



SUMMARY RECORD OF THE 26th MEETING

Chairman: Mr. BUJ-FLORES (Mexico)

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

CONTENTS

AGENDA ITEM 93: FINANCIAL EMERGENCY OF THE UNITED NATIONS: REPORT OF THE
NEGOTIATING COMMITTEE ON THE FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)

AGENDA ITEM 91: PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

Property disposal procedures

Programme for training English and French translators at the Economic
Commission for Africa

Administrative and financial implications of the draft resolution contained in
document A/35/3/Add.5 concerning agenda item 12 (A/C.5/35/25)

Revised estimates resulting from decisions of the Economic and Social Council
at its first and second regular sessions, 1980 (Part I)

Agency support costs

* This record is subject to correction. Corrections should be sent under the
signature of a member of the delegation concerned *within one week of the date of
publication* to the Chief of the Official Records Editing Section, room A-3550,
866 United Nations Plaza (Alcoa Building), and incorporated in a copy of the
record.

Corrections will be issued after the end of the session, in a separate fascicle for
each Committee.

Distr. GENERAL
A/C.5/35/SR.26
7 November 1980
ENGLISH
ORIGINAL: FRENCH

The meeting was called to order at 10.35 a.m.

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)

1. Mr. FARMER (Australia) said that it gave his delegation no pleasure to take part once again in a discussion of the financial emergency of the United Nations, the seriousness of which did not yet seem to be appreciated. However, it was apparent from the remarks made by the Assistant Secretary-General for Financial Services that the regular budget was now at its very limits and that, in view of the increasing growth rate of the deficit, the problem of cash management would become very difficult to solve. The Assistant Secretary-General had also said that the United Nations could no longer finance the growing deficit of its peace-keeping operations. The countries providing troops for such operations, which were not always among the wealthiest, were, in effect, extending credit to the Organization. That situation was inequitable and also entailed the risk that such countries might be forced to terminate their involvement in the peace-keeping operations.

2. It was essential to identify the cause of that problem, which affected the United Nations as a whole. In the view of his delegation, the problem stemmed from the fact that certain Member States were illegally withholding part of their contributions. Moreover, that practice was not limited to peace-keeping operations. The Fifth Committee had learned that some Member States had refused to pay their share of the costs of other activities which had been approved by the majority of Member States.

3. Some delegations claimed that one of the real reasons for the Organization's financial difficulties was the unacceptably high growth rate of the budget. His delegation did not accept that explanation. While just as concerned as others about the growth of the budget, his delegation could not fail to note that some Member States had deliberately withheld part of their assessed contributions for reasons which were not regarded as adequate by most of the contributors, who paid their contributions in full, whether or not they agreed with each and every decision taken by the majority in the General Assembly.

4. Clearly, if a lasting solution to the problem was to be found, all countries must demonstrate greater political will. The first problem that had to be solved was that of the illegal withholding of contributions. The Fifth Committee was examining some of the suggestions of the Negotiating Committee, which had originally been intended as a package but which were now being offered individually. His delegation did not wish prematurely to reject any proposals that might improve the Organization's financial situation; however, it agreed with the Italian delegation that the whole membership of the United Nations should not have to bear costs which a few had refused to pay. Lastly, his delegation would be interested in hearing the views of other delegations on the proposals made by the delegation of Pakistan.

/...

5. Mr. NUTT (Canada) observed that each year the Committee heard virtually identical views from the same delegations and that it was highly unlikely that the positions of delegations would change on what was considered to be a political issue. The Committee had also heard the conclusions reached by the Assistant Secretary-General for Financial Services, namely, that the growth rate of the deficit in the regular budget was increasing and that the Organization's cash-flow management would become more and more precarious.

6. His Government's most immediate concern was the viability of the peace-keeping operations, which were among the most important activities of the United Nations. The Assistant Secretary-General had drawn attention to the fact that the Organization was indebted to those Governments which contributed troops and bore the costs involved. His delegation wished to stress that a number of developing countries made a special effort to participate in such operations, while some other countries, which withheld part of their contributions, claimed that they were contributing to the maintenance of international peace and security.

7. His delegation was also concerned about the fact that the practice of withholding was now being extended to other areas, particularly technical assistance and the transfer to the regular budget of expenditure formerly financed from extrabudgetary resources. It was obvious that, in an organization of such size, all Member States could not all agree on the entire United Nations programme; at the same time, it was obvious that if each Member State paid for only the activities it liked, the Organization would fall apart.

8. His delegation did not wish any precipitous decision to be taken with regard to interim measures to ameliorate the cash-flow situation. First, the Secretary-General would have to indicate clearly that the United Nations was unable to pay its bills, and that had not yet been the case. Secondly, his Government did not want to reward those States which withheld part of their contributions by making good their obligations. However, it was essential to ensure, as a matter of priority, the financial viability of the United Nations, and his delegation was prepared to participate in any dialogue that could lead to a comprehensive solution of the problem.

9. Mr. DENIS (France) said that, in his opinion, that question should be approached with a view to reducing expenditure, and not increasing income. His delegation felt, in particular, that expenditure on technical assistance under the regular budget must be limited to the maximum extent possible.

10. As to the withholding by some Member States of part of their contributions, his delegation thought that such action was justified when decisions having financial implications had been taken in violation of the provisions of the Charter. His delegation was prepared to abide by the view of the majority of Member States, provided that the provisions of the Charter were respected. Accordingly, the French Government had distinguished between the peace-keeping operations in the Congo and the United Nations Interim Force in Lebanon, since the latter had been established in accordance with the provisions of the Charter. The

(Mr. Denis, France)

case of UNIFIL also raised a delicate problem, because it clearly showed that the political decision to establish a peace-keeping force was not always accompanied by the practical decision to finance it.

11. His delegation had misgivings about the proposals of the delegation of Pakistan, since they would not help to meet the Organization's deficit and would, in effect, burden States that regularly paid their contributions with the share of those States that refused to meet their obligations.

12. Mr. LAHLOU (Morocco) said that he had hesitated thus far to join in the discussion because of its political aspects. Some industrialized countries seemed to have adopted a political position which, according to them, dictated withholding of part of their contributions; on the other hand, other industrialized countries felt that the assessments of Member States were determined once and for all by the General Assembly and that it could not go back on its decision.

13. His delegation believed, as did a number of delegations from developing countries, that a country's refusal to pay all of its contributions was not necessarily a sign of political extremism. All countries, without exception, condemned foreign aggression and occupation. Some of them, which did not want the United Nations peace-keeping operations to serve the interests of aggressors, withheld part of their contributions; on the other hand, those which, like Morocco, paid their full amount did not by so doing condone foreign aggression and occupation.

14. His delegation believed that, in the face of a financial crisis that prevented the implementation of General Assembly decisions, it was important to find practical solutions that were compatible with the fully justified political positions of certain Member States. Accordingly, his delegation supported the proposals of the delegation of Pakistan to double the Working Capital Fund and to authorize the Secretary-General to transfer budgetary surpluses to a stand-by account and to deposit part of the income received in a special reserve fund. Special activities, such as the issuing of stamps and medals or the sale of greeting cards, would enable the entire international community to participate in the financing of the United Nations and would thus avoid some of the direct pressure exerted by certain contributors.

15. The CHAIRMAN said that the delegation of Pakistan had indicated its readiness to consult with delegations interested in its proposals with a view to preparing a draft resolution.

AGENDA ITEM 91: PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981 (continued)

Property disposal procedures (A/C.5/35/30)

16. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that the report of the Secretary-General on property disposal procedures (A/C.5/35/30) had been prepared in response to General Assembly

/...

(Mr. Mselle)

resolution 34/228 of 20 December 1979. The Advisory Committee had considered the report and had held exchanges of views on the subject with the representatives of the Secretary-General.

17. In his report, the Secretary-General described the system of property management and indicated certain factors affecting sales income. In paragraph 15 of his report, the Secretary-General outlined a number of methods of increasing sales income.

18. The Advisory Committee had found that the Secretary-General's report did not include specific recommendations with financial implications requiring a decision on the part of the Advisory Committee; for that reason, it had not submitted a written report on the question. Nevertheless, the Advisory Committee was orally recommending that the Fifth Committee should take note of the report of the Secretary-General and request him to implement the recommendations appearing in paragraph 15 of his report. The Fifth Committee should also ask the Secretary-General to apply his recommendations when estimating income for future programme budget proposals beginning with those for the biennium 1982-1983, which would be considered by the Advisory Committee in 1981. At that time, the Advisory Committee would be able to see to what extent the Secretary-General's recommendations had made possible an increase in sales income.

19. The CHAIRMAN proposed, on the basis of the recommendation of the Advisory Committee on Administrative and Budgetary Questions, that the Fifth Committee take note of the report of the Secretary-General and of the report submitted orally by the Chairman of the Advisory Committee, requesting the Secretary-General to implement the recommendations appearing in paragraph 15 of his report, and to apply those recommendations when drawing up the programme budget for the biennium 1982-1983.

20. It was so decided.

Programme for training English and French translators at the Economic Commission for Africa (A/C.5/35/29)

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that at its thirty-fourth session the General Assembly had approved an appropriation of \$362,300 for the programme for training English and French translators/précis-writers to fill posts at the Economic Commission for Africa. In addition, the General Assembly had requested the Secretary-General to submit a progress report to it at its thirty-fifth session. That was the purpose of the Secretary-General's report in document A/C.5/35/29, which contained information on the results so far of the training programme. The Secretary-General stated that the training programme should be continued, in view of the need for French translators in ECA.

22. The Advisory Committee had concluded that the Secretary-General should be authorized to commit all the funds provided for 1980-1981 in order to ensure that

/...

the third programme was carried out and that he should be requested to submit to the General Assembly at its thirty-sixth session a further report containing an evaluation of the results of the training courses held during the biennia 1978-1979 and 1980-1981, so as to enable the Advisory Committee and the Fifth Committee to review the question before deciding to authorize further appropriations for the biennium 1982-1983 for the continuation of the programme. According to the information provided by the Secretary-General, the fourth training programme would begin at the end of 1981 and be financed partly from funds earmarked for 1980-1981.

23. Mr. YUSUF (Somalia) pointed out that of the 130 candidates convoked for the competitive entrance examination for the training course, which had been held in 21 centres located throughout the world, only 9 had finally received training as translators/précis-writers and had sat for the official United Nations competitive recruitment examinations for French and English translators. Only four of them had qualified for recruitment: three as French translators and one as an English translator. Selection had therefore been particularly rigorous. He would like to know the cost of the selection process and of the training course itself.

24. Mr. BEGIN (Director of the Budget Division) stated that the amount of \$362,300 mentioned in document A/C.5/35/29 related for the most part to the cost of the training course and represented the stipends paid to the trainees and the salaries of the staff training them. The expenses incurred by the candidates in reaching one of the 21 examination centres, at the time of the competitive entrance examination, had been borne by the candidates themselves.

25. Mr. YUSUF (Somalia) thought that the appropriation of \$362,300 for that purpose should have allowed the training of a far greater number of translators.

26. Mr. PAPENDORP (United States of America) said that he would like to know the cost per trainee who had successfully passed the official United Nations competitive recruitment examinations for French and English translators. He feared that the cost had been particularly high and, consequently, that the resources had not been used in the best possible way.

27. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that that fact had not escaped the attention of the Advisory Committee, which had requested additional information from the Secretariat. Unfortunately, the information provided by the Secretariat raised more questions than it answered. For that reason, the Advisory Committee had considered it essential to ask the Secretary-General to undertake in the following year an evaluation of the results of the training programmes, which ought to reveal the cost per trainee passing the official United Nations competitive recruitment examinations, as the representative of the United States had requested.

28. Mr. BAMBA (Upper Volta) said that he would like to know what steps had been taken concerning the five trainees who, following the training course, had not passed the official United Nations competitive recruitment examination.

29. The CHAIRMAN said that the question of the representative of the Upper Volta would be answered in due course.

30. The CHAIRMAN proposed that the Fifth Committee take note of the report of the Secretary-General (A/C.5/35/29) and of the report submitted orally by the Chairman of the Advisory Committee, requesting the General Assembly to authorize the Secretary-General to commit all the funds provided for the third training programme and to invite him to submit to the Assembly, at its thirty-sixth session, a report containing an evaluation of the training programmes held during the biennia 1978-1979 and 1980-1981, so as to enable it to review the question before authorizing any further appropriations for the fourth training programme.

31. It was so decided.

Administrative and financial implications of the draft resolution contained in document A/35/3/Add.5 concerning agenda item 12 (A/C.5/35/25)

32. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General had estimated that the financial implications of the draft resolution in document A/35/3/Add.5, which would cover the holding of four subregional consultative technical meetings based on the various types of programmes for the Transport and Communications Decade in Africa, would be \$250,600, of which \$221,100 would be for conference services. The Advisory Committee had tried to find out whether the programme for training English and French translators currently being undertaken at ECA would make it possible to strengthen the translation facilities of ECA's language services. According to the information provided, the training programme in that regard had not increased the present capacity of ECA in translation services so as to justify a decrease in the estimate proposed by the Secretary-General. Consequently, the Advisory Committee was recommending approval of an additional appropriation of \$250,600. Nevertheless, it believed that, if some translation work was to be done by the ECA translation services, it should be possible to effect savings.

33. Mr. YUSUF (Somalia) was surprised that only four subregional meetings were mentioned in paragraph 6 (a) of document A/C.5/35/25. In fact, Africa had five regions: North Africa, West Africa, East Africa, Central Africa and Southern Africa; Salisbury, where the meeting for East Africa was to take place, was in fact in Southern Africa. A fifth meeting should therefore be organized in East Africa.

34. The CHAIRMAN recalled that the Fifth Committee was required only to decide on the administrative and financial implications of the draft resolution transmitted to it by the Second Committee. With regard to the substance of the question, it was well to emphasize that the Second Committee had approved that draft resolution of the Economic and Social Council and that, as stated in paragraph 6 of document A/C.5/35/25, the organization of the projected four subregional consultative meetings had been the subject of consultations. The designation of Salisbury as the site for the subregional meeting for East Africa could not therefore be considered a mistake. The Fifth Committee could not re-open discussion on a decision which had already been taken by the Economic and Social Council, the Economic Commission for Africa and the Second Committee.

35. Mr. YUSUF (Somalia) said that he continued to believe that a mistake had been made which ought to be rectified. He did not oppose the adoption of the statement of administrative and financial implications of the draft resolution in document A/35/3/Add.5, but would like note to be taken of his delegation's reservations.

36. The CHAIRMAN thanked the representative of Somalia for his spirit of co-operation. He proposed that the Committee request the Rapporteur to inform the General Assembly directly that, if the draft resolution in document A/35/3/Add.5 was adopted, an additional appropriation of \$250,600 would be required under section 13 of the programme budget for the biennium 1980-1981.

37. It was so decided.

38. Mr. PALAMARCHUK (Union of Soviet Socialist Republics) said that, if the recommendation had been put to a vote, the Soviet delegation would have voted against it, because it was opposed to additional appropriations, since any extra expenditure should be financed by savings under other items of expenditure.

39. Mr. FRASER (United Kingdom) said that his delegation approved the statement of expenditure submitted by the Secretary-General and recommended by the Advisory Committee, but was opposed to the authorization of additional appropriations. It believed that the additional resources should be released by eliminating activities which were obsolete, of marginal usefulness or ineffective. If the request was considered in second reading, the United Kingdom delegation would therefore vote against additional appropriations.

Revised estimates resulting from decisions of the Economic and Social Council at its first and second regular sessions, 1980 (Part I) (A/C.5/35/23 and Corr.1; A/35/7/Add.5)

40. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, although the Secretary-General had estimated conference-servicing costs on a full-cost basis, it seemed that in several instances the estimates were too high. For example, on page 1 of annex II of document A/C.5/35/23, the Secretary-General was requesting \$13,548 for translating three pages into three languages. The Advisory Committee was therefore recommending that the Secretary-General should indicate in the consolidated paper which he would submit to the thirty-fifth session that the \$2.2 million would be absorbed.

41. With regard to section 1 (Over-all policy-making, direction and co-ordination), the Advisory Committee believed that the Secretary-General should be able to cover from within the appropriations already approved for section 1 of the programme budget for 1980-1981 the amount of \$11,000 which he was requesting for humanitarian assistance and relief to the Kampuchean people.

42. Turning to section 4 (Policy-making organs (economic and social activities)), he said that it was still too early to authorize an additional appropriation of \$14,400 for travel costs for 1981 of the new members of the Ad Hoc Group of Experts on International Co-operation in Tax Matters.

(Mr. Mselle)

43. With regard to section 23 (Human Rights), the Advisory Committee had considered the estimates submitted by the Secretary-General under General Assembly resolution 34/231 on unforeseen and extraordinary expenses in the biennium 1980-1981.

44. In brief, the Advisory Committee was recommending additional appropriations of \$57,600 under section 9, \$22,200 under section 22, \$196,600 under section 23, \$55,200 under section 28 and \$30,700 under section 31, which would be offset by an equivalent amount under income section 1.

45. Mr. GARRIDO (Philippines) asked whether the Advisory Committee had been satisfied with the explanations given by the Secretary-General's representatives concerning the understatement of the total cost of producing and distributing three documents, as mentioned in foot-note 3 of the Advisory Committee's report.

46. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) replied that the Advisory Committee had not indicated in its report that it had rejected those explanations.

47. The CHAIRMAN said that, at the request of one delegation, the Committee would take no decision on the Advisory Committee's recommendations until the next day. At the request of another delegation, the additional appropriation resulting from decision 1980/129 of the Economic and Social Council would be put to the vote separately.

Agency support costs (A/35/544)

48. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the question of support costs for technical co-operation programmes had been under examination for many years and that recently numerous proposals and recommendations had been made to solve the problems arising in that area. The Advisory Committee had always maintained that the relationship between the funding and executing agencies should be one of partnership. Experience had indicated that no amount of cost measurement study was likely to lead to a reimbursement formula that would please all the parties involved. There would always be some who believed that they were not being reimbursed enough, and others who thought reimbursements excessive. For that reason, the Advisory Committee had concluded that a formula for reimbursement of support costs would always involve a political judgement by member States and a willingness to compromise on the part of the secretariats in the United Nations system. The Advisory Committee had also recognized the interrelationship between regular assessed budgets and technical co-operation programmes funded from extrabudgetary resources. Do as one might, regular budgets would always subsidize technical co-operation activities, although no one would quarrel in principle with the solution favoured by a number of States, namely full reimbursement of support costs. There were profound technical and practical problems involved in determining what constituted full reimbursement, which could not be wished away by a mere call for full reimbursement.

/...

(Mr. Mselle)

49. The United Nations Secretariat had participated in the discussions leading to the adoption, by the Governing Council of UNDP, of decision 80/44 subsequently endorsed by the Economic and Social Council. Had the new formula recommended by the Governing Council been in operation in 1979, there would have been a shortfall in reimbursement, for a programme delivery of \$202 million, of approximately \$2 million. The Governing Council had specified in its decision that, provided programme delivery did not decline, no reduction in reimbursed resources would occur. The Advisory Committee had been informed by representatives of the Secretary-General that every effort would be made to ensure that the burden on the regular budget as a result of decision 80/44 would not increase: the new formula would also serve as a basis for determining the amounts to be reimbursed from activities supported by the United Nations but funded from extrabudgetary sources (trust fund programmes, for example).

50. The final sentence in paragraph 7 of the Advisory Committee's report should read: "Furthermore, it should be noted that the regional commissions are regarded by UNDP as separate executing agencies and may be considered eligible for the special flexibility arrangements referred to in paragraph 2 (b) of Governing Council decision 80/44."

51. The status of the regional commissions as executing agencies derived from an exchange of letters between the Administrator and the executive secretaries, and from General Assembly resolution 32/197, which called for measures to enable regional commissions "to function expeditiously as executing agencies" (annex, para. 23). It was thus reasonable to infer that, where UNDP-financed programmes amounted to less than \$10 million, the regional economic commissions were eligible for the flexibility arrangements referred to in paragraph 2 (b) of decision 80/44. Applications for flexibility would of course have to be considered and approved by the Governing Council.

52. Regarding paragraph 2 (g) of decision 80/44, on which CCAQ had expressed some reservations, the Advisory Committee believed that the kind of information requested by the Governing Council would be of considerable value to ACABQ. For the Advisory Committee's purposes, such reports should not be limited to projects funded by UNDP but should include an analysis of all support costs.

53. The Advisory Committee had reiterated its position on the views expressed by the FAO Finance Committee, indicated in paragraph 13 of the report, namely that the degree of support for technical co-operation programmes from regular budgets was a matter for the legislative organs of the executing agencies to decide.

54. Subject to those reservations, the Advisory Committee had recommended that the General Assembly should approve the new reimbursement formula set out in decision 80/44 of the UNDP Governing Council.

55. Mr. OREBI (Food and Agriculture Organization of the United Nations) said that the FAO Finance Committee and Programme Committee had considered the decision by the UNDP Governing Council and reached some views on the matter. The proposed

/...

(Mr. Orebi, FAO)

reduction of the reimbursement rate from 14 to 13 per cent would reduce the total amount reimbursed by 7 per cent, or about \$4 million in 1982-1983 and almost \$35 million from 1982 to 1991 in constant dollars. In addition, the regular budget would have to support a greater portion of total support costs, which would require additional appropriations in the budget for 1982-1983 and in subsequent budgets.

56. The two Committees could not, as a matter of principle, support a decision by a body external to FAO which would unilaterally impose additional financial obligations on the States belonging to FAO. Regarding paragraph 2 (g) of the UNDP Governing Council's decision, moreover, they had considered that the Director-General should be answerable solely to the intergovernmental body responsible for the management of FAO. Finally, when the UNDP Governing Council requested ex post facto a detailed report dealing not only with posts but also with elements of support costs for operational activities, it seemed to be resuscitating the idea of a detailed cost measurement system which had already been rejected.

57. Mr. GRODSKY (Union of Soviet Socialist Republics) asked what the actual proportion of support costs to the total cost of the programmes carried out by the United Nations had been in 1977, 1978 and 1979. That figure was important in view of the statement, in paragraph 8 of document A/35/544, that every effort would be made to ensure that the burden on the regular budget would not increase as a result of the changes in the rate of reimbursement for agency support costs.

58. Mr. RUEDAS (Assistant Secretary-General for Financial Services) said that he could not give a precise answer to the question from the Soviet representative. The United Nations and various other bodies in the system had tried for many years to quantify the support provided to technical co-operation programmes. In 1973, (the last year in which the calculation had been made), the United Nations share in the cost of technical co-operation programmes had been assessed at 22.5 per cent. That year, by agreement between the United Nations and the other bodies concerned, it had been decided to abandon such calculations as being excessively costly. During the consultations and analyses preceding the adoption of draft decision 80/44 by the UNDP Governing Council, however, the United Nations had informed the Council that general indications suggested that the figure of 22.5 per cent had not changed much since 1973. It could thus still be considered a serviceable working hypothesis.

59. The exchanges between the Advisory Committee and the representatives of the Secretary-General were faithfully reported in paragraphs 5 to 9 of document A/35/544. As paragraph 8 of the document indicated, every effort would indeed be made to ensure that the burden on the regular budget would not increase as a result of changes in the rate of reimbursement for agency support costs, but it had to be stressed that the Secretariat could not, at that stage, give a categorical undertaking that such efforts would be successful. The Office of Financial Services, in conjunction with the Department of Technical Co-operation for Development, intended to enlist the assistance of the Administrative Management Service in carrying out an in-depth study during the first half of 1981 on the measures needed to attain that goal.

/...

60. Mr. GRODSKY (Union of Soviet Socialist Republics) said that, since the Secretariat had no precise figures on the level of support costs borne by the United Nations in connexion with UNDP programmes in 1977, 1978 and 1979, the statements by the Secretary-General's representatives, as reported in paragraph 8 of the Advisory Committee's report, must be viewed with suspicion. His delegation's position of principle on the matter was well known; the regular budget of the United Nations should cover administrative expenditure exclusively. Consequently, the United Nations should be fully reimbursed for the services it provided for the execution of UNDP programmes.

61. As had been established, the reimbursement rate for support costs currently stood at 14 per cent - less than two thirds of the last available figure for actual costs (22.5 per cent). Now the rate was to be reduced still further, thereby imposing an unjustified additional burden on States Members of the United Nations. Under no circumstances could his delegation support such a proposal.

62. Mr. SADDLER (United States of America) pointed out that the subject had been discussed repeatedly in past years, with substantial resources being devoted to the search for an ideal solution which was probably unattainable, since it would have to satisfy the Member States, UNDP and the executing agencies simultaneously. Given that an intergovernmental working group had discussed the question carefully and submitted a proposal accepted by the UNDP Governing Council and endorsed by the Economic and Social Council, together with the Advisory Committee's recommendation in paragraph 15 of its report that the proposed reimbursement formula should be approved, the Fifth Committee should proceed without delay to a decision on the matter, and had sufficient data to do so. His delegation supported the report of the Advisory Committee, including the recommendation that the Assembly should approve decision 80/44 of the UNDP Governing Council, reproduced in the annex to that report.

63. Mr. GARRIDO (Philippines) said that, in the absence of cost evaluation machinery, he would support decision 80/44 of the UNDP Governing Council. Nevertheless, he would like to know which agencies would be granted flexibility arrangements under paragraph 2 (b) of that decision. He also wondered whether the agencies indicated the 14-per-cent rate or a preferential one when they drew up their budgets and whether, in the case of projects financed from extrabudgetary funds, appropriations from the United Nations regular budget were used when the support costs could not be fully reimbursed from those funds.

The meeting rose at 1 p.m.