



SUMMARY RECORD OF THE 11th 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. Ms. CONWAY (Ireland), speaking on behalf of the member States of the European Community, said that the Ten contributed almost 28 per cent of the regular budget and were naturally very interested in the apportionment of the Organization's expenses, which also served as a basis for the scales of assessment of most of the specialized agencies. The four principles underlying their approach were that: payment of a fair share of the expenses demonstrated commitment to the United Nations; financial obligations should be apportioned equitably, based on capacity to pay; the work of the Committee on Contributions, as an independent expert body, was important and should not be undermined; and the methods used to determine capacity to pay should be objective and based on the most recent, comparable data, with particular attention being paid to the poorest countries.
2. The Ten acknowledged the comprehensiveness of the study of socio-economic indicators by the Committee on Contributions and noted with interest the conclusion reflected in paragraph 20 of its report. They agreed that the non-comparability of data made it impractical to use socio-economic indicators at present and considered that any recommendation on whether to adopt such indicators should be based on technical evidence, rather than on the fact that their inclusion would not be as advantageous to developing countries as the present formula. Thus, the Committee's deliberations had confirmed that national income remained the only indicator which could be statistically compiled for all countries and thus utilized as the principal measure of capacity to pay.
3. The Ten had noted the promising work conducted on problems of inflation and exchange rate conversion. It was regrettable that, owing to a lack of data, it was not possible to apply purchasing power parity conversion. The Ten had noted that the Committee would continue to examine data on price-adjusted exchange rates, to minimize the effects of inflation on national incomes expressed in dollars.
4. With regard to the recommended retention of a 10-year base period, the period should be such as to reflect accurately actual capacity to pay and, once established, should not be subject to frequent changes. The proposed increase in the upper limit of the low per capita income allowance formula would benefit middle-income rather than the poorest countries, and its justification was questionable.
5. The Committee on Contributions had found the guidelines for the collection and presentation of data used in assessments to be satisfactory. Yet, although the rates of economic growth of CMEA countries had been higher than those of OECD countries, the former's rates of assessment were on a downward trend. The contradiction required clarification.

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(Ms. Conway, Ireland)

6. In keeping with their view that a limitation of excessive variations between successive scales would further distort the distribution of the financial burden, the Ten had strong reservations about the formula proposed in paragraph 49 of the report. Moreover, any proration of points not taken up by Member States because of a limits formula must be done equitably, which would not be the case if points were distributed only among States with per capita national incomes exceeding \$2,200. Already, under the current assessment scale, there had been a shift of 9.5 per cent from countries below the per capita limit to those above it, and a further shift would occur if the proposed increase in the low per capita income allowance was adopted. Accordingly, the Ten questioned the need for the mechanism to reduce excess variations proposed by the Committee.

7. Mr. JEMAIL (Tunisia) said that the outcome of the work on economic and social indicators had been disappointing in that it had failed to reflect the disparities existing between industrialized and developing countries. The choice of such indicators as "health" and "education development" was misleading: they revealed little about a country's manufacturing capacity. The data used had not been comparable. Moreover, the use of socio-economic indicators would weaken the effects of the low income allowance formula. Further study was obviously required.

8. Conversion based on the use of purchasing power parities would be positive, despite the inadequacy of data in the case of some countries, since it would take account of price movements and the true value of national currencies vis-à-vis the dollar. The Committee had succeeded in countering the tendency for purchasing power parities to overstate per capita income. However, the method needed to be refined.

9. His delegation had no objection to the retention of the 10-year base period or the increase in the upper limit of the low per capita income allowance formula, both of which would be in accordance with General Assembly resolutions. The proposed method of limiting excessive variations was also acceptable, as was the proposal contained in paragraph 49 of the Committee's report, even though no decision had been reached on the distribution of points.

10. His delegation endorsed the Committee's conclusion in paragraph 51 of the report and subscribed to the view that account should be taken of the serious world economic and financial situation and the problem of indebtedness during the preparation of future assessment scales.

11. Mr. DOLJINTSEREN (Mongolia) said that his delegation agreed that, pending further study of variants, national income, adjusted by the low per capita income allowance formula, should be used to establish the next scale of assessments. Besides presenting practical difficulties, social and economic indicators would have led to increased contributions by developing countries, in view of which his delegation was opposed to their adoption. Inasmuch as inflation reflected the economic policies of a particular State or group of States, any attempt to take account of inflation in assessments would be tantamount to requiring all States to bear the burden of those policies. His delegation supported the retention of a 10-year statistical base period and the increase in the upper limit of the low per capita income allowance.

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12. Mr. MONAYAIR (Kuwait) said that his delegation hoped that the Committee on Contributions would continue its endeavours to place the assessment of contributions on a just and scientific basis. Insufficient progress had been made, particularly with regard to States dependent on a single product. Great care should be exercised in selecting social and economic indicators, the aim of which was to reflect real capacity to pay. Further study of the matter was needed to reach an objective conclusion.

13. Kuwait supported a 10-year base period, the proposed increase in the low income allowance, and the scheme for limiting variations contained in paragraph 49 of the Committee's report. In considering alternatives to the current method of calculating the scale of assessments, the Committee should take due account of the differences between developed and developing countries. His delegation had been forced to vote against the current scale of assessment because it did not represent an equitable apportionment of the Organization's expenses.

14. Mr. PEDERSEN (Canada) said that the steady erosion of commitment to the goals of the United Nations was dramatically exemplified in the petty debate on assessments. The lack of political will, rather than capacity to pay, was the real issue, for it was hard to believe that any of the current assessments constituted an onerous burden on Member States. If only countries would think in terms of their capacity to share, contributions would be forthcoming without the necessity of a scale of assessments. That scale was not intended to redress world economic inequalities, for which purpose there were many forums; rather, it should reflect a sharing of responsibility in which all Member States participated in total commitment to the only institution which afforded an opportunity to bring about world peace.

15. After quoting J. Krishnamurti to the effect that there would not be peace in the world until men had transformed their attitudes, he said that countries could not genuinely serve peace and carp at the price: either peace was worth any price, or it was not; either States worked for peace, or they hid behind the scale of assessments. It was in that context that questions such as the length of the statistical base period should be seen. Were selfish or responsible answers to be given? Only an honest response to the question of shared responsibility would provide a collective solution to the scale of assessments.

16. Mrs. KNEZEVIC (Yugoslavia) said her delegation was very concerned that Yugoslavia's contribution had been increasing steadily and disproportionately over the past 10 years, irrespective of what assessment methodology had been applied. In 1976 it had been 0.34 per cent, yet for the 1986-1988 scale of assessments it would amount to 0.74 per cent. Over the same period, the developed countries had in some cases experienced a very modest increase or even a decrease. Yugoslavia's capacity to pay had been declining for a number of years because of the world economic crisis and external indebtedness, and her delegation could not be expected to agree to the mechanical application of formula which ignored real capacity to pay. Any scale in which an excessive burden fell upon the developing countries was unfair and unworkable.

(Mrs. Knezevic, Yugoslavia)

17. With regard to the specific recommendations contained in the Committee's report, her delegation supported an increase in the upper limit of the low per capita income allowance formula to \$US 2,200. It also favoured the retention of the 10-year statistical base period for the next scale and the placing of special emphasis on the short-term economic fluctuations in the last three years of that period. With regard to excessive variations in individual rates of assessment between two successive scales, her delegation favoured the combination of percentage limits and percentage point limits with eight rate brackets, as proposed under scheme III. That option permitted some differentiation in rates of assessment above one per cent and between 0.25 and 0.50 per cent.

18. The Committee on Contributions should proceed further with its study of price-adjusted exchange rates and purchasing power parities in order to take into account different levels of inflation and their effects on the comparability of national income statistics. It should also continue to examine economic and social indicators that would adequately reflect the difficult situation of the developing countries, in particular their external indebtedness, and thereby arrive at a realistic scale based on real capacity to pay.

19. Miss NAPOMBEJRA (Thailand) commended the report of the Committee on Contributions. She noted with disappointment, however, that only the fourth alternative to the current assessment methodology had been studied in depth. Her delegation had already indicated at previous sessions that that option was inappropriate and, in effect, contrary to the fundamental concept of real capacity to pay. She therefore supported the Committee's conclusion that, pending further study, socio-economic indicators should not be used for the next scale, given the unavailability or non-comparability of data and especially because of the disadvantages of that method for the developing countries.

20. She was pleased to note that the Committee on Contributions was cognizant of the serious world economic situation and the problem of high external indebtedness. Although no systematic means of adjustment had been developed in that respect, she hoped the Committee would remain mindful of that situation when preparing subsequent scales of assessments. Meanwhile, the search for new methodologies should be continued. In particular, the third alternative, based on accumulated national wealth, merited further study with a view to the standardization of its concept and definition and the statistical estimation of such wealth.

21. Miss ZONICLE (Bahamas) said that, despite its best efforts, the Committee on Contributions had produced no concrete results from its review of assessment methodologies, and it was apparent that the constraints on objectivity and equity were both technical and attitudinal. From the technical viewpoint, the methodology for incorporating socio-economic indicators required further improvement before quantification. Priority should be given to drawing upon the experience and expertise of the specialized agencies and other organizations within the United Nations system. The list of socio-economic indicators could be further refined to express development as opposed to growth by the addition of indicators for commodity and partner concentration to quantify dependency on one or few exports.

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(Miss Zonicle, Bahamas)

22. It was clear from the results of States' intervention in the role of the Committee as the arbiter of increasing equity by the application of certain checks and balances that only the low per capita income allowance formula directly and objectively addressed the obvious unfairness of national income alone as the determinant for capacity to pay. In any case, the real question was what kind of scale was desired: an artificially frozen one or one which reflected realities mitigated by the Committee in accordance with all of its terms of reference? An analysis of Member States' views from that perspective would be very revealing. The limitations of preferring artificiality over objectivity for whatever valid short-term reason were obvious. Vigilance was also needed to ensure an equitable scale in relation to all contributors. The discrepancy between the higher growth rate but decreasing assessment for a CMEA country was a case in point.

23. With regard to the conversion of national income data into a common unit and the use of purchasing power parities (PPPs), her delegation felt that further improvement of those methods was required. She sought clarification as to why financial and related transactions were excluded from PPPs when the external debt and international reserves indicator had been identified as important for the internal mitigation of the adverse effects of using national income alone for the scale.

24. Given that the obstacles to achieving objective equity were, in fact, both technical and attitudinal, the best way of preventing the erosion of what objectivity and equity there was in the present system would be to revise the low per capita income allowance formula and maintain the current 10-year statistical base period. The Fifth Committee should recognize the invaluable work of the Statistical Commission and endorse the priority attention given to links with the system of national accounts and the material product system, as well as to the elaboration of harmonized national and inter-agency price statistics through technical projects such as the International Comparison Project.

25. Reason and co-operation must prevail with respect to such polemical issues as "real" and "relative" capacity to pay, the assertion that the scale was not a mechanism for the transfer of resources or for global income redistribution, and the quantitative relationship between contributions to United Nations programmes and national budgets.

26. Mr. GOGUIKIAN (Lebanon) paid tribute to the efforts of the Committee on Contributions to find ways of improving the current assessment methodology. Unfortunately, the Committee's exhaustive consideration of the possibility of incorporating socio-economic indicators into the methodology had indicated that such an approach would lead to an increase in the rates of assessment of developing countries and a reduction in those of developed countries and could not therefore be regarded as an accurate measure of countries' real capacity to pay. His delegation accordingly supported the recommendation that such an alternative could not be adopted at the present time. It also supported the Committee's other recommendations, in particular the recommendation to increase the low per capita income allowance to \$2,200.

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(Mr. Goguikian, Lebanon)

27. Member States should not complicate the task of the Committee on Contributions by suggesting other alternatives which were based on abstract theory yet influenced in practice by the economic and social realities of individual States. The Committee was on the right track and, once improved data were available, should be able to devise a better methodology which met with universal approval.

28. Mr. MOJTAHED (Iran) observed that it was extremely difficult to find an assessment methodology which was completely satisfactory to all Member States. At the same time, the current methodology had led to unfair and often excessive rates of assessment for many countries and did not adequately reflect the serious economic and social disparities between developed and developing countries. It was arbitrary and unrealistic to place developing countries, which had a long way to go in their economic and social development process, on the same footing as developed countries' development strategies, which had been building their economies for centuries, in most cases through intense exploitation of the developing countries.

29. The situation of countries which were dependent on a single source of income, especially when it was non-renewable, warranted closer consideration. Even if it had a high national income, an oil-exporting country was not wealthy in the sense in which developed countries were wealthy, for it lacked their human resources, accumulated material wealth and economic and social infrastructure. As a result, such countries' capacity to pay was not comparable with that of developed countries. Accumulated national wealth might therefore be a realistic criterion for the assessment of contributions and, while the Committee on Contributions lacked the data to implement that concept at the present stage, his delegation urged it to consider adjusting national incomes of developing countries to reflect their level of accumulated national wealth.

30. His delegation believed that economic and social indicators should be selected to reflect countries' real capacity to pay, taking into account the disparities he had mentioned between developed and developing countries. It supported further study of such indicators and also of the relationship between the mechanism for traditional exchange rate conversion and the national income adjustment factor as derived from PARE and PPP.

31. His delegation agreed that the low per capita income allowance should be increased and believed that the burden of relief should be borne by the developed countries. It could accept the formula proposed for avoiding excessive variations between two successive scales, but felt that there should be no limit on how far a State's assessment might be reduced if it was experiencing serious economic difficulties.

32. In view of the substantial losses in national income sustained by Iran as a result of the reduction in oil production and exports during 1978-1981, compounded by other economic problems, war losses and natural disasters, a revision of his country's rate of assessment had become imperative. Until 1983, Iran had been assessed at an exaggerated rate based on national and per capita income figures for the period up to 1978, which had in most cases been over-inflated by the previous

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(Mr. Mojtahed, Iran)

régime. The new rate for 1983-1985 had provided little relief in comparison with the difficulties he had cited and his delegation hoped that Iran would be treated more fairly in the next scale of assessments.

33. Differences in the rates of assessment of individual States should not compromise their sovereign equality and, as the capacity to pay of any Member increased, so should its contribution. However, his delegation believed that, as long as the permanent members of the Security Council enjoyed the right of veto, they should bear a greater share of the Organization's expenses because they enjoyed greater prerogatives and powers.

AGENDA ITEM 114: PATTERN OF CONFERENCES: REPORT OF THE COMMITTEE ON CONFERENCES
(continued) (A/39/32)

34. Mr. DITZ (Austria) observed that the four draft resolutions proposed in the report of the Committee on Conferences were aimed at ensuring the most rational and economic use of the United Nations physical and human conference-servicing resources. The number of meetings and conferences was increasing, but the resources made available to service them were not keeping pace. At a time when Member States' willingness to finance such resources appeared to be declining, the logical outcome was inadequate staffing and a decline in the quality of documentation.

35. Some delegations had concluded from that state of affairs that too many subsidiary organs required servicing by the Secretariat and that the solution was to introduce such limitations as ceilings and quotas. Other delegations maintained that a universal organization such as the United Nations required a conference infrastructure commensurate with its task and that the resources devoted to financing United Nations activities were, by any objective standards, very modest. His delegation, while aware of the need to keep the calendar of conferences within manageable proportions, had always been somewhat sceptical about the idea of introducing limitations because it believed that there was a special and intrinsic value in United Nations conferences and meetings that could not be quantified from a purely administrative and budgetary standpoint. The provision of conference-servicing facilities had to be regarded as an investment in mankind's common future inasmuch as it fostered closer international co-operation: the potential gains far outweighed the present costs.

36. It was in that spirit that his Government had placed the Vienna International Centre at the disposal of the United Nations and was now constructing the Austrian Conference Centre, which was especially suitable for intergovernmental conferences and meetings. Vienna had become a major United Nations conference centre, enabling the Organization to manage an increasingly complex meetings programme without resorting to the construction of new and costly conference facilities. The new Conference Centre could help to ease the already chronic overloading of conference services in New York and Geneva. The General Assembly might therefore consider allowing Headquarters-based United Nations bodies which were currently authorized under resolution 31/140 to meet in Geneva to also meet in Vienna. In particular,

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(Mr. Ditz, Austria)

since the substantive Secretariat units responsible for social and humanitarian questions were located in Vienna, the holding of the spring sessions of the Economic and Social Council there would be consistent with that resolution.

37. Document A/AC.172/100/Rev.1, which listed existing conference facilities and resources within the United Nations system, showed that conference services in Vienna were still far from adequate. In particular, there were only four established interpreter posts. In order to service meetings at Vienna, recourse was therefore had to the costly practice of recruiting temporary assistance. It was thus in the interests of economy and sound conference management to provide conference services in Vienna with the permanent resources they needed to carry out the meetings programme assigned to them. In that connection, draft resolution A referred to the possibility of organizing the conference-servicing staff at the Vienna International Centre into a single operation. While there was obviously a strong case to be made for such a proposal, due regard would have to be given to the requirements of individual organizations, particularly the specialized agencies. Moreover, such a measure would only bring the total number of established posts for interpreters in Vienna up to 10.

38. Ms. SHEAROUSE (United States of America) said that the Committee on Conferences could and must do more to prevent conference servicing from absorbing an increasing share of the regular budget. To that end, it must strengthen its role in the implementation of rules and regulations on conference services and regularly consider all reports of the Joint Inspection Unit which dealt with conference servicing. In the past, the Committee on Conferences had emphasized the codification of rules and regulations to control and limit documentation. There was now no shortage of rules and regulations, but little progress had been made in their implementation. All United Nations bodies must be made to conform to those rules and the Committee on Conferences should try to identify more rigorous enforcement measures.

39. The Committee on Conferences might also consider strengthening its role in the planning and budgeting process. It had reviewed the medium-term plan at its latest session and in future might review the proposed budgets for the Department of Conference Services and make recommendations thereon to the General Assembly. By thus broadening its agenda and strengthening its monitoring capacity, the Committee on Conferences could more usefully serve the General Assembly and increase the efficiency of the Department of Conference Services.

40. At its latest session, the Committee on Conferences had also addressed the issue of underutilization of programmed conference resources. Her delegation was strongly in favour of reducing the number of formal meetings and promoting informal meetings and/or informal consultations, which had the advantage of not requiring full conference servicing. Conference resources were a scarce commodity and allocations must correspond to real requirements. Her delegation praised the action taken by the Board of Auditors to reduce the number of its meetings and regretted that no other body had followed the Board's example.

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(Ms. Shearouse, United States)

41. The growing number of exceptions granted to paragraph 34 of General Assembly resolution 34/401 was a matter for concern. The scheduling of meetings of subsidiary organs during the General Assembly placed an unnecessary burden on the Department of Conference Services.

42. The Committee on Conferences had proposed a number of measures to endure the timely distribution of documentation, including a mechanism to determine the reasons for any delays and the Secretariat units responsible. That was an important measure which would make the Secretariat more accountable and, if adopted, should be implemented fully.

43. One area of concern which the Committee had not addressed was the lack of progress in limiting the documentation requirements of three treaty bodies. The bodies in question had not responded to the request in General Assembly resolution 38/32 E that they review their documentation requirements, in particular the use of summary records, and decisive action must be taken to limit their heavy use and duplication of documentation.

44. Her delegation supported the recommendations of the Joint Inspection Unit report entitled "Publications policy and practice in the United Nations system". It was extremely concerned to learn that fewer than 50 per cent of the publications produced had been sold or were likely to be sold, a situation that warranted immediate attention. It was also concerned about the storage costs of unsold publications and therefore endorsed the recommendation that efforts should be made to develop comprehensive measures of inventory control and stock reduction.

45. With regard to the review of chapter 30 of the medium-term plan for the period 1984-1989, her delegation would have preferred the Committee to have made more specific recommendations. Her delegation generally supported the medium-term plan, but was concerned about the possible budgetary consequences of the rapid introduction of modern technology. Although the relevant expenditure would be made within approved budgetary limits and would result in increased productivity, the increasing work-load of the Department of Conference Services might in the end preclude any savings, particularly in staff resources. The advantages to be gained from the introduction of modern technology would thus be lost if continuing efforts were not made to limit documentation and control the number of meetings and conferences.

The meeting rose at 1.10 p.m.