



SUMMARY RECORD OF THE 71st MEETING

Chairman: Mr. AMNEUS (Sweden)

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

CONTENTS

AGENDA ITEM 145: FINANCING OF THE UNITED NATIONS IRAN-IRAQ MILITARY OBSERVER GROUP

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The meeting was called to order at 3.45 p.m.

AGENDA ITEM 145: FINANCING OF THE UNITED NATIONS IRAN-IRAQ MILITARY OBSERVER GROUP (A/42/244 and Add.1 and Add.1/Corr.1; A/C.5/42/L.26)

1. The CHAIRMAN introduced draft resolution A/C.5/42/L.26 on the financing of the United Nations Iran-Iraq Military Observer Group, and outlined the reasoning behind the various provisions. In particular, he pointed out that, as suggested by the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the initial appropriation for the Group would cover a period of approximately three months, beginning on 9 August, and that the amounts specified in paragraphs 2 (a), (b), (c), and (d) were apportioned according to the special scale used for peace-keeping operations. Referring to paragraph 5, he said that the Chairman of the Advisory Committee had questioned the treatment of voluntary contributions and suggested that the matter should be examined in greater detail at a later stage.

2. He proposed that the words "by 1 October 1988" should be added to paragraph 7, after "General Assembly", in order to specify the time-frame for the submission of the updated report.

3. Mr. AKIMOTO (Japan) proposed adding the words "including the status of voluntary contributions" after "... Iran-Iraq Military Observer Group" in paragraph 7. The latter part of paragraph 5 appeared to be at odds with the statement made by the Chairman of ACABQ earlier that day: it was unclear whether voluntary contributions were to be regarded as working capital, under the formula given in the annex to resolution 34/9 D (para. 7), only until 1 October or for the life of the Military Observer Group. The latter case would preclude any subsequent decision by the Fifth Committee as to whether the contributions should be considered cash advances, or a part of total expenditures. It might perhaps be better to delete the reference to the procedure established by General Assembly resolution 34/9 D.

4. The CHAIRMAN suggested that the Committee should adopt the amendment to paragraph 7 put forward by the Japanese delegation.

5. It was so decided.

6. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Japanese representative had raised an essential concern. It was out of that very concern that ACABQ had suggested the initial three-month period, in order to have an opportunity to review the Secretary-General's report, including information on the amounts of voluntary contributions. The current procedure for handling voluntary contributions, which was set forth in General Assembly resolution 34/9 D, had been established at a time when the United Nations was experiencing a shortfall in contributions to peace-keeping operations and troop-contributing countries were not being fully reimbursed. At the time, the General Assembly had also recognized that geographical balance in United Nations

(Mr. Muelle)

military forces was important, and that if full reimbursement was not provided, the less developed countries would be unable to contribute troops. Voluntary contributions, intended to reimburse troop-contributing countries, were not to be commingled with the Special Account, but rather placed in a Suspense Account. That practice would continue until the General Assembly adopted a different procedure.

7. Mr. GOMEZ (Controller) confirmed that Japan's contribution would not be returned. The Suspense Account was intended to be supplemental in nature, as stressed in paragraph 1 of the annex to resolution 34/9 D. He as Controller would determine what constituted the "sufficient number" referred to in paragraph 7 of the annex. As things stood, that number was far from being attained, either for the regular budget or for the budget for peace-keeping operations. Experience suggested that the accounts would not be settled until the Group was disbanded, at which time provision would have to be made for such items as currency fluctuations and cost over-runs. In the meantime, the current procedures for handling voluntary contributions would prevail.

8. Mr. AKIMOTO (Japan) said that he had not meant to begin a substantive discussion; he simply wondered whether some of the language in paragraph 5 should not be deleted.

9. The CHAIRMAN said that, whether or not the final lines of the paragraph were retained, voluntary contributions would continue to be administered in the usual manner until an alternative procedure was agreed upon.

10. Mr. LABERGE (Canada) suggested that paragraph 7 of the draft resolution should instruct the Secretary-General to report to the General Assembly "through the Advisory Committee on Administrative and Budgetary Questions".

11. The CHAIRMAN remarked that the report would go to the Advisory Committee as a matter of course. Since, however, he heard no objection to the Canadian representative's suggestion, the extra language could be added.

12. Mr. HAAS (Federal Republic of Germany) pointed out that the United Nations had already spent large sums of money on efforts to resolve the conflict between Iran and Iraq. So far, the money had come out of the regular budget. He wondered whether any voluntary funds contributed under the draft resolution could be used to make good the outlays from the regular budget.

13. If the draft resolution was adopted, the Military Observer Group would go to work the following week, but voluntary contributions could be expected to come in over a period of a month or so. He asked how the United Nations proposed to bridge the gap.

14. Mrs. ARCHINI de GIOVANNI (Italy) asked whether the sums provided for in the draft resolution would be enough to cover the costs of running the Military Observer Group on the revised assumptions presented in document A/42/244/Add.1/Corr.1.

15. Mr. GOMEZ (Controller) said that circumstances had changed since the report of the Secretary-General had been issued. The amount recommended by the Advisory Committee for appropriation took account of the adjusted numbers, and he was confident that the various costs involved could be met within that sum.

16. Turning to the questions from the representative of the Federal Republic of Germany, he said that his confidence in the Organisation's ability to meet the costs of the operation rested on the assumption that members would make full and timely payment of their assessed contributions, and the belief that the Organisation would have access to voluntary contributions immediately after the adoption of the draft resolution, to help to cover the cash-flow problems that were bound to occur. Peace-keeping was a Charter activity of the United Nations, whose costs Members were required to bear under Article 17.2 of the Charter. The Organisation had recently been advancing money for the operation out of the regular budget. If Members did not now pay their assessed contributions for the Military Observer Group and voluntary contributions could not be found to make up the difference, the Organisation would soon be in serious difficulties.

17. Approval of the draft resolution would authorise appropriation of \$3.7 million already disbursed from the regular budget with the concurrence of ACABQ, and that money could be used to replenish the Working Capital Fund. None of the appropriation under the resolution, however, could be used retroactively to meet the costs of the Secretary-General's efforts and good offices over the past biennium which had led to the breakthrough in the Iran-Iraq conflict. The amount spent on such undertakings at the Secretary-General's own initiative in 1988 would amount to somewhat less than \$400,000.

18. Mr. VAN DEN HOUT (Netherlands) asked for reassurance that the updated report which the Secretary-General would be required to submit under paragraph 7 of the draft resolution would cover the status of voluntary contributions to the Military Observer Group and the extent to which economies of scale could be achieved through co-ordination between the Group and other United Nations peace-keeping forces.

19. Mr. GOMEZ (Controller) confirmed that that was the case.

20. Mr. KHAN (Saudi Arabia) asked whether it was appropriate to demand an updated report from the Secretary-General on 1 October when the draft resolution would provide funding for the Group up to 9 November.

21. The CHAIRMAN said that the date of 1 October would allow time for the Advisory Committee to consider the report at the beginning of the forthcoming General Assembly session.

22. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the submission date of 1 October would allow the Fifth Committee a month to consider the report and make recommendations. He personally would be uncomfortable with a later date. By October the Secretariat would certainly be in a position to judge the needs of the Group for 1988 and, if the Security Council extended its mandate, in 1989.

23. Mrs. ZHANG Xian (China) expressed her delegation's support for the draft resolution. She hoped the Secretary-General would make every effort to ensure that the Group was operated with maximum efficiency and economy, and she noted the emphasis placed by the draft resolution on voluntary contributions.
24. The impending end of the Iran-Iraq conflict had shown that the United Nations had an indispensable role to play in easing world tensions. In such contexts, it would be worthwhile considering such questions as the duration and specific mandate of United Nations peace-keeping operations. Her delegation would be ready to take part in the discussion on such matters at the appropriate time.
25. Mr. BARNETT (Jamaica) asked whether the Japanese suggestion to delete the reference to General Assembly resolution 34/9 D in paragraph 5 of the draft resolution had been accepted.
26. Mr. GOMEZ (Controller) said that, in the light of current practice, the Secretariat would find it much less difficult to operate the Military Observer Group if operative paragraph 5 remained unamended.
27. Mr. AKIMOTO (Japan) withdrew his suggestion.
28. Mr. NYGARD (United States of America) asked whether the United Nations had adequate provision for administering contributions in kind to the Military Observer Group.
29. Mr. GOMEZ (Controller) confirmed that it did.
30. Draft resolution A/C.5/42/L.26, as orally revised and amended, was adopted without objection.
31. The CHAIRMAN announced that the Committee had concluded its consideration of item 145, and asked the Rapporteur to report thereon directly to the General Assembly.

The meeting rose at 5 p.m.