



SUMMARY RECORD OF THE 51st 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 3.35 p.m.

AGENDA ITEM 118: UNITED NATIONS PENSION SYSTEM: REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD (continued) (A/C.5/39/L.20)

1. Mr. DITZ (Austria), introducing draft resolution A/C.5/39/L.20, said that, if adopted, the draft resolution would introduce a new scale of pensionable remuneration, put into effect the package of economy measures which had been worked out by the United Nations Joint Staff Pension Board and engage the Fifth Committee in a dialogue with the Pension Board on the subject of future economy measures. He hoped that the draft resolution would be adopted, since it offered a solution to pension problems which came as close as possible to the course of action recommended by the Secretary-General.
2. Draft resolution A/C.5/39/L.20 was adopted without a vote.
3. Mr. PIRSON (Belgium) said his delegation had joined in the consensus because it believed that draft resolution A/C.5/39/L.20 improved a situation which continued to be a subject of concern. During informal consultations on the reports of the Pension Board and the International Civil Service Commission, his delegation had urged that the United Nations bodies concerned should adequately apply the post adjustment system as described in annex VI of the 1980 report of ICSC (A/35/30). In that connection, he wished to draw particular attention to the following points: the level of pay of the international civil service must be fixed by reference to that of the highest-paid national civil service (para. 3); the function of the post adjustment system was to ensure that equal salaries provided equal purchasing power in different duty stations (para. 5); post adjustment was not a cost-of-living adjustment, since the adequacy of the level of pay was monitored by the Commission at each of its sessions under the Noblemaire principle (para. 8).
4. Consequently, adjustments of benefits were not justified at the base of the system, i.e. New York, since such adjustments ought to be made in the light of the comparison with the national civil service as comparator. His delegation had wished to pursue that question in greater depth informally, on the basis of a working paper issued by the ICSC secretariat. However, insufficient time had made such a discussion impossible. He therefore wished his remarks, which concerned section II, paragraphs 5 and 6, of the draft resolution, to be placed on record.
5. Mr. VISLYKH (Union of Soviet Socialist Republics) said that his delegation was not entirely satisfied with the decision just taken by the Committee in respect of the pension system. First of all, the measures designed to improve the actuarial situation of the Pension Fund would not fully eliminate the actuarial imbalance. Moreover, the pensions of Secretariat staff members would continue to exceed a reasonable level under the Noblemaire principle. Nevertheless, since the positive aspects of the draft resolution outweighed the negative aspects, his delegation had not objected to its adoption without a vote. Lastly, he wished to draw the attention of the Chairman of the United Nations Joint Staff Pension Board and the

(Mr. Vislykh, USSR)

members of the Fifth Committee to the requests contained in section I, paragraph 9, and section IX of the draft resolution. His delegation hoped that the Pension Board would demonstrate political astuteness and prudence in implementing those paragraphs.

6. Mr. KASTOFT (Denmark), speaking on behalf of the Nordic countries, said the delegations concerned had no specific problems with the draft resolution which had just been adopted and hoped that the provisions of section IV would allay the concerns of a number of government agencies for development co-operation.

7. Mr. ALI (Chairman of the United Nations Joint Staff Pension Board), after expressing appreciation to the Committee for its decision not to undo the delicately negotiated package of measures, said that two outstanding issues continued to give participants in the Pension Fund the impression that the Fifth Committee was willing to impose measures which affected them adversely but not measures which affected Governments in that way. The first was the increase in the mandatory age of separation, which had been deferred for the third time, and the second was the next stage of the increase in contributions to the Pension Fund, which had been proposed in 1983 and accepted in principle by ACABQ, but which would not be dealt with until 1985.

8. The draft resolution which had just been adopted proposed additional measures with a view to preventing any further increases in contributions. Although the Pension Board would consider such measures, he wished to point out that it had been painstakingly examining economy measures for three years, drawing on the advice of a wide range of experts and negotiating with the representatives of governing bodies, administrations and participants. The Board did not like to propose increases in contributions, but it did not seem possible for any pension system in the world to be able to operate on a contribution rate of 21.75 per cent. Thus, the Board could not make any promises in that area.

9. In accepting the measures for reductions, the Fifth Committee had decided to refer a number of problems back to the Board for review, rather than to attempt to solve them itself. That decision was proof of the spirit of dialogue to which the representative of Austria had just referred. However, constant requests for study and restudy of certain matters created a feeling of uncertainty among staff and undermined their sense of security. What the Pension Board was seeking was a partnership with the General Assembly, so that pension problems could be solved jointly.

10. There was also the matter of the relationship of the General Assembly to the governing bodies of other organizations participating in the Pension Fund, three of which had stressed that the actuarial imbalance should not be entirely offset by reductions. Those bodies would ask what weight was being given to their views and the needs of their organizations. In short, they, too, sought a relationship as partners.

11. The CHAIRMAN suggested that the Committee should recommend to the General Assembly that it should take note of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund (A/C.5/39/15 and Corr.1).

12. It was so decided.

13. The CHAIRMAN announced that the Committee had concluded its consideration of agenda item 118.

AGENDA ITEM 112: ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (continued)

(a) REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (continued) (A/39/592)

(b) IMPACT OF INFLATION AND MONETARY INSTABILITY ON THE REGULAR BUDGET OF THE UNITED NATIONS: REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/39/L.22)

(c) FEASIBILITY OF ESTABLISHING A SINGLE ADMINISTRATIVE TRIBUNAL: REPORT OF THE SECRETARY-GENERAL (continued) (A/C.5/39/7 and Corr.1)

14. Mr. FONTAINE ORTIZ (Cuba), introducing draft resolution A/C.5/39/L.22 on behalf of the sponsors, said that the question of the impact of inflation and monetary instability on the regular budget of the United Nations had been a matter of concern to the General Assembly for a number of years. On two previous occasions the Secretary-General had been requested to submit studies on that question, but his reports to date had not contained sufficiently detailed information to satisfy most delegations. It was perhaps the complexity and controversial nature of the issue which had prevented the Secretary-General from preparing the in-depth study requested; however, it was to be hoped that that very complexity might serve as a stimulus for the Secretariat in carrying out the study.

15. The wording of the draft resolution was almost identical to that of General Assembly resolutions 36/230 and 37/130. Paragraph 3 (b) provided further clarification with regard to the contents of the study. The text was self-explanatory, and he hoped that the draft resolution would receive the support of the entire Committee.

16. The CHAIRMAN said that, if no proposals were forthcoming from delegations, he intended to submit for the Committee's consideration a draft resolution under agenda item 112 (a).

17. The CHAIRMAN said that consultations had been held with the Chairman of the Sixth Committee regarding the report of the Secretary-General on the feasibility of establishing a single administrative tribunal (A/C.5/39/7 and Corr.1) and, in particular, the possibility that at least some of the revisions proposed to the Statute of the United Nations Administrative Tribunal should be examined by the Sixth Committee. The Chairman of the Sixth Committee had met with the Fifth Committee representatives of the regional groups, who were not in agreement among

(The Chairman)

themselves as to how the General Assembly might best deal with the matter and, moreover, felt that there was no particular urgency for it to do so; the general feeling had been that more time was needed to reflect on the question.

18. In the light of that development, he suggested that the Committee should recommend to the General Assembly that consideration of the report in question should be deferred to the fortieth session, and that in the mean time the Secretary-General should be requested to refer the proposed revisions to the Statute to Member States for comment by, say, 30 June 1985, and to report thereon to the General Assembly at its fortieth session. If there was no objection to that general approach, it would form the basis of a draft decision.

AGENDA ITEM 110: PROGRAMME PLANNING (continued) (A/C.5/39/L.21 and L.28)

Draft decision A/C.5/39/L.28

19. Mr. TOMMO MONTHE (Cameroon) introduced draft decision A/C.5/39/L.28, the purpose of which was to correct a typographical error in General Assembly resolution 38/227 A.

20. Mr. EL-SAFTY (Egypt) suggested that, in order to indicate the reason for the change being proposed, the words "to correct" should be introduced into the draft decision.

21. Mr. MILLER (United States of America) said that the change being proposed implied a concept of redeployment more narrow than that which the United States thought proper. Consequently, the United States could not approve the draft decision.

22. After a discussion in which Mr. EL-SAFTY (Egypt), Mr. MILLER (United States of America), Mr. BELYAEV (Byelorussian Soviet Socialist Republic), Mr. TOMMO MONTHE (Cameroon), Mr. GUIMARÃES (Brazil), Mr. FONTAINE ORTIZ (Cuba) and Mr. ROY (India) took part, the CHAIRMAN suggested that the Committee should defer consideration of draft decision A/C.5/39/L.28.

23. It was so decided.

Draft resolution A/C.5/39/L.21

24. Mr. TOMMO MONTHE (Cameroon) introduced some minor oral revisions to draft resolution A/C.5/39/L.21.

25. Mr. BELYAEV (Byelorussian Soviet Socialist Republic) said that his delegation would support draft resolution A/C.5/39/L.21 because of the important proposals it contained. In its consideration of revisions to the medium-term plan, CPC deserved commendation for not having limited itself to those sections on which revisions had been proposed by the Secretariat, and for having also offered guidelines for other programmes in the light of recent decisions by competent intergovernmental bodies.

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(Mr. Belyaev, Byelorussian SSR)

His delegation particularly welcomed the revisions proposed in the areas of disarmament, outer space, peace, youth, the world economic system and economic relations among States.

26. While CPC did make some recommendations for rationalizing the work of the Organization and improving various programmes, it could have made more substantial proposals for strengthening co-ordination within the United Nations system and eliminating obsolete or ineffective programmes. In order to achieve those two goals, the programme managers must play a leading role by proposing the deletion of activities to balance the addition of new activities proposed by intergovernmental bodies. Originally, one of the main reasons for introducing the new system of programme planning and programme budgeting had been to enable programme managers to provide the intergovernmental bodies with timely, brief and thorough analyses of all aspects of activities and of the real resources available. The new system had been in place for 10 years, and Member States were justified in asking the United Nations Administration to begin to ensure that programme managers released funds for new activities by cutting out obsolete or secondary programme elements. His delegation welcomed the fact that the Secretariat had at last presented a single document on programme and financial implications, and was convinced that such a new approach would increase the rational use of resources.

27. His delegation approved the proposed addition to the medium-term plan of conference-servicing and general service activities, and generally supported the ACABQ recommendations in that regard. The proposed modernization of many programme elements and the introduction of new technologies, while at times necessary, would be very expensive. Needless to say, such steps should be expected to produce concrete indications of their effectiveness, such as cost and staff reductions, if they were not to be merely a costly fad. Furthermore, proposals in that area should not exceed currently available resources, which should in all cases be put to rational use.

28. Draft resolution A/C.5/39/L.21 was adopted without a vote.

29. Mr. SOEPRAPTO (Indonesia), explaining his country's position, said that while his delegation had not objected to the adoption of the draft resolution, that did not mean that its well-known reservation regarding paragraph 4.63 of the medium-term plan was not still valid.

30. Mr. MILLER (United States of America), referring to operative paragraph 2 of draft resolution A/C.5/39/L.21, said that his delegation could not support the revision proposed to paragraph 16.22 of the medium-term plan. By increasing the participation of UNCTAD in debt re-organization meetings, that revision had the effect of codifying a conflict with UNCTAD resolution 161 (VI), which called for only one set of consultations and a report thereon. His delegation reiterated its position that all the revisions to the medium-term plan, and also the plans for conference and administrative services must be carried out within existing resources.

(Mr. Miller, United States)

31. His delegation had read with concern the Secretary-General's report on strengthening the capacity of the United Nations evaluation units and systems (A/C.5/39/45), which indicated that a number of entities had yet to take sufficient action to improve their evaluation capacity. It rejected the excuses invoked by those entities that had reported that they could not redeploy the necessary staff. Evaluation not only warranted the same support as other organizational activities but could, if properly applied, result in significant savings in personnel and resources. Accordingly, his delegation supported operative paragraph 4 of the draft resolution in the belief that a more effective evaluation system was needed. That system must be staffed through redeployment, however, and not through the creation of new posts. Any proposals made in the context of the budget for the biennium 1986-1987 should therefore indicate clearly that such posts had been provided through the termination of low-priority activities.

AGENDA ITEM 111: FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued)  
(A/C.5/39/L.19 and L.23)

32. Mr. BOKHARI (Pakistan), introducing draft resolution A/C.5/39/L.19 on behalf of the sponsors, announced that Algeria, India, Oman, Paraguay, Trinidad and Tobago, Tunisia and Yugoslavia had also become sponsors. The draft resolution reflected the sponsors' concern at the growing deficit of the United Nations and the need to place the Organization's finances on a sound footing. While they did not underestimate the importance of achieving a long-term settlement of the political differences which had led to the financial emergency, the sponsors were proposing certain interim measures to alleviate current financial difficulties, namely a new revenue-producing activity which was in accordance with the purposes and principles of the United Nations but not subject to regulations 5.2 and 7.1 of the Financial Regulations. At the current session, the General Assembly had adopted a declaration on the critical situation in Africa. The sponsors of the draft resolution were proposing that postage stamps should be issued in that connection, as a gesture of solidarity and a means of generating income. The draft was uncontroversial and the sponsors hoped that it would be adopted by consensus.

33. Mr. AMNEUS (Sweden), introducing draft resolution A/C.5/39/L.23 on behalf of the sponsors, indicated that the original list of sponsors should have included Finland and that Ireland had also become a sponsor. He regretted that time constraints had prevented exhaustive informal consultations on the draft resolution which, because of its subject-matter, should have been negotiated intensively, and apologized to any delegations that might not have been kept fully informed of the progress of the consultations.

34. The draft resolution, which was similar to General Assembly resolution 37/13, made reference to the Negotiating Committee on the Financial Emergency of the United Nations and appealed for voluntary contributions to the special account. The word "so-called" in the fifth preambular paragraph might be imprecise: originally, the term "short-term deficit" had not included that qualification. With regard to the seventh preambular paragraph, he recalled that, during the Fifth Committee debate on the item, delegations had learnt that serious cash-flow problems had brought the Organization to the brink of insolvency in 1984. The

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(Mr. Amneus, Sweden)

intention of operative paragraph 5 was not to bypass permanent representatives in New York but rather to enable the Secretary-General and his senior staff to raise the question of payment of contributions when they travelled outside New York or received other representatives of Member States in New York. Operative paragraph 7 was based on the suggestion made in the course of the informal consultations that the Negotiating Committee should be reconvened. It had been his feeling that the time was not ripe for the General Assembly to act on the other suggestion made, namely that some other committee or group of interested delegations should be formed to review the financial emergency.

35. Mr. WITHEFORD (Australia) said that, while his delegation agreed generally with earlier statements on the item, in particular those by Ireland on behalf of the EEC countries and Sweden on behalf of the Nordic countries, it was not a source of pride to it that some Member States chose to pay their contributions late, if at all, and that the practice of withholding was on the increase. If all Member States were to follow the example of the 18 countries which now practised withholding, the United Nations would cease to be able to function. That practice in fact tempted others to follow suit, and time and money were running out for the Organization. While his delegation supported the idea of issuing postage stamps, he wanted to make it quite clear that postage stamps would not save the United Nations and that the only solution was for those States which had been withholding their contributions to pay up in full. He suggested therefore that a retrospective moratorium should be imposed on withholdings on grounds of principle. The 18 withholding countries could then pay off what they owed voluntarily, without prejudice to their future position on the subject. That might appear to be a drastic solution, but desperate problems called for desperate remedies. In conclusion, his delegation strongly supported draft resolutions A/C.5/39/L.19 and L.23.

36. Mr. MURRAY (United Kingdom) observed that the term "so-called" in the fifth preambular paragraph of draft resolution A/C.5/39/L.23 had a dismissive quality and might be interpreted as minimizing the seriousness of the United Nations deficit. That term had crept into use to qualify the words "short-term", not the word "deficit" and he suggested therefore that it be deleted. The short-term deficit of over \$356 million was in fact very much a reality.

37. Mr. AMNEUS (Sweden) and Mr. MONIRUZZAMAN (Bangladesh) supported the United Kingdom suggestion.

38. Draft resolution A/C.5/39/L.19 was adopted without a vote.

39. Draft resolution A/C.5/39/L.23, as orally amended, was adopted without a vote.

40. Mr. VISLYKH (Union of Soviet Socialist Republics), explaining his delegation's position on the two draft resolutions, said that the financial emergency of the United Nations was a source of concern to all sincerely striving to enhance the prestige and effectiveness of the Organization. Among the major reasons for the financial emergency were the inclusion in the regular budget of items of expenditure

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(Mr. Vislykh, USSR)

which, although contrary to the Charter, were nevertheless carried out in the name of the United Nations, the unjustifiable imposition on all Member States of costs incurred by Israel's aggression against the Arab States, and the excessively high rates of growth of overall expenditure. Unless those primary causes were eliminated, it would be impossible to redress the financial situation.

41. The Soviet Union had, in the past, proposed a genuinely fair solution. Its essence was, first, to delete from the regular United Nations budget expenditures on the so-called United Nations bond issue and to agree that such costs would be defrayed on a voluntary basis. Secondly, expenditures on technical assistance should also be removed from the regular budget and financed through voluntary contributions. Thirdly, the level of budgetary expenditures in general should be reduced, a matter on which all Members, including the major contributors, could agree. Strict financial control should be established over expenditure in all sections of the budget.

42. His delegation would like to stress that the Soviet Union bore no responsibility for the present unsatisfactory financial situation of the United Nations, which was the result of arbitrary actions carried out by a small group of States in violation of the Charter. The Soviet Union was, at the same time, prepared to participate in finding a solution acceptable to all Member States on the basis of strict observance of the Charter.

43. The CHAIRMAN announced that the Committee had concluded its consideration of agenda item lll.

AGENDA ITEM 109: PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985 (continued)

United Nations Office at Nairobi (A/C.5/39/97, A/C.5/39/L.27)

44. Mr. FORAN (Controller) drew attention to document A/C.5/39/97 in which the Secretary-General having determined that the acceptance of the offer by the Government of Kenya to grant an additional 40 acres of land adjoining the existing 100 acres at Gigiri would entail no financial implications, recommended that the General Assembly should accept that generous donation.

45. Mr. EL-SAFTY (Egypt), introducing draft resolution A/C.5/39/L.27 on behalf of the sponsors, said that the generous gift of additional land by the Government of Kenya and its announcement of action to facilitate access thereto by means of road improvements were particularly appreciated because of the difficult conditions prevailing there and in the developing countries as a whole. He hoped that the Committee would adopt the draft resolution by consensus.

46. Draft resolution A/C.5/39/L.27 was adopted without a vote.

47. Mr. RUEDAS (Under-Secretary-General for Administration and Management) said that the Secretary-General had asked him to convey his appreciation for the generous contribution of the Government of Kenya, the latest in a number of such contributions facilitating the United Nations presence in Nairobi.

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Management improvement programme (A/C.5/39/83)

48. Mr. RUEDAS (Under-Secretary-General for Administration and Management), introducing the report of the Secretary-General on the management improvement programme (A/C.5/39/83), said that rationalization and efficiency were current watchwords in every civil service organization. The search for efficiency and economy at the United Nations was not new. The very processes of the programming and budgeting system were themselves major tools for rationalization. As one representative had stated at the Committee's 50th meeting, the work of programming, planning, budgeting, monitoring and evaluation were the keystones of further efficiency and effectiveness of the Organization.

49. While the context of the report was familiar, the Secretary-General's determination to enhance management at the present time by a further increment was perhaps new. Measures of general administrative improvement considered appropriate by Member States in similar circumstances generally fell into the categories of simplification of administrative systems and procedures, cost audit and cost control, streamlining of organizational structure, and enhancement of the capacity of the staff and other available resources. Those categories, which were set forth in paragraph 8 of the report, were precisely the ones in which a general effort at management improvement was being made. The measures taken or initiated by the Secretariat, set out in paragraph 9 of the report, were largely self-explanatory. An exception was perhaps paragraph 9 (c), which stated that such measures included those taken to explore ways to improve the biennial programme budget process. In order to avoid misunderstanding, it should be mentioned that that statement merely concerned the internal process of consultation for the purpose of presenting to Member States a more effective document. The measures also included an inquiry into the possibility of streamlining the programme budget document itself.

50. The report was informative in nature and merely indicated the beginning of a process. The Secretary-General would keep Member States fully informed of the progress achieved.

51. Mr. MURRAY (United Kingdom) said that his delegation, as one that made frequent reference to the need to improve efficiency in the Secretariat, welcomed the management improvement programme. It commended the Secretary-General's commitment to greater efficiency and looked forward to receiving information on the results in due course.

52. Mr. TAKASU (Japan) said that his delegation welcomed the Secretary-General's initiative to improve the efficiency of the Secretariat, which should pursue a management improvement programme in order to ensure the support and trust of Member States. Rationalization should be thoroughly explored and implemented throughout the Secretariat. In paragraph 9 (e), for example, the new procedures to control travel on official business were confined to the economic and social sector. The same degree of control should be extended to other sectors as well. Paragraph 10 cited initiatives taken by various departments; such initiatives should cover all departments without exception. He trusted that new offices and new expenditure items would not be established in the name of rationalization.

53. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to recommend to the General Assembly that it should take note of the report of the Secretary-General contained in document A/C.5/39/83.

54. It was so decided.

AGENDA ITEM 115: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS: REPORT OF THE COMMITTEE ON CONTRIBUTIONS (continued)  
(A/C.5/39/L.18)

55. Mr. BUSHEV (Bulgaria), speaking in his capacity as Vice-Chairman of the Committee, said that, despite lengthy and intensive consultations, the working group on the scale of assessments had been unable to produce a consensus draft resolution.

56. Mr. EL-SAFTY (Egypt), introducing draft resolution A/C.5/39/L.18 on behalf of States members of the Group of 77, said that the text contained little of a controversial nature. The purpose of paragraph 2 (b), was to introduce a small modification into scheme III, as defined in paragraph 49 of document A/39/11, since the members of the Group of 77 had felt that the brackets in question were too high. They would have liked a greater increase in the upper limit of the low per capita income allowance formula mentioned in paragraph 2 (c), but had accepted the recommendation of the Committee on Contributions. They had felt, however, that a minimal increase in the relief gradient from 85 per cent to 90 per cent, must be made. In paragraph 2 (d), the nature of the indicators to be included as an additional relief formula was not specified but left to the discretion of the Committee on Contributions.

57. The draft resolution remained within the recommendations of the Committee on Contributions with the exception of the new brackets for scheme III and even those would be worked out by the Committee on Contributions itself. He therefore hoped that the Committee would find the draft resolution acceptable.

58. Mr. ABRASZEWSKI (Poland) said that, at the present stage of the discussion on the draft resolution, his delegation would merely like to propose the following amendment to paragraph 2 (d), which would replace the current text after the words "in particular": "the problem of high levels of external indebtedness in all its dimensions and other related problems of developing countries and other countries facing serious problems of high levels of external indebtedness". Long negotiations had taken place on the draft resolution and there was therefore no need for a detailed explanation of the purpose of the amendment, with which a number of delegations had expressed sympathy.

59. Mr. ZSOHAR (Hungary) announced the support of his delegation for the amendment proposed by the representative of Poland.

60. Mr. EL-SAFTY (Egypt) said that the proposed amendment would be studied with the utmost care by the members of the Group of 77.

The meeting rose at 6.30 p.m.