention of the Fifth Committee to the frequency of such

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(Mr. Asante, Ghana)

conferences, but in doing so it should be guided by the political decisions taken by the international community and by its own mandate. While endorsing operative paragraph 1 of the draft resolution submitted by the Committee in paragraph 61 of its report, his delegation believed that there was no need to undertake a thorough study on the genesis of special conferences.

22. On the question of preparatory committees, he stated that the decision to establish a preparatory committee was determined by the nature and purpose of the special conference. With that understanding, his delegation was prepared to go along with operative paragraph 3 of the Committee's draft resolution and with the recommendations in chapter VIII of its report.

23. Mr. KRYEZIU (Yugoslavia) said that the Committee had worked in accordance with its mandate and it was unacceptable to try to make its continued existence contingent on its ability to establish a quota system. His delegation endorsed the Committee's recommendation that the General Assembly should take note of the positive effects of overprogramming, and supported the Secretary-General in his efforts to continue to implement that principle in the future.

24. It also supported the Committee's recommendation that the General Assembly should affirm 1 September as the deadline for the completion of work by subsidiary organs, including the adoption of their reports, and urged them to review the duration and frequency of all their sessions in order to consider the possibility of shortening them or convening them biennially or less frequently.

25. His delegation also strongly supported the implementation of General Assembly resolution 34/50 concerning the suspension of summary records for certain subsidiary organs of the General Assembly. It was essential that all the relevant bodies should do their utmost to abide by the six-week rule for the publication of documents. Furthermore, intergovernmental bodies should review and discontinue the issuing of all documents that were redundant or that were no longer useful.

26. With regard to the question of servicing and arrangements for special conferences, he said that he opposed the creation of new machinery within the Secretariat. The existing bodies should be strengthened during such conferences, as the establishment of preparatory committees was justifiable only when existing intergovernmental bodies were unable to do the work properly. Subject to those comments his delegation endorsed the report of the Committee on Conferences and the 1980-1981 calendar of conferences.

27. Mr. LANDAU (Austria) said that he fully supported the recommendations of the Committee on Conferences. His delegation also wished to emphasize the importance it attached to the recommendation on organizational and servicing arrangements for special conferences and their preparatory meetings, and to the guidelines for them which appeared in chapter VIII of the Committee's report. In view of the importance which Member States attached to such conferences, all the parties involved - Secretariat and Member States - must spare no effort to ensure the most effective

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(Mr. Landau, Austria)

arrangements possible, and especially the timely distribution of the necessary documentation. It was, however, clear that the recommendations and guidelines of the Committee on Conferences would not yield the desired results without the requisite determination and discipline on the part of Member States in applying them.

28. Mrs. GILES (Australia) welcomed the report of the Committee on Conferences, which provided further justification, if such were needed, for the Committee's continued existence. A ready measure of the importance of conference services was that they absorbed close to 20 per cent of the regular budget of the United Nations, which meant that Member States had a common interest in seeking to cut further costs in that area.

29. Her delegation was also encouraged by the positive effects of overprogramming, and thought that the principle should continue to be applied wherever feasible. The discontinuance of summary records for certain subsidiary organs, decided by the General Assembly in resolution 34/50, had certainly been hotly debated but had doubtless resulted in savings. Moreover, as pointed out by the Under-Secretary-General for Conference Services and Special Assignments, the absence of official records facilitated informal consultations. Her delegation therefore favoured continuing the experimental period under resolution 34/50 for a further year. At the end of that period, the bodies affected would be able to recognize some of the concomitant benefits.

30. Nevertheless, it would be interesting to compare the cost of providing summary records with the cost of the summaries provided on a different basis by some other bodies, for example the Commission on Human Rights at its thirty-sixth session. As the Chief Editor had noted, it must be remembered that the absence of summary records had contributed to a sizable reduction in the volume of documentation.

31. Her delegation supported the guidelines prepared by the Committee on Conferences for the preparation and organization of special conferences. In particular, she endorsed the suggestion that existing Secretariat machinery should be used to provide the secretariat for special conferences wherever possible.

32. In reply to some delegations which had raised queries concerning the competence and achievements of the Committee on Conferences, she thought the work done by the Committee since the thirty-second session amply justified its existence. The Committee should be given greater means to ensure that the guidelines it had established were put into effect.

33. Mr. GEBRU (Ethiopia) said that it was often difficult for the least developed countries to be adequately represented at all United Nations conferences because of the high costs involved in attendance, such as travel and hotel expenses, especially when they were held in developed countries where the cost of living was high. Measures should be contemplated for meeting some of those costs.

(Mr. Gebru, Ethiopia)

34. Secondly, the multiplicity of conferences required the attendance of a large number of experts and technicians, who were not always available in sufficient numbers in developing countries, thus reducing the opportunities for those countries to participate in such conferences.

35. With regard to the programming of conferences, his delegation suggested that consideration should be given to selecting conference venues where the cost of living was relatively low, and adequate conference facilities were available.

36. Documents should be prepared and circulated sufficiently in advance for member States to study them in greater depth. In general, his delegation supported the recommendations of the Committee on Conferences.

37. Mr. GARRIDO (Philippines) said that his delegation accepted the recommendations of the Committee, especially those regarding special conferences. He wondered if it would be possible to add to the draft resolution submitted by the Committee (recommendation 5) other recommendations contained in other documents.

38. He would like a clarification of the meaning of the term "temporary strengthening" in paragraph 3 of draft resolution 5. Finally, he would like to know how a Government could set up a service centre on a commercial basis, as mentioned in chapter VIII, paragraph 15, of the Committee's report.

39. The CHAIRMAN said that it would be difficult to amend the wording of the draft resolution in question, as that would destroy the consensus which the Committee had reached on the wording. However, informal consultations including the discussion of two draft resolutions were in progress on agenda item 96 and any delegations wishing to do so were invited to take part in the consultations.

40. Mr. WILLIAMS (Panama) asked what the situation was regarding the meeting which States members of ECLA had decided to hold in Uruguay in 1981. His delegation would also like some clarification concerning the meetings which UNCTAD had scheduled for Geneva in 1981. The UNCTAD Working Party on the Medium-Term Plan and Programme Budget was to meet from 7 to 11 September, whereas UNCTAD had also decided to hold a special session in September 1981, in addition to its regular session. He wondered whether such a departure from the calendar of conferences would lead to unjustifiable expenditure for Member States.

41. Mr. VISLYKH (Union of Soviet Socialist Republics) said he had doubts regarding the practical implications of paragraph 5 of the draft resolution (contained in recommendation 5 of the Committee on Conferences), under which the Secretary-General would be requested to propose to the General Assembly at its thirty-sixth session draft standard rules of procedure for special conferences of the United Nations. Either a special conference needed its own rules of procedure, in which case it would hardly be able to make use of standard rules, or it did not need any special rules, in which case the rules of procedure of the General Assembly could be used.

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42. Mr. LEWANDOWSKI (Under-Secretary-General for Conference Services and Special Assignments) said that the queries raised by various delegations related to important problems for the Secretariat - overprogramming, delays in documentation, and guidelines for the organization of special conferences.

43. With regard to overprogramming, the representative of the United Kingdom had inquired about the practical meaning of terms such as "maximum overprogramming" and "rate of overprogramming" and had asked for illustrations of the policy adopted in that respect. The extremely complex question of overprogramming, the practical application of which might differ from week to week, was the subject of a report of the Secretary-General (A/AC.172/29). Having observed that the cancellation rate of meetings had been 30 per cent in 1976 and 1977, the Secretariat had made allowances for the reassignment of the resources thus released to other bodies or regional groups, and for a safety factor, and had set the overprogramming rate at 20 per cent. That rate had been chosen as a yardstick throughout both years, with the exception of the General Assembly, when the principle of overprogramming had not been applied.

44. However, in practice the Secretariat maintained some flexibility in applying that principle and took into consideration the following: the previous performance of United Nations bodies (number of meetings held, cancellations and utilization of time allotted); the nature of the subjects discussed (possibility that debates would be extended and possibility of special developments during a session); type of membership (experience showed that the time allotted was generally more fully utilized in the case of sessions attended by representatives or experts from capitals than in the case of those attended by members of permanent missions). Only after considering all those factors did the Secretariat decide on the rate of overprogramming for a given week.

45. The pattern of meetings of bodies that were entitled to meet as required had a considerable effect on overprogramming policy. Therefore, as a further step to refine the practical application of overprogramming and to reduce the level of uncertainty involved, the Department of Conference Services had held consultations with the secretariats of the United Nations Council for Namibia (entitled to meet as required), the Special Committee of 24 (scheduled to meet over long periods each year) and the Special Committee against Apartheid (entitled to meet as required). Those consultations had led to arrangements establishing the meeting programmes for those bodies two weeks in advance. In general, the Secretariat believed that such efforts had contributed to better planning of the work of United Nations bodies and to a more predictable and reliable over-all meeting programme.

46. The figures for recent years gave an idea of the savings obtained as a result of overprogramming. For example, in 1977 expenditure for free-lance recruitment, excluding Arabic, had amounted to \$716,000. In 1978, after the introduction of overprogramming, the figure had been \$711,000; that amount would be even lower if expressed in constant dollars, in view of the inflation that had set in in 1978.

(Mr. Lewandowski)

In 1979 such expenditure had amounted to \$857,000, or 20 per cent more than in 1978. However, since salaries and subsistence allowances for free-lance staff had increased by 22.7 per cent between April 1978 and October 1979, it could be said that expenditure under that heading had levelled off and even decreased while the number of meetings had increased over the same period.

47. A number of representatives, particularly the representative of Japan, had expressed doubts about the method used to measure "time lost" (where meetings started later than scheduled or ended earlier than scheduled): they had felt that account should be taken of the role of informal consultations, which in fact represented "time gained", inasmuch as they facilitated the achievement of a consensus. The Secretariat fully recognized the importance of informal negotiations in the work of committees. However, experience showed, firstly, that in many instances the need for such consultations was predictable, and forewarning of them would permit improved utilization of conference services, and, secondly, that they were seldom the cause of the delays which occurred in the holding of meetings. Consequently, the members of the Fifth Committee, who were themselves meticulously punctual, should urge their colleagues in their respective delegations to make similar efforts, since it was after all the Fifth Committee that was responsible for avoiding unnecessary expenditure and overseeing the proper functioning of the Organization. If all bodies made full use of the time allotted for their meetings, overprogramming would be completely unnecessary. In any event, overprogramming, which represented a calculated risk, was practised successfully in many other organizations in both the public and private sectors.

48. A number of delegations had made comments - mostly critical - with regard to documentation. Since the Department of Conference Services was, as it were, at the end of the production process, it felt directly concerned by that problem. At the preceding session of the General Assembly, the Secretariat had given the Committee a detailed account of the process of preparing documents. The Secretariat experienced great difficulty in that respect, especially as all bodies demanded, as they were entitled to do, that documentation should reach them at least six weeks before their meetings. The Secretariat undertook once again to do all it could to improve the situation. However, one figure was enough to give an idea of the magnitude of that task: every day there was an average of 60 documents on the priority list alone.

49. No one contested the validity of the principle of simultaneous distribution of documents in the six official languages. However, it must be realized what the implications of applying that principle were, not only in terms of production but also in terms of security: sometimes thousands of pages had to be held back in the printing shop because a document was not ready in one language version. Everything possible should be done to ensure equal treatment for the various official languages, but it must be borne in mind that only one third of delegations received documents in their mother tongue.

(Mr. Lewandowski)

50. Replying to a question raised by the representative of the Philippines with regard to paragraph 3 of the draft resolution recommended by the Committee on Conferences, according to which the General Assembly would decide that the secretariat for special conferences should, to the extent possible, be provided by the existing Secretariat machinery, with such temporary strengthening as might be required, he said that it would in fact be logical for Secretariat assistance to be terminated at the end of the special conference. Of course, there could be discrepancies between logic and practice, and it might therefore be well to revise that paragraph so as to make it more explicit.

51. The representative of the Soviet Union had requested clarifications with regard to paragraph 5 of the draft resolution, concerning the draft standard rules of procedure for special conferences of the United Nations. The basic principle in that connexion was that each body should be free to decide on its own rules of procedure. The purpose of paragraph 5 of the draft resolution was not, therefore, in any way to prevent a special conference from establishing its own rules of procedure. However, practice had shown that many conferences spent a considerable amount of time in drawing up their rules of procedure, either in the preparatory committee or during the conference itself. It had therefore been considered useful to draw up standard rules of procedure which special conferences could apply according to their needs.

52. The Soviet delegation had also requested information regarding a number of guidelines concerning the preparation and organization of special conferences and the procedure followed in two specific cases. Guideline 20, which stated that messages by Heads of State or Government that were made available during the opening meeting of a conference should be read from the floor by the delegation concerned prior to the substantive opening statement by the Secretariat, was intended to establish a rational order for conduct of the opening meeting but did not mean that messages from Heads of State or Government received subsequently could not be read from the podium during the conference.

53. With regard to guideline 11 (b), which stated that each national or technical paper or report should be issued only once as an official document, either in the full text or in summary form, in the language of submission only, that practice had been strictly adhered to at the two most recent special conferences, the World Conference of the United Nations Decade for Women in Copenhagen and the United Nations Congress on the Prevention of Crime and the Treatment of Offenders in Caracas. The same procedure had been followed at other special conferences past, and not a single delegation had objected. Lastly, with regard to guideline 13, which stated that a single issue of the daily Journal in English and French should be published during the conference, the United Nations had always applied that procedure during special conferences; it was also the procedure followed throughout the year at Headquarters, except during General Assembly sessions.

AGENDA ITEM 93: FINANCIAL EMERGENCY OF THE UNITED NATIONS: REPORT OF THE NEGOTIATING COMMITTEE ON THE FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued) (A/C.5/34/44 and Corr.1, A/C.5/35/13)

54. Mr. KEMAL (Vice-Chairman of the Negotiating Committee on the Financial Emergency of the United Nations) recalled that at its thirty-fourth session the General Assembly had adopted a gross budget of \$1.2 billion for the biennium 1980-1981, or \$600 million for one year; the net budget was a little over \$500 million per annum. It was surprising that, with so relatively modest a budget, the Organization should have had an accumulated deficit of more than \$225 million as at 30 June 1980. That figure represented the amount of money withheld by certain Member States over a period of about 20 years, and it also included contributions for the technical assistance programme under the regular budget which were paid by a few States in non-convertible currencies.

55. The efforts made by Member States to solve the financial crisis faced by the Organization had not sufficed to liquidate the deficit, and withholdings had continued. In 1975, the Secretary-General had once again brought the matter before the Fifth Committee and had requested a doubling of the Working Capital Fund from \$40 million to \$80 million. However, as the Fifth Committee had felt that such a measure would be a mere palliative, the General Assembly had decided, upon the recommendation of the Committee, to establish a Negotiating Committee on the Financial Emergency of the United Nations, with a mandate to bring about a comprehensive settlement of the critical financial situation of the United Nations (resolution 3538 (XXX)).

56. In 1976, the Chairman of the Negotiating Committee, on the basis of a proposal by the Group of 77, had prepared a working paper on guidelines for a financial accord. The underlying philosophy was that some sacrifice was necessary in the larger interests of the Organization, which benefited all States, irrespective of differences in ideology and positions of principle.

57. The first guideline was prompt and full payment of assessed contributions by all Member States. If the major contributors were all to pay their assessed contributions in full early in the year, the Organization could earn \$25-30 million in interest.

58. The second guideline was the removal of the expenditure item relating to the United Nations bonds from the regular budget, and third was the payment of interest and principal on the bond issue with the income earned by revenue-producing activities. At present, miscellaneous income was more than sufficient to meet the \$8.5 million needed annually to finance the bonds. The fourth guideline was control over growth of the United Nations regular budget, which was a great concession by the developing countries. The fifth guideline was the organization of a pledging conference to liquidate the deficit.

59. Although those guidelines represented a delicate balance of interests and were supported by the Group of 77, they had not been accepted by some States members of the Negotiating Committee whose support had been deemed essential. In the absence of a consensus, and also because the report of the Negotiating Committee (A/31/37) had been issued very late, the General Assembly had not considered the Committee's report at its thirty-first session. At its thirty-second session, it had adopted resolution 32/104 urging all Member States, particularly those among them whose efforts could promote an accord, to negotiate with the aim of bringing about a

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(Mr. Kemal)

lasting solution to the financial problems of the United Nations. Consideration of the item, which had been dealt with briefly at the thirty-third and thirty-fourth sessions of the General Assembly, had been deferred to the thirty-fifth session.

60. The Fifth Committee now had before it a report of the Secretary-General (A/C.5/35/13) giving an analysis of the financial situation of the United Nations which updated the information contained in document A/C.5/34/44 submitted to the General Assembly at its thirty-fourth session. At the time when the Negotiating Committee had submitted its report to the General Assembly in December 1976, the Organization's short-term deficit had been about \$109 million; by 30 June 1980, it had more than doubled to \$225.7 million.

61. As the figure of the short-term deficit given in annex I to the Secretary-General's report related to 30 June 1980 while the figures for withholdings from the regular budget contained in annex II related to a projection up to 31 December 1980, it might be best to avoid making an exact comparison between the two tables. However, a rough comparison revealed that withholdings from the regular budget constituted less than one third of the total short-term deficit and that about two thirds of the deficit was caused by withholdings from peace-keeping operations, particularly UNIFIL (one fourth of the total deficit).

62. The first conclusion to be drawn from those figures was that, in recent years, the ratio of withholdings in respect of the regular budget vis-à-vis peace-keeping operations had declined. Secondly, the Organization had shown greater financial resiliency than had been expected in 1975 and 1976. That was due partly to dextrous financial management and partly to stricter adherence by some Member States to the Financial Regulations of the Organization. The Organization had also received generous voluntary contributions, amounting to about \$45 million, along with the \$40 million in the Working Fund. However, as the short-term deficit had passed the \$225 million mark, it was possible that the cushion of approximately \$85 million might have lost its efficacy. A final reason why the Organization had succeeded in avoiding a crisis was that it had staggered its payments to the countries supplying troops to the peace-keeping operations in the Middle East, but how long it could continue to do so was not clear.

63. It was difficult to advocate a solution to the Organization's financial problems. The ideal solution would be for Member States to resolve their political differences, which were primarily responsible for the withholdings. However, such a solution was beyond the province of the Fifth Committee, nor was it within the realm of practical politics in the near future in view of the deep-rooted ideological and political differences that were the main cause of the financial emergency. A more realistic approach would be to treat the problem on a financial plane and explore ways of bypassing the political hurdles, so that positions of principle of Member States were not compromised but the Organization was not placed in a critical financial situation. That had been the aim of the guidelines submitted by the Chairman of the Negotiating Committee, but unfortunately they had not been generally acceptable. Perhaps a thorough look at past precedents in the United Nations system as a whole would help in the search for a solution. At least a partial or interim solution should be proposed if the Organization was not to find

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(Mr. Kemal)

itself in an untenable financial situation, which would weaken its role as a promoter of peace and of the establishment of a new international economic order.

AGENDA ITEM 92: MEDIUM-TERM PLAN FOR THE PERIOD 1980-1983 (continued)
(A/C.5/35/L.7)

64. Mr. FARMER (Australia), reverting to a question raised by the representative of Belgium at an earlier meeting, asked why, in one of the revisions introduced by the sponsors of draft decision A/C.5/35/L.7, reference was made to paragraph 364 (b) of the report of the Committee for Programme and Co-ordination (A/35/38) when that reference had not appeared in the original text of the draft decision.

65. Mr. PAL (India), speaking on behalf of the sponsors of the draft decision, said that paragraph 364 (b) of the CPC report had been the subject of discussion in the Economic and Social Council. In its decision 1980/179, adopted by consensus, the Council had decided to endorse the conclusions and recommendations of the Committee for Programme and Co-ordination, with the exception of the recommendation in subparagraph (ii) of paragraph 365 (b), and had decided that the human settlements programme should be excluded from paragraph 364 (b) of the CPC report. When submitting the first version of draft decisions A/C.5/35/L.7, the sponsors had made no reference to paragraph 364 (b); after some delegations had remarked on that, they had decided to submit a new version of the draft decision covering everything in the decision of the Economic and Social Council.

The meeting rose at 5.55 p.m.