



SUMMARY RECORD OF THE 31st MEETING

Chairman: Mr. OKEYO (Kenya)

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

CONTENTS

AGENDA ITEM 115: PROGRAMME PLANNING (continued)

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

Judgement No. 421 of the United Nations Administrative Tribunal

Loan to the United Nations Industrial Development Organization

\*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 DC2/40, 2 United Nations Plaza, 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.5/43/SR.31  
18 November 1988

ORIGINAL: ENGLISH

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

AGENDA ITEM 115: PROGRAMME PLANNING (continued) (A/43/6 and Corr.1, A/43/16 (Part I) and Add.1 and (Part II) and Add.1, A/43/124 and Add.1, A/43/179, A/43/326 and Corr.1 and Add.1 and Add.1/Corr.1 and Corr.2, A/43/329 and Add.1, A/43/626, A/43/651 and Add.1; A/C.5/43/CRP.4)

1. Mr. LABERGE (Canada) said that General Assembly resolution 37/234 provided the basis of a comprehensive system for programme planning, budgeting, monitoring and evaluation. Subsequent improvements, notably the adoption of resolution 41/213 and the decision to involve Member States early in the process, had resulted in a system which largely met the requirements of an effective programme planning mechanism, although some refinements and stricter compliance with rules and regulations were needed, particularly in priority setting.
2. There was, however, no regular or systematic reporting on programme performance and results to senior managers or to intergovernmental bodies. Current performance reports said almost nothing about actual programme results or the effectiveness of programmes in relation to their established objectives. There was little point in spending hours reaching agreement on operational resolutions, the medium-term plan or programme budgets if only perfunctory consideration was given to whether programmes delivered what was expected of them. His delegation therefore supported the four recommendations made in the Joint Inspection Unit report (A/43/124).
3. The first recommendation, calling for the programme performance reports to be replaced by an analysis of progress and results in relation to established objectives, was particularly important. Although volumes of documentation might cause problems, the Fifth Committee managed to deal quite effectively with over 1,000 pages of reports from the Board of Auditors. Different sections of the report would be of interest to different Member States and bodies, and constraints of volume and resources could be dealt with by applying the recommendation initially only to selected programmes.
4. Self-evaluation, although important, should not be the basis of programme performance reports to intergovernmental bodies. Other tools were already available, including small-scale cross-organisational programme analyses, JIU and the Management Advisory Service. His delegation would like to know the current status, role and mandate of that Service and what its activities had been over the past year.
5. Canada's views, expressed in the Committee for Programme and Co-ordination (CPC), on the draft introduction to the medium-term plan still stood. The Secretariat should continue in the direction established in the draft introduction, and the Secretary-General should exercise the relevant responsibilities to the full.
6. More than lip service should be paid to the independence of the International Civil Service. The Secretariat should propose concrete and detailed measures for enhancing the independence and quality of its staff. His delegation maintained

(Mr. Laberge, Canada)

that the institutional components of the United Nations should remain flexible and responsive to the interests and priorities of Member States. Precisely because institutions such as UNCTAD could, and would, develop their own momentum and expertise, they must remain firmly under Member States' control.

7. The Fifth Committee was asked to consider whether the United Nations should simply serve as a channel for such matters as technical assistance, or function as a political agent in its own right and constitute, within limits, an independent source of outputs. By virtue of its expertise and the magnitude of its resources, the United Nations was to some extent already an agent in its own right.

8. The range of activities in which the United Nations engaged, changing circumstances, and limited resources during the 1990s, meant that effective priority-setting would become increasingly necessary. It would be extremely difficult to reach a consensus of all Member States on a limited and specific list of broad priorities. His delegation trusted that the Secretary-General would take Member States' views on priorities into account in the preparation of the medium-term plan. The priorities selected should enable the Organization to anticipate events and problems in the 1990s with due regard to the capacity of the system to improve existing or future situations. Canada's views on priorities for the period beginning in 1992 were as expressed in CPC and the Economic and Social Council.

9. The shortcomings of the current medium-term planning process were catalogued in document A/C.5/43/CRP.4 and the proposed new structure could be useful in addressing them and producing a comprehensive, streamlined and transparent plan, but more information was needed before it could be determined whether the regrouping of the existing 148 programmes into only 40 was substantive or merely cosmetic. The Secretariat should continue its streamlining efforts without reducing mandated activities and present its rationale for the regrouping.

10. Mr. VILLAVECES (Colombia) said that the programme planning process defined in resolution 37/234 constituted a methodology suited to the needs of the Organization and of Member States. An especially important feature of the process was its recognition of the relationship between programme formulation, budgeting, monitoring and evaluation. The introduction to the medium-term plan was vitally important as it specified the priorities and directives in the form of resolutions and mandates. It also encouraged a continuing dialogue between the Secretariat and Member States and should serve as a guide for priority-setting within the Organization. It must be flexible, because it was drawn up well before the period of the plan. It must, as a management tool, provide the methodological basis for detailed planning and, ultimately, the preparation of biennial budgets; and it must assign administrative responsibility for its proper implementation.

11. The draft submitted by the Secretariat was promising. It had, so far, facilitated dialogue between the Secretariat and Member States; it seemed to cover administrative requirements without sacrificing substantial programmes. There was, none the less, room for improvement: the medium-term plan and the introduction thereto should make provision for a second phase in the planning process in which

(Mr. Villaveces, Colombia)

administrative and co-ordinating structures would be considered, thus providing an overall context covering not only the Secretariat but also the various intergovernmental and subsidiary organs of the United Nations system. It was by defining those structures that the plan gained real depth, and gave Member States an opportunity to monitor the effectiveness of the Organization in programme execution. In his view a more detailed study, to identify not only areas of administrative responsibility but also efficient executing units, was in order.

12. Colombia was ready to support the proposed consolidation of programmes for which the Secretariat had given ample justification. It particularly welcomed the assurances that the new structure would not affect key substantive programmes set up in accordance with the expressed priorities of Member States.

13. In conclusion, he stressed the importance of economic and social development. The creation of an administrative separation between the social and economic sectors must not obscure the growing relationship between the two, especially when the social costs of economic backwardness were beginning to show. Extreme poverty provided a good example: Governments had made its elimination a priority objective, and their decision must be followed through in forums such as the United Nations. Important as it was to decide on suitable machinery for the preparation and implementation of the medium-term plan, the programme structures and long-term priorities of the United Nations should not be arrived at hastily.

14. Mr. ORAMAS OLIVA (Cuba) said that, in view of the importance of the medium-term plan, the consultations conducted by the Secretary-General pursuant to General Assembly resolutions 41/213 and 42/215 were of great value. It was incumbent on Member States to co-operate so that the medium-term plan that emerged took into account the interests and priorities of the international community enunciated in the decisions of the various United Nations bodies. The proposal in document A/C.5/43/CRP.4 was more developed than the initial proposal in document A/43/329 which had been discussed extensively in the Committee for Programme and Co-ordination.

15. Given the fundamental importance of the introduction to the medium-term plan, the draft introduction should specify the basic tasks which the Organization would undertake in the 1990s. The spread of nuclear weapons was a subject of continuing concern to the international community; nuclear disarmament and the prevention of nuclear war should therefore rank as top priorities, together with a ban on nuclear tests, the prevention of an arms race in outer space and acknowledgement of the relationship between disarmament and development. Greater attention should also be paid to the continuing role of the United Nations in promoting decolonization and self-determination. The question of Namibia should be more clearly defined in the draft introduction, because the United Nations would have a fundamental role to play in the transfer of power as the Territory became independent.

16. The draft introduction did identify the most important economic tasks that the United Nations would have to face. It should, nevertheless, emphasize the central role of the Organization in drafting recommendations and policy guidelines on such crucial third-world problems as agriculture and food, industrialization and

(Mr. Oramas Oliva, Cuba)

employment, even though those subjects were also in the mandates of specialized agencies. In that context, the close link between the specialized agencies and the Economic and Social Council under Article 63 of the Charter should not be forgotten.

17. The subject of external debt should be given prominence, not only because of the current serious situation but because no immediate, effective and lasting solution to the problem was envisaged. His delegation supported the priority given to the introduction of a new international economic order which would lead to a just and equitable system of international economic relations.

18. Given the importance of international co-operation in the United Nations, and the fact that development objectives were receding, the adoption of a new international development strategy for the fourth United Nations Development Decade must be regarded as a key objective. His delegation agreed that priority should be given to special categories of developing countries and to the economic recovery and development of Africa. So far as social and humanitarian co-operation was concerned, the introduction should acknowledge the relationship between economic, social and cultural rights, on the one hand, and civil and political rights, on the other, and give equal prominence to both, for they were equally germane to full development of the individual.

19. Attention should be given to enforcement of the International Convention on the Suppression and Punishment of the Crime of Apartheid, and reference should be made to the work of the Special Rapporteurs on the use of mercenaries and the adverse consequences for the enjoyment of human rights of political, military, economic and cultural assistance to the colonialist régime of South Africa. The drug question should be an item on the Organization's future agenda, but should be taken up under the heading of economic and social development.

20. On the structure of the medium-term plan, he agreed with ACABQ that simplification did not mean a cut in activities but rather making the plan more transparent so as to reflect the interests and priorities of Member States more clearly. The unsatisfactory interaction between central and subsidiary programme formulating intergovernmental bodies, referred to in document A/C.5/43/CRP.4, could be solved gradually as the plan was finalized. Thus, the medium-term plan should be sufficiently flexible to allow for the inclusion of new legislation without major changes. Such flexibility would strengthen the capacity of intergovernmental bodies to tackle the increasingly complex tasks that would arise as a result of political, economic and social developments.

21. His delegation did not concur with the suggestion in paragraph 6 (c) that one way of achieving a closer relationship between the medium-term plan and the programme budget was to have a programme structure that foreshadowed the organisational structure of the Secretariat. The structure of the Secretariat should be adapted to the priorities set in the plan and reflected in the various programmes. Although the proposed new structure took into account many of the concerns expressed by Member States during the consultation process, his delegation had a number of reservations.

(Mr. Oramas Oliva, Cuba)

22. First, Major Programme I of the proposed programme structure (A/C.5/43/CRP.4, annex I) should be divided into three Major Programmes: Disarmament and international security; Political and Security Council affairs and Political and General Assembly affairs; and Decolonization. The programmes forming part of those three Major Programmes would have to be adjusted accordingly.

23. The programmes suggested for Major Programme II, Codification and development of international law, were too general, and it would be better to reproduce the structure of the current medium-term plan. He requested an assurance from the Secretariat that the economic and technical aspects of ocean affairs, which was a central programme in the current medium-term plan, would be given similar treatment in the next.

24. There were important omissions in the programmes that should be covered by Major Programme IV, International economic co-operation for development, in particular the problem of external debt. The General Assembly had already adopted resolutions on that topic and the current negotiations in the Second Committee would undoubtedly lead to the adoption of another. As it stood, programme 16, Development finance and resource flows, did not cover the debt problem, although his delegation would not object to the Mexican proposal that debt should be added to programme 16. Programme 20 should become "Science and technology for development" in order to reflect the priority of that programme for the development of the developing countries. His delegation was not in favour of deleting programmes related to food, agriculture and industrialization on the grounds that they were primarily the responsibility of the specialized agencies, because, given their importance to the developing countries, they had been and would continue to be the subject of United Nations legislation. One major role of the General Assembly was to formulate policy guidelines for the various problems that confronted contemporary international society.

25. He supported the suggestion that "Development planning" in programme 23 should be a separate programme, but "management" should be removed from the title because it came within the domestic affairs of States. The programme should also be part of technical co-operation and be reflected basically in the programmes for the regional economic commissions.

26. He supported the proposal that integration of social groups should be included in Major Programme V, so as to provide for international co-operation in the protection of such vulnerable groups as the disabled, the elderly, youth and children. All items relating to international humanitarian co-operation should be combined in a single major programme. Accordingly, Major Programmes V and VII should be combined. In that connection, his delegation would like to know why such important topics as racism, discrimination, self-determination and the right to development had been omitted from Part Three. Furthermore, programme 38, Disaster relief, should be transferred to Major Programme III because of its economic and social aspects.

27. He also supported the recommendation of CPC that the next medium-term plan should cover the period 1992-1997, and endorsed the Secretary-General's efforts to

(Mr. Oramas Oliva, Cuba)

ensure effective co-ordination with the specialized agencies. In conclusion, he stressed the importance of taking into account the views of all the main committees so that the Fifth Committee could endorse a structure for the medium-term plan that would be in line with the real priorities of the various parts of the system.

28. Mr. RALLIS (Greece), speaking on behalf of the 12 member States of the European Community, stressed the importance they attached to programme planning. Various approaches had been taken to improving the system, in order to make the medium-term plan the Organisation's principal policy directive, but more progress was needed. Since the medium-term plan was meant to be a guide for the Organisation's future activities at the disposal both of the Secretariat and delegations, its preservation as well as its preparation should be simplified.

29. CPC should remain the central organ for programming and co-ordinating United Nations activities. The organisation of its agenda and working methods must be significantly improved if it was to be an efficient forum for arriving at decisions on key programmatic and budgetary issues.

30. The Twelve had taken note of the proposed revisions to the current medium-term plan made necessary by the prolongation of the current plan through 1991. The document had been reviewed by CPC and ACABQ, and CPC had submitted its recommendations for further revisions to the medium-term plan in document A/43/16. Despite their reservations expressed in CPC, the Twelve believed that the recommendations should be seen as a package and that the discussion on them should not be reopened. They were, therefore, prepared to accept the recommendations.

31. He expressed the Twelve's appreciation of the draft introduction to the next medium-term plan (A/43/329). The Twelve had participated actively in the new consultation process by submitting their views on the Secretary-General's earlier paper (A/42/512). While the draft introduction did not coincide fully with the Twelve's position, it attempted to strike a balance, as should the final version.

32. On the matter of the organisation's priorities, it was the responsibility of the Secretary-General to submit proposals in order to assist Member States, but the preliminary proposals in paragraphs 95 to 111 of the annex to the Secretary-General's report (A/43/329) needed further development. Due regard should be paid to all the criteria laid down in the Programme Planning Regulations and Rules, as well as those suggested as additions by the Secretary-General in paragraph 7 of his report. The Twelve agreed that a matter should be regarded as a priority if the objective sought was of a nature that multilateral action was demonstrably important to its achievement. Another consideration would be the extent to which proposed activities contributed towards maintaining peace and security. It was also essential, in planning the work of the Organisation, to consider not only the importance of the issue to Member States but also the Organisation's capacity to achieve it and the possible impact of proposed activities on the goal set.

33. To sum up, the introduction of the medium-term plan should deal with long-term issues of concern to the international community, taking into account what the

(Mr. Rallis, Greece)

United Nations could achieve. The Twelve reaffirmed their attachment to the purposes and principles of the Charter, their belief that the maintenance of international peace and security remained the primary task of the United Nations, their conviction that the concept of human rights denoted first and foremost the protection of the individual against the State, and their commitment to the United Nations as a forum for dialogue and co-ordination in international economic co-operation. They also reaffirmed their conviction that the United Nations should contribute to activities in the field of disarmament, to the protection of the environment, to combating drug abuse and to promoting progress on other social issues. They attached fundamental importance to United Nations involvement in the progressive development and codification of international law and in the fight against terrorism. Lastly, they reaffirmed their continuing commitment to the process of reform in the Organization itself.

34. The Twelve looked to the Secretary-General to give those views due weight in preparing the final version of his introduction and in drafting the medium-term plan itself. They would welcome a redrafting of the introduction in line with the comments of ACABQ. The comments from the other Main Committees were a contribution to the Fifth Committee's deliberations and should be taken into account in so far as they related directly to the programmatic aspects of the proposed revisions to the current medium-term plan and the preparation of the next medium-term plan, and to the extent that they represented the views of those Committees as a whole.

35. The Twelve found the arguments in favour of simplifying the structure of the medium-term plan, set out in documents A/43/329 and A/C.5/43/CRP.4, compelling. They also endorsed the objective of closer compliance with the relevant provisions of the Programme Planning Regulations and Rules, including the requirement that programmes should consist of all activities in a sector which were under the responsibility of a distinct organizational unit of the Secretariat, normally at the division level. A close relationship should be established between programmes and sections of the programme budget. The Secretary-General should be allowed flexibility, however, in finalizing his detailed proposals.

36. The Twelve welcomed the proposal to simplify the structure of the medium-term plan by reducing the number of major programmes. The titles of certain major programmes and programmes should be revised in order to reflect the purposes and principles of the United Nations, as proposed by the Secretary-General in paragraphs 33 and 34 of the annex to his report (A/43/329), but revision should not imply a reduction in mandated activities, nor any addition to them. The Twelve were ready to participate in consultations on that matter. CPC's recommendation for a new and more practical type of presentation of the plan and its revisions in loose-leaf form was valuable. The Twelve could also endorse the proposal that the next medium-term plan should cover the period 1992 to 1997, on the understanding that the Secretary-General would ensure co-ordination with the specialized agencies with different planning cycles. They could also agree to the proposed calendar of consultations, subject to the recommendations of ACABQ.

37. Evaluation was an important aspect of programme planning. The Twelve had found it difficult to draw any useful conclusions from the Secretary-General's



(Mr. Rallis, Greece)

report on the programme performance of the United Nations for the biennium 1986-1987 (A/43/326/Add.1) in order to compare performance from one period to the next. As a first step, the output delivery report should be improved. Clearly, the monitoring process alone could not provide an adequate picture. The Regulations provided for a complementary and more qualitative evaluation process, and the conclusions of CPC, the JIU report (A/43/124) and the Secretary-General's comments on it, all highlighted the importance of that aspect. The Twelve fully endorsed the recommendation that efforts to strengthen the evaluation process should continue. The proposal in the JIU report for a short qualitative assessment of objectives achieved under each subprogramme deserved careful consideration. The Twelve would favour implementation of recommendation 1 of the report on an experimental basis, as proposed by the Secretary-General.

38. Mr. TETTAMANTI (Argentina) endorsed the general recommendations of CPC on programme planning. As a member of CPC, his delegation had had an opportunity to comment on the draft introduction to the medium-term plan (A/43/329, annex) and its position was reflected in CPC's report at the current session. It had also commented in several of the Main Committees on the theme of the Organization's role in the 1990s.

39. Argentina regarded consideration of the proposed structure (A/C.5/43/CPR.4) as a further stage in the process of consultation provided for in General Assembly resolution 41/213 and agreed with the view, expressed by the Group of 18, that the medium-term plan did not, in reality, serve as the Organization's principal policy directive. He would therefore have no objection to amending the structure with a view to making it simpler and clearer.

40. His delegation concurred in the statement in the first two sentences of document A/C.5/43/CRP.4, paragraph 8 and stressed the concept in paragraph 9 that the plan should not only incorporate activities mandated *ex ante*, but should also be flexible enough to be responsive to legislative changes. The structure of the Secretariat should be closely related to the medium-term plan and the programme budget, as reflected in regulation 3.6 of the Programme Planning Regulations and Rules, but that should be done by bringing the structure into line with those mandates of the Organization which were the basis for the plan. In other words, the policy guide should not be based on the administrative structure but rather the reverse. His delegation also warned against the temptation to restrict the plan to a programme budget outline, as might seem to be suggested in paragraph 6, subparagraph (c). It was not the budget outline which should govern the plan, but rather the contrary.

41. It was generally agreed that priority setting was a difficult exercise. At the most recent meeting of CPC, various delegations had tried to establish a list of priorities for the proposed programme budget for the biennium 1980-1991. Though a considerable measure of agreement had been achieved, CPC had not been able to reach a decision. He warned against oversimplification suggested by some delegations and attempts to impose a unilateral concept of priorities. Failing a better guide, the United Nations must follow the specific mandates adopted by the Organization and not the views formally or informally expressed by certain delegations.

(Mr. Tettamenti, Argentina)

42. In the proposed programme structure (A/C.5/43/CRP.4, annex I), the Secretariat had succeeded in incorporating most of the main ideas expressed at the meetings of CPC, and his delegation was therefore generally in favour of it. We assumed that the division into parts was purely an editorial device. The general outline of Major Programme I was generally in line with his delegation's conception. On Major Programme II, however, he wondered if the special emphasis given to the law of the sea and ocean affairs through programme 11 might detract from programme 10, which would include such items as the development of international law or the activities of UNCITRAL. Major Programmes III, IV, V and VI reflected the preoccupation with the relationship between economic and social problems, as indicated in programmes III and VI, and in separate identity, as in programmes IV and V. In Major Programme IV, the absence of any reference to the debt problem was regrettable. His delegation would support the Mexican suggestion that there should at least be a specific mention of debt in programme 16, Development finance and resource flows. His delegation could also support the inclusion in Major Programme IV of programmes relating to agriculture, food and industrialization, as suggested by the representative of Cuba.

43. Mr. MONTHE (Cameroon) said that programme planning had profound implications for the quantity and quality of United Nations activities and the manner in which they were implemented. His delegation endorsed the recommendations, in the report of CPC (A/43/16 (Part I)), concerning revision of the medium-term plan, but no final decision should be taken without hearing the views of other Main Committees and the plenary Assembly. With regard to common services and conference servicing, the Secretary-General should place greater emphasis on a coherent plan for technological innovation so as to maintain the drive towards improved efficiency. Those areas should not be viewed as mere ancillary activities; they encompassed substantive programmes, which, if properly implemented, would have beneficial effects on the functioning of the Organisation.

44. The reference, in paragraph 115 of the report, to General Assembly resolution 42/20 should not mean that Member States were denied advice from the Secretariat on the interpretation of the Convention on the Law of the Sea. His delegation endorsed CPC's recommendations (*ibid.*, paras. 70 and 71) on the calendar of consultations on the medium-term plan for the period starting in 1992 and on the duration of the plan. Cameroon was flexible with regard to the duration of the plan, being aware of the advantages of a short period that would end in 1995, thus facilitating harmonisation of the planning cycle throughout the system.

45. The draft introduction to the medium-term plan (A/43/329, paras. 33 to 35) was a critical element in the planning process, and should serve as an analytical tool for indicating the main lines of United Nations activities, the obstacles impeding their implementation, and appropriate conclusions. Yet the documents before the Committee were inadequate; a more penetrating analysis was required. The plan, of which the introduction was an integral part, must be future-oriented and must indicate the main thrust of United Nations activities and possible alternative approaches. As noted in the CPC report (A/43/16 (Part II), para. 39), the draft introduction, in its endeavours to encapsulate programmes in a new simplified structure, contained statements that were vague, general and conflicting. It

(Mr. Monthe, Cameroun)

appeared from the comments on the new structure in Document A/C.5/43/CRP.4, paragraphs 5 to 7, that there would be a heavier concentration of activities within the administrative structure of the Secretariat, which would represent a move away from the Charter as the foundation for programme activity. Yet it was very clear from regulation 3.6 that the plan should be presented by programme and objective, and not by organisational units of the Secretariat, which would be better reflected in the budget. The structure of the plan must be adhered to at the time of implementation. Allocation of responsibilities could be ensured on the basis of an appropriate document submitted to CPC, during its consideration of the budget, that showed the concordance in programmatic and administrative terms of various sections of the budget in implementation of the plan's objectives.

46. The shortcomings noted by the Secretary-General in document A/C.5/43/CRP.4 were due to an erroneous approach rather than structural failings: greater emphasis should be placed on future-oriented analysis. The new structure proposed, based on the administrative organisation of the Secretariat, was likely to have a negative impact on programmes. In the revised estimates (A/C.5/43/1/R.v.1) the Secretary-General had noted that the same volume of programme activities would not be possible given the reduction in staffing.

47. The introduction should contain a broad outline indicating the respective areas of competence of the principal organs of the Secretariat. In that context consultation with ACC and inter-agency co-ordination in system-wide planning were of obvious importance. The introduction, pursuant to regulation 3.7, should indicate objectives, strategy and trends in accordance with the priorities set by intergovernmental organisations. Account should be taken of the concerns expressed by delegations over the programme of economic recovery for Africa.

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

Judgement No. 421 of the United Nations Administrative Tribunal (A/43/7/Add.4; A/C.5/43/9)

48. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee, in its report on the administration of justice in the United Nations, noted the progress achieved in reducing the number of cases pending before the Joint Appeals Board (JAB), but cautioned that the quality of consideration afforded to each individual case should in no way be compromised. Further, the Advisory Committee trusted that the Secretary-General would take all necessary action to ensure that the backlog pending before the Nairobi Joint Appeals Board was disposed of promptly.

49. ACABQ stressed the importance of adequate staffing for JAB and requested the Secretary-General to make proposals thereon in the context of the 1990-1991 budget. The Advisory Committee also recommended that the Secretary-General should submit, as soon as possible, any proposals he might formulate for the possible revision of the Staff Regulations or Rules and, further, that he should submit an updated report to the General Assembly at its forty-fourth session on the administration of justice. He trusted that the Fifth Committee would take note of those recommendations.

(Mr. Mselle)

50. With respect to Judgement No. 421 of the United Nations Administrative Tribunal, paragraph 9 of the Advisory Committee's report indicated that the financial implications of the judgement would amount to a total of \$597,200, including \$439,400 under the regular budget. The Advisory Committee agreed with the Secretary-General's proposal to charge that expenditure against the balance of appropriations for the biennium 1986-1987 to be retained as a result of the suspension of financial regulations 4.3, 4.4 and 5.2 (d). It should be noted that those regulations had already been suspended by the General Assembly and that it would be incorrect to charge the expenditure to the biennium 1988-1989, since the Judgement related to the earlier biennium.

51. The CHAIRMAN suggested, on the basis of the Advisory Committee's recommendations, that the Committee should recommend to the General Assembly that it should approve the proposal of the Secretary-General to charge the additional regular budget expenditures of \$439,400 that would arise from Judgement No. 421 of the United Nations Administrative Tribunal against the overall balance of appropriations for the biennium 1986-1987 to be retained as a result of the suspension of financial regulations 4.3, 4.4 and 5.2 (d). If he heard no objection, he would take it that the Committee wished to adopt his suggestion without a vote.

52. It was so decided.

Loan to the United Nations Industrial Development Organization (A/43/7/Add.5; A/C.5/43/17)

53. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Committee would recall that the General Assembly had approved a loan to UNIDO to assist it in its establishment. It had proved difficult for UNIDO to repay the loan on the terms requested by the Assembly. At the forty-second session of the General Assembly the Advisory Committee had recommended, and the Assembly had agreed, that the Secretary-General of the United Nations and the Director-General of UNIDO should work out an extended timetable for repayment of the loan. Accordingly, it was unfortunate that the report of the Secretary-General (A/C.5/43/17) did not indicate that the negotiations had reached any outcome, but, rather, indicated two conflicting positions: UNIDO's request to repay over a period of up to 19 years, and the view of the United Nations that the loan should be repaid earlier. As indicated in paragraph 8 of its report, the Advisory Committee, believed that the Secretary-General's proposal that UNIDO should pay either \$3.2 million per year beginning in 1989, or \$4 million per year beginning in 1990, did not take full account of UNIDO's financial difficulties.

54. Accordingly, ACABQ endorsed the UNIDO proposal to commence repayment of the loan in 1990 at the rate of \$1 million per annum. UNIDO's view of when it would be possible to accelerate repayments of the loan was rather vague, given which the Advisory Committee recommended that the secretariats of the two organizations should continue to negotiate modalities for repayment of the loan, including procedures for accelerated payments. So that the Advisory Committee might make further recommendations on the question of accelerated payments, it recommended

(Mr. Maelle)

that, commencing in 1990, UNIDO should submit annual reports on its financial situation. Those recommendations were pursuant to the arrangements reached by the two organizations with regard to additional payments. Lastly, the Advisory Committee concurred in the Secretary-General's proposal that the special arrangement, pursuant to resolution 42/226 C, regarding assessments of Member States should be continued for 1989.

55. Mr. GREGG (Australia) said that his delegation was more attracted to the Secretary-General's proposals than to the Advisory Committee's recommendations. The repayment schedule proposed by the Secretary-General could have formed the basis of the Committee's decision. UNIDO's difficult financial circumstances warranted sympathy but did not justify the conversion of a short-term bridging facility into a long-term subsidy.

56. Primary responsibility for UNIDO's financial stability rested with the agency itself rather than with the United Nations. His delegation was concerned by the implication of paragraph 3 of the ACABQ report, confirmed in paragraph 19 of the Secretary-General's report, that no serious negotiations had taken place between the United Nations and UNIDO. The recommendation made by the Advisory Committee in paragraph 10 of its report was not a satisfactory compromise between the respective positions of the two organizations. There was, moreover, a contradiction between the comments made in paragraph 7 and the suggestion in paragraph 10 that modalities for accelerated repayments could be worked out. The comments just made by the Chairman of the Advisory Committee were useful, but a more specific directive was needed.

57. The Australian delegation was ready to co-operate in negotiating a compromise in the Committee, but the decision must send a clear message that repayments should be made at a significantly faster rate than the one proposed by UNIDO.

58. Mr. COTTON (New Zealand) said that the principle that the conditions for repayment of a debt must be met needed to be rigorously defended. However, his delegation would give weight to the additional points made by the Advisory Committee and would not ignore UNIDO's difficult financial situation. It regretted that some Member States had been unable to meet their obligations to UNIDO, which was not the only member of the United Nations family suffering as a result of non-payment or late payment of assessed contributions. That virus was crippling the United Nations system.

59. His delegation would take a realistic approach to the ACABQ recommendations but placed on record the view that its own position was in the interest of the Organization as a whole.

60. Mr. LI Yong (China) said that UNIDO's financial difficulties were real ones, for it had sustained considerable losses in 1986-1987 as a result of currency fluctuations and had been plagued by a high rate of arrears in payment of assessed contributions. It had nevertheless managed to maintain normal operations.

61. The fact that a large majority of States had joined UNIDO was a healthy development and in the interest of the United Nations as a whole. The Organization

(Mr. Li Yong, China)

had been right to give UNIDO financial support during the transitional period and it should take further steps to help, but the financial difficulties would not be quickly resolved, and the two secretariats should work out means of improving UNIDO's repayment capacity.

62. His delegation could not accept the Secretary-General's proposal to charge interest on the loan but it supported the Advisory Committee's proposed repayment schedule and its recommendation that, commencing in 1990, the UNIDO administration should submit annual reports on its financial situation to the Advisory Committee.

63. Mr. FONTAINE ORTIZ (Cuba) said that the fact that UNIDO had become a specialized agency at a time of financial difficulties for international organizations had prevented it from becoming a stable independent organization. The loan must be repaid, but a sympathetic approach was needed. The Chinese delegation had been right to stress that UNIDO's difficulties were real ones and due to foreign exchange fluctuations as well as to arrears in payment of assessed contributions.

64. The same Member States which had agreed on UNIDO's repayment proposal during the consultations at Vienna were discussing the question in New York: they should adopt a uniform position. His delegation supported the Advisory Committee's recommendations and suggested that the question should be kept under review.

65. Mr. INOMATA (Japan) said that his delegation supported the Advisory Committee's recommendations, specifically on the need for serious negotiations between the secretariats of the United Nations and UNIDO. Every effort should be made to complete the negotiations in 1989, using all available inter-agency mechanisms. The United Nations Secretariat should also be invited to attend the meetings of UNIDO's Programme and Budget Committee.

66. Mr. GABRIEL (Philippines), Mr. PRODJOWARSITO (Indonesia), Mr. JEMAIL (Tunisia), Mr. LADJOUZI (Algeria), Mr. GUPTA (India), Miss AHUMADA (Argentina), Mr. GORITA (Romania), Ms. UZOKA-EMEJULU (Nigeria), Mr. MLADENOVIC (Yugoslavia) and Mrs. PELLICER (Mexico) endorsed the view that the Committee should accept the ACABQ recommendations.

67. The CHAIRMAN suggested that the Committee should recommend to the General Assembly that it should approve the proposal made by the Secretary-General in paragraph 21 of his report that the special arrangement made in resolution 42/226 C regarding assessments on States Members of the United Nations should be continued for 1989, and that the Committee should also approve the recommendations made by ACABQ in its report.

68. It was so decided.

The meeting rose at 1.10 p.m.