



SUMMARY RECORD OF THE 8th MEETING

Chairman: Mr. MAYCOCK (Barbados)

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

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The meeting was called to order at 10.45 a.m.

AGENDA ITEM 115: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued) (A/39/11 and Corr.1)

1. Mr. MORENO-SALCEDO (Philippines) commended the continuing efforts of the Committee on Contributions to study alternative methods of assessing the real capacity to pay of Member States. In considering alternative IV, the Committee had, however, become embroiled in a long list of economic and social indicators which had not been evaluated thoroughly enough. Because data from other international organizations had not been available, the elements of comparability between developed and developing countries had been incomplete. For instance, debt figures provided by the International Monetary Fund had covered only government external debt, while his delegation believed that, in considering economic indicators, total external debt both public and private must be taken into account. Some of the reference sources had not given the desired information on price indices of exports and imports and, moreover, the figures for indicators referred to 1981, when the situation of the developing countries had been less acute than at present. As a result, the use of economic and social indicators would only serve to dilute the impact of the low per capita income allowance, and he urged the Committee not to use a methodology which was clearly detrimental to most developing countries.
2. His delegation was gratified to learn that in preparing the next scale of assessments, the Committee intended to bear in mind the serious economic and financial situation in the world, particularly the grave problem of external indebtedness of developing countries. Most developing countries faced a balance-of-payments deficit as a result of declining export earnings. International prices for exports had fallen and, as a result of protectionism in the industrialized countries, exports had been restricted. The servicing of the external debt had also become a tremendous burden for the developing countries. The Philippines, for instance, spent 52 per cent of its export earnings on external debt payments.
3. In September 1984, two typhoons and a volcanic eruption in his country had caused incalculable damage to life and property. His delegation would be submitting to the Committee on Contributions the quantified losses sustained by the Philippines in those natural disasters in the hope that they would be taken into consideration when the scale of assessments for 1986-1988 was drawn up.
4. His delegation had no objection to retaining the 10-year statistical base period and also supported the proposed increase in the per capita income allowance. Finally, it agreed with the Committee's conclusion that, pending further studies of the variants in current methodology and of other methods to assess contributions, national income adjusted by the low per capita income allowance formula should be used in the establishment of the next scale of assessments.

5. Mr. YONIS (Iraq) said that, in view of the importance of finding additional criteria on which to base the scale of assessments, in particular economic and social indicators and indicators of accumulated wealth, the Committee should continue its study of variants. Economic and social indicators must reflect the real capacity to pay of Member States and the differences between developed and developing countries with regard to the five major areas of concern, and the choice of such indicators should serve the interests of developing and not developed countries. The use of national income data unduly penalized countries whose earnings depended on one or a few exports, particularly if the latter were non-renewable natural resources, when the earnings were not in fact income but a cash return. Accordingly, pending the adoption of revised methods for calculating national income, allowance must be made for the fact that such countries' income was derived from non-renewable resources.

6. The extension of the statistical base period to 15 years presented many advantages and would reflect more objectively countries' actual economic situation. While the Committee on Contributions had recommended retaining the 10-year base period, for the time being, some other proposals had been made in the past which should not be disregarded. They included the proposal that, if a country's average national income for the last three years of the base period was lower than that for the preceding three years, no increase should be made in the country's rate of assessment. That proposal had the merit of ensuring that the financial burden of countries with declining incomes was not increased.

7. His delegation agreed that the low per capita income allowance should be increased to \$2,200, provided that all members of the Group of 77 were exempt from sharing the burden of relief. With regard to methods to avoid excessive variations of individual rates of assessment between two successive scales, such variations continued to create serious problems for countries members of OPEC and his delegation therefore welcomed the recommendation in paragraph 49 for a scale which combined percentage limits and percentage point limits.

8. Mr. TAKASU (Japan) observed that, under the present system of determining the scale of assessments, countries, such as Japan, whose economies had grown rapidly over a short period of time had produced national income statistics that, when converted to United States dollars, had risen rapidly, triggering an extremely sharp increase in their rates of assessment. As Japan's financial commitment to the United Nations had deepened, so it had come to feel more strongly that its share of the financial burden should be calculated in the most equitable manner possible. In its view, the scale of assessments should be based on the comprehensive capacity of a nation to pay, a concept which took account not only of national income but also of other economic and social factors reflecting the accumulated wealth and real ability of a Member State to pay. A way should also be found of accounting for the effects of different inflation rates on the comparability of national income statistics of different economic systems. It was unfortunate that the Committee on Contributions had concluded that it lacked adequate comparable statistics on national wealth at present, but his delegation hoped that the Committee would keep the availability of relevant data under continuing review.

(Mr. Takasu, Japan)

9. The results of the Committee's efforts to incorporate economic and social indicators into the assessment methodology were interesting and his delegation felt that, once methods were refined and indicators more carefully chosen, it would be possible to assess countries' comprehensive capacity to pay more accurately. The fact that the Committee's analysis had resulted in significantly higher rates for most developing countries did not of itself make that analysis a less accurate determination of real capacity to pay. The process of apportioning contributions was not meant to be a means of transferring resources from the developed to the developing countries. In view of the complexity of the method and the lack of comparable indicators, however, his delegation supported the Committee's intention of exploring ways of refining its methods when the quality and availability of data had improved.

10. According to United Nations statistics, the rates of economic growth of CMEA countries had exceeded those of OECD countries by an average of approximately 2 per cent since 1971, yet the former's assessed share had declined consistently while that of OECD countries had increased. The different bases used for calculating economic growth and determining the scale did not explain fully the disparity he had just mentioned. As the study on purchasing power parities had shown, there was a considerable difference in national income data depending on whether such data were adjusted by a price-adjusted exchange rate (PARE) or purchasing power parities (PPPs), a finding that confirmed scientifically his delegation's concern about the insufficient comparability of data from different economic systems and the need to adjust for inflation and changes in exchange rates in order to reflect more accurately realistic national income comparisons. Because of the limited coverage of countries in the International Price Comparison Project at the present stage, his delegation supported continuation of the Committee's work on that question. Pending further development of PPPs, it suggested that wider use should be made of the new exchange formula using PARE in calculating the rates in the next scale for countries with centrally planned economies. In that connection, it commended the Statistical Office on its progress in bridging the different national income systems, although much remained to be done before full comparability of data produced by the material product system and the system of national accounts was established.

11. His delegation believed that, under the current system, extension of the statistical base period had helped to reflect more accurately countries' real capacity to pay. However, such an extension did not obviate the need for a system based on comprehensive capacity to pay. In the mean time, it supported the conclusion that the present 10-year base period should be retained.

12. The low per capita income allowance formula already took reasonable account of the interest of developing countries and for most of them gave at least as much relief as the reduction provided in 1948. Moreover, any increase in the limit would heavily favour middle-income countries. His delegation was therefore not convinced of the advisability of a further increase at the current stage. As to the anomaly of "jumps" in assessable income discussed in paragraph 42 it could be ended through the distribution of tax relief to all countries on a pro rata basis, which would also alleviate some of the concerns of middle-income countries.

(Mr. Takasu, Japan)

13. His delegation had consistently supported the setting of limits on excessive variations of individual rates between successive scales. It welcomed the Committee's adoption of a less restrictive formula, which appeared to provide a reasonable basis for mitigating extreme variations, and hoped that it would be used fully in determining the next scale.

14. Mr. OKLESTEK (Czechoslovakia) said that the report of the Committee on Contributions met all the requirements of General Assembly resolution 38/33 and took due account of the relevant discussions at the thirty-seventh and thirty-eighth sessions. He wished to point out that the Committee's work on the question of assessments had been somewhat complicated by the increasing restrictions imposed by numerous directives which had proved difficult to implement.

15. His delegation reiterated its reservations concerning the use of economic and social indicators in establishing scales of assessment. While, in the long run, it did not object to further consideration of additional factors which had an indirect bearing on State's capacity to pay, it considered it unrealistic to expect their practical application in the near future, chiefly because it was impossible to find a set of factors which covered the diversity of economic situations in the world. The Committee had concentrated on only a limited number of indicators and even so had encountered difficulties in determining their relative weight and obtaining statistics from all Member States. In any event, his delegation believed that the impact of those indicators was adequately reflected in the basic and most readily available economic datum, namely national income, which served and should continue to serve as the main indicator of States' capacity to pay.

16. With regard to problems of inflation and exchange rate conversion, his delegation was opposed in principle to the introduction of adjustments based on any kind of "pseudo exchange rate". The Committee on Contributions was not competent to judge the appropriateness of fixing exchange rates, a right that belonged to the States themselves, or to make a connection between internal price policies and changes in international exchange rates. It would moreover be difficult, if not impossible, to work out a precise and systematic method which covered all changes in price levels and exchange rates throughout the entire statistical period.

17. His delegation was strongly opposed to further extending the statistical base period. There was, in practice, already a lapse of two to four years between the latest year for which statistics were available and the year for which the scale was assessed. The current base period had the positive effect of limiting excessive variations between two successive scales and the negative effect of inadequately determining current capacity to pay. It was on the basis of the former effect that Czechoslovakia had agreed to the extension of that period from 7 to 10 years but it was opposed to any further extension and would in fact be inclined to favour its reduction. The proposal in paragraph 49 for limiting excessive variations between two successive scales was not acceptable because it introduced an additional parameter which would incorporate a non-economic element into the process of determining capacity to pay. The proposed scheme might be convenient for individual States in the short term but in the long term would continue to complicate the establishment of the scale and above all have a negative impact on the mitigation process. While recognizing the importance in principle of

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(Mr. Oklestek, Czechoslovakia)

the low per capita income allowance formula, his delegation could not agree to a formula which would operate as a source of relief not only for countries with a per capita income below the limit but also for some with incomes above the limit. It remained firmly convinced that the main possibility of reducing the financial burden on States in their contributions to the regular budget of the United Nations lay in limiting the growth of that budget and, in particular, in enhancing the effectiveness of the use of contributions.

18. Mr. BUSHEV (Bulgaria) observed that the Committee on Contributions had made considerable efforts to fulfil the mandate set forth in rule 160 of the rules of procedure of the General Assembly, as supplemented by the relevant General Assembly resolutions, and to take into account the views expressed by members of the Fifth Committee. It had done all it could to elaborate an objective methodology for determining States' capacity to pay and it was hardly to blame for the fact that inconsistencies and myths had crept into its terminology and studies and hence into its methodology. The first myth was the notion of "real capacity to pay". That notion was not included in rule 160 of the rules of procedure of the General Assembly, which utilized only the terms "capacity to pay" and "relative capacity to pay". The latter two terms referred to measurable quantities; however, to the extent that all measurements were relative, it was impossible to have a "real" measurement which was different from a "relative" measurement. The second myth was that all Member States were subject to evaluation except the United States of America; it might have come into existence for convenience, but had no basis in either principle or fact. The third myth posited that Member States whose per capita income fell below \$2,100 had a low per capita income, while those with a per capita income in excess of \$2,100 had a high per capita income. In that connection, his delegation shared the view expressed in paragraph 41 of the report that that figure was a questionable one and believed that the criterion for determining whether a country's per capita income was high or low ought to be the average per capita income of all Member States. Unless the Statistical Office of the United Nations could demonstrate that the average was in fact \$2,200, his delegation could not accept the recommendation contained in paragraph 43 of the report. The fourth myth was that the Committee on Contributions, in preparing future scales of assessment, must bear in mind "methods to avoid excessive variations of individual rates of assessment between two successive scales". The point at which a variation became excessive had not been identified; moreover, variations in assessments could occur as the result of changes in the economies of Member States or of errors of calculation, neither of which could be ignored. The closely related notion of quantitative limits for "excessive" variations was also a myth, since the existing forms of limits of variations were arbitrary and could be manipulated arbitrarily. He drew attention to annex II of the report, which illustrated the adverse affect of arbitrarily limited variations. The table contained in that annex indicated that the ratios of assessed contributions of Member States to their national incomes, instead of remaining nearly constant, varied greatly. It was obvious that the discrepancies in those ratios could hardly be corrected by mechanistic restrictions on excessive variations. According to the fifth myth, there were both an ordinary and an inflationary rate of exchange for currencies which had to be reconciled. That assumption was highly questionable, and had been dealt with comprehensively in the statement by the representative of the Soviet Union. He only wished to add that the rate of exchange should be the

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(Mr. Bushev, Bulgaria)

rate which was used by States in their bilateral and multilateral trade relations. Furthermore, it was incomprehensible that the adjustment factors for all Member States should be tied to the currency of a single State, since the assessments of all other States became tied to that State's rate of inflation and its economic fluctuations in general.

19. It thus appeared that the Committee on Contributions was becoming increasingly involved in studies which had little grounding in realistic, scientific concepts. That was unfortunate, since the Committee's task was sufficiently complex without further complication. It should be emphasized, however, that some of the Committee's assumptions did correspond to reality and merited support. They included the low per capita income allowance formula, aimed at providing partial relief to the developing countries, and the span of the statistical base period. In that connection, his delegation was prepared to support the 85 per cent gradient and the 10-year statistical base period recommended by the Committee. Generally speaking, however, the methodology of assessment ought to be realistic, objective, simple and universally acceptable and applicable.

20. Mr. NATORF (Poland) commended the Committee on Contributions for its report and took note of the fact that, although the Committee had concluded that national income adjusted by the low per capita income allowance formula to derive assessable income must necessarily be used in the establishment of the next scale of assessments, it intended to return to the matter when more data were available.

21. His delegation had some reservations with regard to the selection of specific long-term socio-economic indicators. In particular, he drew attention to the weight given by the Committee on Contributions to so-called short-term indicators such as terms of trade, export earnings, external debt and international reserves. His delegation held the view that short-term indicators were as relevant as or more relevant than long-term indicators for improving the measurement of real capacity to pay. Short-term indicators generally tended to remain in existence for a longer period of time than originally anticipated, thereby having a direct and, in the case of Poland, determining effect on real capacity to pay. He urged the Committee to pay greater attention to short-term indicators when establishing the next scale of assessments.

22. Turning to the components of the current methodology, he expressed his delegation's disappointment at the Committee's recommendation to maintain the 10-year base period for the 1986-1988 scale. While he agreed that there was a need to maintain the same statistical base over a longer period of time, he favoured a shorter base period, preferably five or, at most, seven years. In determining the length of the base period, the primary consideration should be the need to reflect in the scale of assessments the current economic situation of Member States. Because of the way in which the scale was computed, there would always be a gap of at least two years between the coverage of statistical data and the years to which the scale applied. Thus, rates of assessment were worked out primarily on the basis of previous economic situations, a method which could produce a distorted picture of a State's capacity to pay. Thus it was possible that lengthening the base period might produce a situation in which the scale contradicted, rather than reflected, real capacity to pay. In the case of Poland, assessments for 1983-1985

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(Mr. Natorf, Poland)

had been made on the basis of statistical data which were no longer relevant to the country's current situation. Such was also the case of the developing countries which were experiencing economic and financial difficulties.

23. He welcomed the Committee's recommendation that the limit of the low per capita income allowance formula should be raised. However, the increase in the limit from \$2,100 to \$2,200 was too modest to offset the limit's loss in value since its most recent revision by the General Assembly in 1981. In addition, the increase was considerably lower than the rate of inflation in the United States of America, where most United Nations expenses had been incurred.

24. The recommendation to introduce a formula which strictly limited increases and decreases between two successive scales had created considerable difficulties for his delegation. While the need to avoid excessive variations in individual rates of assessment was certainly valid, he questioned the scheme proposed by the Committee on Contributions in which percentage limits and percentage point limits would be combined. Such a scheme would constitute a considerable departure from the prevailing principle of capacity to pay. Moreover, the scheme was mechanical, arbitrary and too restrictive; his delegation would prefer to give the Committee on Contributions greater flexibility in mitigating extreme variations in assessments by taking the special economic and financial circumstances of individual countries into account.

25. At the thirty-seventh session of the General Assembly, the representative of Poland had accepted the scale of assessments for 1983-1985 on the condition that, in the next scale, the Polish rate of assessment would be adjusted downward so as to reflect the country's real capacity to pay. Poland maintained that position and expected the Committee on Contributions to satisfy its request when establishing the next scale of assessments.

26. Mr. RECHETNIAK (Ukrainian Soviet Socialist Republic) said his delegation was pleased to note that the Committee on Contributions had disregarded alternatives I and II to the existing assessment methodology, in accordance with the comments and suggestions made by the Fifth Committee. That example of taking into consideration the views of Member States could be followed by other bodies whose reports were reviewed annually by the Fifth Committee.

27. Probably the most important conclusion reached by the Committee on Contributions at its forty-fourth session was to retain the existing method of establishing scales of assessments, based on relative capacity to pay measured in terms of national income. His delegation fully supported that conclusion, which was well substantiated by the statistical data provided in the annexes to the report. With regard to the application of socio-economic indicators, his delegation reiterated its view that, although the Committee's study was useful, major difficulties would arise in practice because of the non-comparability or unavailability of data. Establishing specific weights for the indicators was an especially complex matter. Most important, however, the results of the study showed convincingly that the application of socio-economic indicators would not benefit the interests of the developing countries, thereby defeating the purpose of the exercise. His delegation remained convinced that a methodology using comparable national income indicators and a special development-level allowance

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(Mr. Rechetniak, Ukrainian SSR)

formula would make it possible to establish scales that reflected those interests and the special circumstances of the developing countries. His delegation agreed with the Committee that socio-economic indicators should not be used in the assessment methodology at present.

28. With regard to the various direct or indirect methods of modifying the present practice of assessing contributions on the basis of comparable national income data in current prices, his delegation's position remained unchanged. The pseudo exchange rate mechanism and the PARE and PPP methods were unacceptable as means of determining real capacity to pay. The Committee on Contributions had been right to conclude that at present none of those methods should be used for assessment purposes. Moreover, given the scientific and methodological deficiencies and the impracticality of those methods, his delegation suggested that any further consideration of such alternatives by the Committee would be unproductive.

29. The Committee's conclusions regarding the length of the statistical base period and the low per capita income allowance formula were acceptable. The proposal to increase the upper limit of the low per capita income allowance formula to \$US 2,200 was justified but should perhaps be refined in the light of the additional information that would become available to the Committee at its next session. In principle, a shorter statistical base period would better reflect the present economic situation of countries, but he did not object to the proposal to retain the current 10-year base period.

30. As to excessive variations between two successive scales, his delegation remained of the view that the Committee on Contributions had been quite reasonable in its approach to each individual case, had considered all the circumstances and had not treated problems mechanically. It would be inadvisable for the Committee to be bound by rigid or mechanical limitations that ignored specific economic and other conditions or negated the fundamental principle of real capacity to pay.

31. Mr. EL-HOUDERI (Libyan Arab Jamahiriya) said his delegation agreed with many other States that national income could not remain the only criterion for the assessment of countries at different levels of development. Of the concepts which the Committee on Contributions had considered, that of accumulated national wealth appeared to be a main indicator of real capacity to pay and should be studied further with a view to the compilation of the necessary data.

32. He had been surprised to find that the Committee on Contributions did not favour the use of economic and social indicators. Perhaps that was because it had reached its conclusion not on the basis of the indicators themselves, but on the basis of their application. The utilization of social and economic indicators to determine real capacity to pay could be successful only if the indicators selected accurately reflected the situation in the countries concerned. The same held true for the weighting of indicators: such weighting was not intended to highlight contrasts between developed and developing countries. The example of weighting given in paragraph 14 of the report was clearly more beneficial to the developed countries, and thus defeated the purpose of the exercise. Consequently, his delegation supported further study of the use of social and economic indicators on the condition that the indicators should continue to compensate for variations between developed and developing countries.

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(Mr. El-Houderi, Libyan Arab Jamahiriya)

33. With regard to exchange rate conversion, his delegation endorsed the Committee's recommendation to examine further the relations between the mechanism for traditional exchange rate conversion and the national income adjustment factor as derived from PARE and PPP. With respect to the statistical base period, his delegation believed that lengthening that period was more likely to reflect accurately the economic situation of a country and lessen the impact of periods of economic upheaval. Consequently, the Libyan Arab Jamahiriya supported the idea of extending the statistical base period but remained convinced of the fundamental importance of maintaining the same base period over time.

34. Although his delegation was in favour of retaining the low per capita income allowance formula and increasing the limit to \$2,200, it would prefer a formula which took into consideration variations between the economies of developing countries and those of industrialized countries, and it agreed with those members of the Committee on Contributions which had stated that developing countries which were members of the Group of 77 should be exempt from sharing the burden of relief.

35. The Libyan Arab Jamahiriya had been assessed at progressively higher rates because it had absorbed increases in its national income and was thus considered on the same basis as an industrialized country. In that regard, he shared the views expressed by the representative of Iraq concerning earnings from non-renewable resources, and urged that special treatment should be accorded to offset the exaggerated effect of such earnings on the national income and hence on the rate of assessment.

36. Mr. BARAC (Romania) commended the report of the Committee on Contributions, although he did not share all its conclusions and recommendations. With regard to alternative methodologies for assessing contributions, his delegation endorsed the Committee's conclusion that it was not possible at present to utilize socio-economic indicators because they distorted real capacity to pay, in certain cases increasing the assessment rates of developing countries and reducing those of developed countries. However, he would have liked the Committee to examine other variants incorporating only those socio-economic indicators that directly affected real capacity to pay, especially with regard to the developing countries. While not unimportant, some of the indicators used in the study, such as life expectancy at birth and percentage of literate population, had no direct bearing in that respect. It would have been useful, for example, to examine alternatives that reflected the extremely high cost to the developing countries of servicing their foreign debt.

37. In submitting its proposed scale of assessments for the 1986-1988 cycle the following year, the Committee on Contributions should first of all take account of the serious financial position of the developing countries and their need for aid to eradicate underdevelopment and bridge the gap with the developed countries. Particular attention should be paid to the enormous difficulties they faced because of the negative impact of the world economic crisis. National income should not be the sole means of determining real capacity to pay: other indicators were needed, such as external indebtedness, exchange rates, international reserve funds, and the scale of the national development effort expressed as a percentage of national income.

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(Mr. Barac, Romania)

38. The Committee on Contributions should also observe the principle of international equity: the expenses of the United Nations should be borne primarily by the world's richer countries, and no developing country should be "penalized" in its development effort because higher rates of national income growth were automatically linked to increased capacity to pay. Although it was perhaps implicit, that concern was not adequately reflected in the proposed allowance formula, and the Committee on Contributions should consider that important matter in more detail.

39. His delegation fully agreed with the Committee's conclusions regarding the present unacceptability of the PARE and PPP methods, and the need to retain the existing statistical base period and to limit excessive variations in individual rates of assessment. Finally, his delegation reiterated its position that absolute priority should be given, in any exercise to establish scales of assessments to the information and statistical data provided by the competent authorities of each country.

40. Mr. QIAO Rongzhen (China) expressed his appreciation of the work done by the Committee on Contributions and said that his delegation supported the proposed adjustment of the low per capita income allowance formula, raising the upper limit to \$US 2,200. As to the adoption of scheme III, which proposed a combination of percentage limits and percentage points with eight rate brackets in order to avoid excessive variations between two successive scales, his delegation wished to point out that such a mechanism was not in conformity with the principle of the real capacity to pay. That method, in its view, still required further study.

41. The Committee on Contributions had found that the incorporation of socio-economic indicators into the present assessment-scale formula and the application of the PPP method to adjust for inflation would result in lower assessment rates for most developed countries and higher ones for the majority of developing countries. He considered that the Committee's conclusion not to use those methods at present for assessment purposes was an objective and reasonable one. His delegation also supported the proposal that, pending further studies, national income adjusted by the low per capita income allowance formula to derive assessable national income should be retained for the establishment of the next scale of assessments.

AGENDA ITEM 109: PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (A/39/7)

42. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the first report of ACABQ (A/39/7) provided brief information on the work of the Advisory Committee during its spring session of 1984. The Advisory Committee had met in New York, Geneva, Addis Ababa and Bangkok, and its activities were summarized in the various sections of the report.

43. Section D, paragraphs 17 to 19, dealt with the Advisory Committee's deliberations in Addis Ababa and at ESCAP headquarters. With regard to ECA, the Advisory Committee had already prepared a report, contained in document A/39/7/Add.2, which would be introduced in due course. The proposals for the expansion of conference services at ESCAP were still under preparation by the secretariat and would be submitted to the Advisory Committee and the Fifth Committee at its present session.

(Mr. Mselle)

44. Section E of the report dealt with budget performance for the biennium 1982-1983. No follow-up reports would be submitted by the Advisory Committee on that matter. However, he wished to draw attention to the observations which ACABQ had made in paragraphs 25 to 29 regarding the question of unliquidated obligations. The Advisory Committee believed that the current method of estimating requirements and forecasting expenditure for the United Nations needed to be refined. It was its intention to exchange views with the representatives of the Secretary-General during the current session in order to examine the new procedures which were being or would be instituted to achieve improvements in those areas.

45. Section F dealt with the inclusion of Chinese among the working languages of the General Assembly and the Security Council. That would be the subject of an oral report which he would deliver shortly.

46. Section G of document A/39/7 dealt with satellite communications for peace-keeping and emergency relief activity of the United Nations. Paragraph 34 indicated that the Secretary-General would present a comprehensive report to the General Assembly on the subject of satellite communications, and the Advisory Committee would examine that report as and when it became available.

47. Only section J required action by the Fifth Committee - unless delegations had specific proposals with regard to other parts of the report. Section J dealt with parking in the United Nations garage. The Secretary-General had submitted information to the Advisory Committee on the management of the garage pursuant to the Advisory Committee's request in its first report on the proposed programme budget for 1984-1985 (A/38/7, para. IS3.14). ACABQ had spent some time discussing the information it had received and had also had the opportunity of exchanging views with the Secretary-General's representatives. In paragraph 41 (a) to (g) of its current report, the Advisory Committee made a number of recommendations which it requested the Fifth Committee to examine and approve. He drew to the attention of the Fifth Committee the recommendation in paragraph 41 (g). Since parking fees in the garage were lower than those for commercial parking outside, it was fair to expect that delegates who used the parking facilities should pay their garage bills. If fees were unpaid, parking privileges would be suspended until the arrears had been paid in full. Delegates who left the United Nations without paying their parking fees would, in the event of their return, be required to settle their bills before being allowed to re-use the garage.

48. The Advisory Committee was also of the view that the Garage Administration should compile accurate statistics on DPL and other vehicles owned by delegates or missions: it had learnt that statistics currently being kept were well out of date. Paragraph 43 of the report indicated that the effect of the proposed measures should be continually monitored and evaluated; and, if necessary, additional measures could be considered. ACABQ had not as yet agreed to any proposal for increasing garage fees.

The meeting rose at 1 p.m.