



SUMMARY RECORD OF THE 36th MEETING

Chairman: Mr. OKEYO (Kenya)

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

CONTENTS

AGENDA ITEM 147: FINANCING OF THE UNITED NATIONS IRAN-IRAQ MILITARY OBSERVER GROUP
(continued)

AGENDA ITEM 123: UNITED NATIONS PENSION SYSTEM (continued)

AGENDA ITEM 114: PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 (continued)

Programme budget implications of draft resolutions A/43/L.23 and A/43/L.24
concerning agenda item 18

Programme budget implications of draft resolution A/C.3/43/L.7 concerning
agenda item 87

Measures relating to priority assigned by the Secretary-General to the United
Nations Programme of Action for African Economic Recovery and Development
1986-1990

Construction projects at Addis Ababa and Bangkok: revised estimates

Revised estimates resulting from the recommendations contained in document
A/43/685 concerning agenda item 67

Administrative and financial implications of the recommendations and decisions
contained in document A/43/30 concerning agenda item 122

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 147: FINANCING OF THE UNITED NATIONS IRAN-IRAQ MILITARY OBSERVER GROUP
(continued) (A/43/696, A/43/768)

1. Mr. TANIGUCHI (Japan) said that there was a growing demand for United Nations peace-keeping operations. In view of the resulting increase in costs, all means of financing should be explored: voluntary contributions, both in cash and in kind, and assessed contributions. In March 1988, Japan had made a voluntary contribution of \$20 million to the United Nations to enable it to continue its activities despite the financial crisis, in particular the peace-making and peace-keeping operations relating to Afghanistan and Lebanon, and the search for a solution of the Iran-Iraq conflict, for which half the amount was earmarked. Japan's contribution to UNIIMOG was a donation, not a cash advance. No restriction had been placed on it, and it could be used to reimburse the States which contributed troops, equipment and supplies and to meet other expenses.

2. His delegation fully endorsed the observations and recommendations of ACABQ in paragraphs 26 to 34 of its report (A/43/768) and the arrangement proposed in paragraph 20, namely that the contributions received from Japan and Morocco should be credited to the special account for UNIIMOG and should be taken into account in calculating the amount to be assessed on Member States for the next mandate period. It was his delegation's understanding that the recommendations of ACABQ relating to the receipt and utilization of voluntary contributions in cash was an additional arrangement and by no means replaced the existing arrangement provided for by the General Assembly in resolution 34/9 D (Suspense Account), the choice between the two types of arrangements being left to the donors, as was apparent from paragraph 31 of the report.

3. Ms. BERENQUER (Brazil) noted that, as a result of the modifications in the initial plans relating to personnel, the net amount of expenditure estimated by the Secretary-General for the six-month period beginning 9 August 1988 had been reduced from \$73.8 million to \$58.1 million and, in fact, would not exceed \$53.5 million if the savings recommended by ACABQ were achieved. Bearing in mind the amount of \$35 million appropriated by the General Assembly at its forty-second session, there would remain an amount of \$18.5 million to be assessed on Member States, following the pattern of apportionment adopted by the General Assembly in resolution 42/233. To the extent that those resources would prove adequate to ensure the efficient functioning of UNIIMOG until 9 February 1989, her delegation was prepared to support the recommended appropriation. As to the following periods, it endorsed the Advisory Committee's recommendation that the Secretary-General should be authorized to enter into commitments, subject to the Advisory Committee's prior concurrence, of up to \$7,889,000. It was pleased to note that the Advisory Committee had recommended that the voluntary contributions received during the initial six-month mandate should be deducted from the assessments on Member States for the next mandate. It would welcome an explanation of the reasons preventing agreement from being reached with the States concerned regarding the "other possible costs" referred to in paragraph 3 of the Secretary-General's report (A/43/696), which might amount to some \$20 million.

(Ms. Borenguer, Brazil)

4. Each peace-keeping operation had its own characteristics; yet, in the light of the experience gained it should be possible to establish guidelines and procedures of general application, whose purpose would be to ensure maximum cost-effectiveness. ACABQ had already urged that technical guidelines should be prepared for the valuation of supplies and services donated voluntarily. If a donor wished such a contribution to be treated as a cash advance, the Organization should agree only after the strict application of all procedures for procurement and after reaching a clear and firm agreement with the Member State concerned so as to avoid discrepancies between estimated and actual expenses. With regard to the start-up costs of peace-keeping activities, her delegation believed that a special fund would be the most appropriate solution, and it hoped that the Secretary-General would make the investigations requested by ACABQ so that action could be taken as soon as possible.

5. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendations on voluntary contributions (A/43/768) did not in any way suggest that peace-keeping operations should be financed only from voluntary contributions. Peace-keeping was a primary function of the United Nations and the related cost of peace-keeping operations was the collective responsibility of all Member States, among which that cost should be distributed in the manner determined by the General Assembly. The financial problems of the United Nations Peace-keeping Force in Cyprus showed clearly that peace-keeping operations could not be financed exclusively from voluntary contributions.

6. The General Assembly had for a number of years requested the payment of voluntary contributions for that purpose but its intention was to solve the problems caused by extensive withholding of assessed contributions by a number of Member States, which made it impossible for the Organization to reimburse troop-contributing countries. Such voluntary contributions were regarded as advances and placed in a Suspense Account before ultimately being credited back to the donor States.

7. Three new developments warranted a fresh look at the question of voluntary contributions for peace-keeping operations. A number of countries which had been withholding their assessed contributions had changed their positions; some countries were now willing to give voluntary contributions in cash or in kind, without requesting their reimbursement; and recent developments might give rise to peace-keeping expenditures larger than those of the regular budget. It was "in line with recent developments" that the Advisory Committee was recommending modification and expansion of the present procedures (para. 30), which were based on General Assembly resolutions 34/9 D and 42/233, pursuant to which voluntary contributions should ultimately be reimbursed to the donors.

8. In response to requests for clarification concerning paragraphs 30 to 34 of the report, he said that the Advisory Committee believed that it was the Secretary-General who determined whether voluntary contributions in cash or in kind were receivable and it had requested him to formulate technical guidelines for valuation of supplies and services. Such valuation was essential for the purpose

(Mr. Mselle)

of determining the cash value to be taken into account in future assessments on Member States. The criticisms of paragraph 31 of the report were due partly to a misunderstanding, for some delegations feared that the Advisory Committee had not taken into account fully the primary obligation of the Secretary-General to reimburse troop-contributing countries. Despite the change of attitude on the part of some of the States which had been withholding assessed contributions, it would be years before the debt owed by the United Nations to troop-contributing countries was settled. The recommendations contained in paragraphs 20 and 31 of the report were intended specifically to meet those countries' concerns. Paragraph 20 meant that it was the General Assembly which determined, on the basis of a proposal of the Secretary-General and the relevant recommendations of the Advisory Committee, when the assessments should be reduced. During the second mandate period the Secretary-General would inform ACABQ of the amount of the assessments collected, and it would take that information into account in authorizing commitments in the period beginning 9 February 1989, in accordance with paragraph 25 of the report.

9. In accordance with paragraph 31, voluntary contributions regarded as current income would eventually reduce assessments, but the reduction would not always be immediate. The relevant obligations of the United Nations, including the sums to be reimbursed to troop-contributing countries, must be taken into consideration. If a donor insisted that his contribution in cash or the cash value of his contribution in kind should be deducted immediately from assessments, the Secretary-General would have to indicate to the donor that only the General Assembly could take that decision, taking into account not only the donor's wishes but the other factors referred to earlier. It might perhaps be necessary at some future date to codify agreed procedures and approve appropriate financial regulations and rules.

10. The Advisory Committee had not recommended that voluntary contributions of services and supplies which were not tied should be accepted only after competitive bidding. However, it considered that a State which insisted that the cash value of its contribution in kind should be used to reduce the amount of its assessed contribution was in fact trying to compel the Organization to procure such supplies and services from it. That was why, in paragraph 31, the Advisory Committee requested the Secretary-General to accept the supplies and services only after application of all procurement procedures, including competitive bidding from other countries or other sources of supply. In the case of contributions in cash, for whatever purpose, the donor should specify whether they should be regarded as an advance. In any event, the Secretary-General would be able to explain to ACABQ the problems caused by contributions in kind in the report on technical guidelines for the valuation of that kind of contribution which he was to submit to the Advisory Committee before 1 April 1989.

11. In paragraph 32 of the report, the Secretary-General was requested to include in future budget estimates information on contributions in cash or in kind received up to the time of preparation of the estimates. The extent and the timing of any consequent reductions in assessments would depend on proposals of the Secretary-General and recommendations of the Advisory Committee to the General Assembly. Voluntary contributions received after the estimates had been prepared

(Mr. Mselle)

would be reported to the General Assembly during the next reporting period. Paragraph 34 gave guidance concerning voluntary contributions tied to activities, goods or services additional to those reported to the General Assembly in the budget estimates. The Advisory Committee might prepare other guidelines on that subject, if necessary.

12. The request contained in paragraph 10 for a report on reimbursement to troop-contributing States indicated no malevolent intention on the Advisory Committee's part; the aim was merely to obtain, for the Advisory Committee's consideration, broader information to supplement the report on reimbursement rates which the Secretary-General was in any case required to submit under General Assembly resolution 42/224.

13. The amounts recommended by the Advisory Committee had been criticized, particularly with respect to the reduction in the numbers of civilian staff. It would be wrong to assume that the Advisory Committee's recommendations would affect the level of amounts for reimbursement of troop-contributing countries. Such reimbursements were a legal obligation of the United Nations, and only delays in payment - or non-payment - of assessed contributions could prevent their full discharge. In making its recommendation to reduce the civilian establishment the Advisory Committee had taken into account the additional information provided by the Secretariat, concluding that streamlining of administrative and personnel functions and related activities might produce modest savings. The Secretary-General was free to make savings under other items of expenditure, provided that the overall amount recommended by the Advisory Committee and approved by the General Assembly was not exceeded. The Secretary-General should have no difficulty in implementing the ACABQ recommendations concerning UNIIMOG, for he had not had any difficulty with respect to other peace-keeping operations.

14. Mr. SINGH (Fiji) requested that the text of the statement made by the Chairman of the Advisory Committee should be distributed to delegations.

AGENDA ITEM 123: UNITED NATIONS PENSION SYSTEM (continued) (A/C.5/43/L.5)

15. Mr. ARASTOU (Islamic Republic of Iran) introduced draft resolution A/C.5/43/L.5, which he hoped would be adopted by consensus.

16. Mr. BOUR (France) recalled that in the course of the informal consultations on the draft resolution it had been decided to number from 1 to 6 all the paragraphs of the draft resolution; he expressed the hope that that would be done.

17. The CHAIRMAN saw no objection to the numbering and suggested that the Committee, should without taking a vote, recommend to the General Assembly the adoption of draft resolution A/C.5/43/L.5.

18. It was so decided.

19. Mr. LADJOUZI (Algeria) welcomed the fact that draft resolution A/C.5/43/L.5 had been adopted by consensus. He urged the Pension Board to consider, in the

(Mr. Ladjouai, Algeria)

context of the study recommended in section I of General Assembly resolution 42/222, measures other than those referred to in paragraph 55 of the Pension Board's report, so as to enable the General Assembly to improve the actuarial situation of the Fund without reversing its decisions concerning the mandatory age of separation.

20. Mr. MAUS (Mexico) observed that the representatives of the Islamic Republic of Iran and Algeria in referring to draft resolution A/C.5/43/L.5 had spoken of adoption by consensus, whereas the Chairman had spoken of adoption without a vote. Since there was a difference between the two concepts, his delegation would like to know which of the two applied in the current situation and what would be recorded in the Committee's report.

21. Generally speaking, his delegation endorsed the principle whereby committee's should spare no effort to reach a consensus, and it was in that spirit participating actively in the informal consultations. Yet, making a standard of the principle of adoption by consensus meant offering every delegation the possibility of exercising a right of veto. That was why his delegation wished to establish clearly the distinction between a resolution adopted without a vote and a resolution adopted by consensus. It reserved the right to request a vote, even if a draft resolution had unanimous support, in order to emphasize that the provisions of the Charter and of the rules of procedure of the General Assembly should not be changed.

22. The CHAIRMAN said that, since there had been informal consultations on draft resolution A/C.5/43/L.5, it could be considered to have been adopted by consensus.

AGENDA ITEM 114: PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989 (continued)

Programme budget implications of draft resolutions A/43/L.23 and A/43/L.24 concerning agenda item 18 (A/C.5/43/37)

23. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that the programme of work of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples was approved annually by the General Assembly. However, in accordance with the procedures laid down in resolution 41/213, the total costs of that perennial activity were currently included in the programme budget. Accordingly, as noted in paragraphs 12 and 13 of document A/C.5/43/37, the adoption of draft resolutions A/43/L.23 and A/43/L.24 by the General Assembly, and the consequent approval of the Special Committee's programme of work would not entail any additional appropriations over and above those already included in the programme budget for 1988-1989.

24. The CHAIRMAN suggested that, in the light of the statement submitted by the Secretary-General and the recommendations of the Advisory Committee, the Fifth Committee should inform the General Assembly that, if it decided to adopt draft resolutions A/43/L.23 and A/43/L.24, there would be no need for additional

(The Chairman)

appropriations under sections 3 and 27 of the programme budget for 1988-1989 over and above those already proposed in the revised estimates to finance the Special Committee's programme of activities in 1989.

25. It was so decided.

26. Mr. KINCHEN (United Kingdom) said the adoption of that proposal by consensus demonstrated that the new procedure for including perennial activities in the programme budget was working satisfactorily. Although it had joined in the consensus, however, his delegation had not modified its position regarding the substance of the draft resolution adopted, a position which it intended to explain in plenary session.

Programme budget implications of draft resolution A/C.3/43/L.7 concerning agenda item 87 (A/C.5/43/28)

27. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, under draft resolution A/C.3/43/L.7, the Secretary-General would be requested to undertake the activities described in paragraphs 2 to 5 of document A/C.5/43/28. As stated in paragraphs 13 to 16 of that document, the total cost was estimated at \$90,700. In paragraph 17, the Secretary-General explained that he intended to finance the activities in question by appealing for voluntary contributions. Consequently, the Fifth Committee might wish to inform the General Assembly that, if it adopted draft resolution A/C.3/43/L.7, no additional appropriations under the regular budget would be required.

28. The CHAIRMAN suggested that, in the light of the statement submitted by the Secretary-General and the recommendations of the Advisory Committee, the Fifth Committee should inform the General Assembly that, if it decided to adopt draft resolution A/C.3/43/L.7, there would be no need for additional appropriations, since the Secretary-General intended to seek contributions to finance the activities contemplated, whose cost was estimated at \$90,700.

29. It was so decided.

Measures relating to priority assigned by the Secretary-General to the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (A/C.5/43/2)

30. The CHAIRMAN suggested that the Fifth Committee should recommend to the General Assembly the approval of the conclusions and recommendations formulated by the Committee for Programme and Co-ordination in paragraphs 59 to 65 of its report (A/43/16 (Part I)).

31. It was so decided.

Construction projects at Addis Ababa and Bangkok: revised estimates (A/C.5/43/16)

32. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, in document A/C.5/43/16, the Secretary-General provided information on the status of the two projects in question and submitted an implementation plan. No new appropriations would be required for the 1988-1989 biennium. The resources needed for the 1990-1991 biennium were indicated in paragraph 24 of document A/C.5/43/16, and amounted to \$43,852,000 (\$38,700,000 at 1988 rates); that request would be included in the budget estimates to be considered by the General Assembly at its forty-fourth session.

33. The CHAIRMAN suggested that the Fifth Committee should recommend to the General Assembly that the Assembly take note of the report of the Secretary-General in document A/C.5/43/16 and invite him, pursuant to its resolution 39/236, to submit annual progress reports on the two projects until construction was completed.

34. It was so decided.

Revised estimates resulting from the recommendations contained in document A/43/685 concerning agenda item 67 (A/C.5/43/20)

35. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that a subvention of \$221,100 was requested in accordance with paragraph 3 of article VIII of the statute of the United Nations Institute for Disarmament Research. The Advisory Committee had considered the work programme and budget of the Institute and had submitted to the Institute's Board of Trustees its recommendations, on the basis of which the request for the subvention in question was made. Accordingly, the Advisory Committee recommended that the Fifth Committee should approve the subvention, but stressed that no effort should be spared to achieve savings.

36. Mr. HOH (United States of America) requested a recorded vote on the revised estimates resulting from the recommendations of the Board of Trustees of the United Nations Institute for Disarmament Research. His delegation intended to vote against the subvention. When the Fifth Committee had considered the JIU report on the autonomous research institutes of the United Nations system, one delegation had observed that the deficit of those voluntarily financed bodies revealed a lack of confidence on the part of Governments. Furthermore, his own delegation had opposed the adoption of the Institute's statute precisely because the provision invoked to justify the request for a subvention was not in conformity with General Assembly resolution 37/99 K. Without wishing to impugn the Institute's work, regarding which it nevertheless maintained reservations, his delegation considered that the General Assembly should follow established practice, which required operational activities to be financed by voluntary contributions.

37. At the request of the representative of the United States of America, a recorded vote was taken on the proposal for an additional appropriation of \$221,100 under section 2B of the programme budget for the biennium 1988-1989.

In favour: Algeria, Angola, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Benin, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Central African Republic, Chile, China, Colombia, Cuba, Czechoslovakia, Democratic Yemen, Denmark, Ecuador, Egypt, Ethiopia, Fiji, Finland, France, German Democratic Republic, Ghana, Greece, Grenada, Guinea-Bissau, Haiti, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Jamaica, Japan, Jordan, Kenya, Kuwait, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mexico, Mongolia, Morocco, Nepal, Nigeria, Norway, Oman, Panama, Peru, Poland, Qatar, Romania, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Spain, Swaziland, Sweden, Thailand, Togo, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Venezuela, Yemen, Yugoslavia, Zaire, Zambia, Zimbabwe.

Against: Belgium, Germany, Federal Republic of, Israel, Portugal, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Italy, Netherlands.

38. The proposal was adopted by 95 votes to 6, with 2 abstentions.

39. Mr. ABOLY (Côte d'Ivoire) said that his delegation would have voted in favour of the proposal had it been present during the voting.

Administrative and financial implications of the recommendations and decisions contained in document A/43/30 concerning agenda item 122 (A/C.5/43/19 and A/43/7/Add.3)

40. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, to his knowledge, the Fifth Committee had not completed its consideration of agenda item 122. Consequently, the amounts indicated by the Advisory Committee in document A/43/7/Add.3 were open to amendment, in the light of the decisions that would be taken by the Committee on the recommendations of ICSC. The estimated financial implications of ICSC's recommendations and decisions were \$14,125,000 for all agencies applying the common system. He drew the Committee's attention to an error in the English-language version of document A/43/7/Add.3, in paragraph 2 of which the financial implications of ICSC's decisions and recommendations should be given as \$14,125,000. For the United Nations itself, the Secretary-General gave a figure of \$3,219,000 which would be taken into account in the context of the reports on the implementation of the programme budget for the 1988-1989 biennium. That figure was also open to amendment in the light of the decisions to be taken by the Fifth Committee on ICSC's recommendations.

The meeting rose at 12 noon.