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Chairman: Mr. AL-MASRI (Syrian Arab Republic)

later: Mr. DANKWA (Ghana)

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

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 129: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/44/11 and Add.1)

1. Mr. VALENCIA (Ecuador) said that he thought the Committee on Contributions had taken positive steps in implementation of General Assembly resolutions 43/223 A, B and C, and could see why the Committee had restricted itself at first to reviewing certain conceptual aspects of the existing methodology for determining the scale of assessments, given the lack of an up-to-date and trustworthy data base that would make it possible to assess the impact of the new elements proposed by the General Assembly. The available statistics regarding certain variables, in particular regarding the calculation of adjustments for external indebtedness were too incomplete to demonstrate the applicability of the new modified methodology. His delegation nevertheless wished to make a few comments on the existing methodology.
2. Regarding the possible definitions of national income, it generally supported the criteria put forward by the Committee but thought it should study further the concept of debt-adjusted income because that question was directly linked to the capacity of Member States to pay. It therefore looked forward with interest to the conclusion of the study the joint working group had decided to undertake on actual payment flows for external debt covering both interest and amortization payments, a study that should facilitate the reconciliation of country data on repayment of debt and new debt.
3. The statistical base period decided upon should not only reflect changes in the global economic situation but should also be based on the principles of continuity and stability. His delegation had always believed that the 10-year base period was the best one for establishing the scale of assessments. However, mindful of the concerns expressed by some delegations regarding abrupt or short-level economic changes, it wondered if it would not be possible, even while retaining the 10-year period, to weight the data for the last three years of the period in order to take into account unexpected fluctuations in national income and their impact on the capacity of States to pay at the time the scale was established. That would allow reliance on more objective criteria and make the system of ad hoc adjustments more consistent.
4. Ad hoc adjustments, while not part of the methodology, nevertheless entered into the preparation of the assessment scale, at the Committee's discretion. His delegation recognized their practical usefulness in view of the difficulty of devising a perfectly objective method and hoped that the principle of ad hoc adjustments would be retained. They should not, however, be left entirely to the judgement of the members of the Committee. What was needed, of course, was not a definitive list of criteria but rather a determination of factors to be taken into account and a decision on limiting the number of percentage points, in order to give the Committee a basis for reaching its decisions. The Committee could, in fact, make proposals to that effect.

(Mr. Valencia, Ecuador)

5. In conclusion, the methodology adopted must be as transparent and simple as possible without at the same time disregarding the economic factors affecting the capacity to pay.
6. Mr. BAZAN (Chile) recalled that his delegation had participated actively in the drafting of resolution 43/223, in which the General Assembly reconfirmed that the capacity to pay of Member States was the fundamental criterion for determining the scale of assessments and asked the Committee on Contributions to limit the use of ad hoc adjustments in the preparation of the scale to the minimum possible, keeping in mind that in case such adjustments were necessary they should be made on the basis of objective, rational and transparent considerations. Ad hoc adjustments were necessary because they made up for shortcomings in the existing methodology for determining the assessment scale, but they should not be dictated by political concerns. The developing countries, the most disadvantaged in the emergency situations that in part justified the process of ad hoc adjustments, had in addition permanently hanging over them the threat of the latent protectionism of the industrialized countries. The Committee should therefore devise an adjustment mechanism capable of compensating both for such practices and for the unexpected difficulties the developing countries might face.
7. His delegation saw no contradiction between the flexibility required of the Committee in the matter of ad hoc adjustments and the constraints imposed by the need to hold to definitive guidelines. It was a question of devising, as far as possible, guidelines applicable to any situation that might arise. But above all Member States must have the possibility of reviewing how the ad hoc adjustments had been made and to request a rectification if they felt that they had received unfavourable treatment.
8. Mr. TALAVERA (Peru) concurred with the view of the Committee that only three of the alternative income concepts merited additional studies, namely, national disposable income, debt-adjusted income and income adjusted for price adjusted rates of exchange (PARE).
9. His delegation favoured retaining the 10-year statistical base period, because of the importance of stability and continuity but also because, over time, it should result in more realistic assessment rates for the vast majority of Member States by evening out the impact of abrupt or short-lived economic changes. It should be noted that such seemed to have been the view of most delegations for some years. The table summarizing the evolution of the elements in the methodology used to prepare the scale of assessments showed, in fact, a constant extension of the statistical base period.
10. Further study must be given to the question of adjustment for high levels of external indebtedness and, as certain Committee members had indicated, account should be taken not only of repayment of debt but also of new debt. With regard to the low per capita income allowance formula, raising the per capita income ceiling could be justified in view of the factors referred to in paragraph 27 of the Committee's report (A/44/11). The ceiling had, in fact, been raised constantly

(Mr. Talavera, Peru)

over the years. The gradient had followed the same trend; although, as recommended by the Committee, it should be maintained at its current level.

11. His delegation believed, like the Committee, that possible adjustments of the ceiling or floor rate were of a political rather than a technical nature. Of all the factors in the existing methodology, it was the one whose evolution was the most revealing. The constant decline in the ceiling rate showed clearly that Member States felt that the principle of the capacity to pay must be compatible with the needs of the Organization, but without prejudicing the principle of the sovereign equality of all States. Moreover, the decline in the floor rate seemed to reflect the need to adapt the methodology to the international economic situation. Further efforts were needed in that area, as could be seen from annex III of the Committee's report: the 25 countries whose contributions were highest as percentage of national income were all developing countries.

12. His delegation agreed with the Committee's view that the inadequacies of the existing methodology made ad hoc adjustments mandatory. Since it was impossible to devise a definitive list of criteria, a clear indication should be given of the factors taken into account by the Committee when it made such adjustments.

13. Mr. KABIR (Bangladesh) recalled that the Committee had decided to undertake the comprehensive review of the current methodology in two phases. It had concentrated first on conceptual questions, particularly possible alternative definitions of national income, and would later assess the different aspects of the new methodology under consideration, on the basis of the updated data that would be available to it. His delegation found that method of review to be judicious, because any rush to adopt a new methodology would in its view be counterproductive. It urged the Committee to decide to recommend a methodology that would be simple, transparent and stable and that would ensure an equitable scale of assessments based on the capacity to pay. The Committee had decided in the end to limit itself to three viable alternative income concepts, and it was encouraging that it had determined to obtain additional data when studying the question further.

14. The 10-year statistical base period currently in effect resulted in more realistic assessments and evened out the impact of abrupt or short-lived economic changes. Moreover, for most developing countries, adjustments for high levels of external indebtedness were an important element of the methodology for establishing the scale. For lack of reliable data on loan stocks, the Committee on Contributions had not been in a position to refine the methodology in that respect. His delegation hoped that on the basis of the conclusions of the study by the joint working group, the Committee would be able to present recommendations on the matter in future.

15. While it understood that the Committee on Contributions had decided not to formulate any specific recommendation on the low per capita income allowance formula because of insufficient data on national income beyond 1986, his delegation believed that in view of the 18.3 per cent increase in the average per capita

(Mr. Kabir, Bangladesh)

income, it would be realistic to expect the current ceiling to be raised. It agreed with the Committee that it would be premature to recommend a modification or refinement of the scheme of limits until such time as the interrelatedness of all elements of the methodology had been fully studied. His delegation would like to emphasize that the scheme of limits had proved to be very useful in minimizing excessive variations of individual rates of assessment between successive scales.

16. His delegation was convinced that the use of ad hoc adjustment must be reduced to a minimum through further refinements in the current methodology. It welcomed the Committee's decision to include explicit information on such adjustments in its reports on the preparation of future scales of assessments. In view of the difficulty of devising a perfect methodology and the need to take unforeseen circumstances into account, his delegation agreed with the Committee that the complete elimination of such adjustments was not considered likely or desirable, particularly for the developing countries. It none the less believed that flexibility and objectivity must be shown in applying that procedure.

17. Mr. SOTO (Colombia) said it was unfortunate that the Committee on Contributions had not taken action on certain provisions of resolution 43/223. It should give consideration, in particular, to the views expressed in the Fifth Committee at the forty-third session of the General Assembly on the ceiling and floor rates. The Assembly had also requested a report from the Committee on Contributions, complete with examples, on the various elements it had been responsible for reviewing and their impact on future scales of assessment.

18. Recalling that at the forty-third session, a number of delegations had expressed concern over the fact that one Member State alone could hinder the operation of the Organization, he noted that as at 30 September 1989 one Member State alone owed more than \$495 million to the Organization, representing 63 per cent of the 1989 budget.

19. In paragraph 31 of its report, the Committee on Contributions indicated, without elaborating, that it had not discussed adjustments to the ceiling and floor rates, given that the question was more political than technical in nature. While it was true that a decision in that regard would be political, the Fifth Committee none the less expected the Committee on Contributions to illustrate, using meaningful examples, the impact that changes in the ceiling or floor rate would have on the scale of assessments. It would have been particularly useful if annex I A to the Committee's report had contained a column showing any effects of changing those parameters. If, for example, the ceiling rate were lowered from 25 to 15 per cent, it would result in a 13.3 per cent increase in the assessments of Member States, among which the costs of the lower ceiling rate would be shared.

20. His delegation agreed with the Committee on Contributions that alternative income concepts must be studied in greater depth, but believed that the focus should be on diversifying the sources of data which would be used for such studies. There did not appear to be any justification for changing the statistical base period. While his delegation understood the view expressed by certain

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(Mr. Soto, Colombia)

delegations that economic changes should be taken into account more fully, it believed that by maintaining a constant base period, a more representative average could be obtained in the long term. None the less, since there was a gap of at least three years between the time that data was collected and the time that the scale was applied, a seven-year base period might be acceptable.

21. In conclusion, his delegation looked forward to the results of the studies which the Secretariat was supposed to conduct on adjustments for external indebtedness and the low per capita income allowance formula.

22. Mr. Dankwa (Ghana) took the Chair.

23. Mr. PANOV (Bulgaria) said his delegation recognized that the establishment of a scale of assessments was an extremely complicated task. To a great extent, the current methodology rested on one basic principle: the capacity of Member States to pay. Apart from the calculation of per capita national income over a given period, the methodology included a special adjustment for low-income countries. The Committee on Contributions had obviously considered the proposals made in the Fifth Committee, and, despite certain differences of opinion, there was reason to expect recommendations that would lead to an acceptable formula for devising a scale of assessments.

24. His delegation wished to emphasize that access to convertible currency was a key factor to be considered in determining capacity to pay. A number of Member States did not have the privilege of being able to pay their contributions in their national currencies. Due consideration must therefore be given to the difficulties they encountered.

25. Foreign debt was currently one of the most complicated problems. A tried and tested methodology by which it could be considered in an objective manner did not yet exist. Moreover, neither the foreign debt in itself nor the magnitude of debt was necessarily the most accurate criterion for gauging a country's economic problems. It might therefore be useful, in analysing a country's difficulties in servicing its debt, to take into account other factors such as its exports, the volume of investment available for development, and ecological conditions.

26. His delegation wished to see the 10-year statistical base period maintained for the calculation of average national income. Similarly, the scheme to avoid excessive variations in assessments, and the ceiling and floor rates were, in its view, rational and equitable elements of the current methodology, and must be retained.

27. Mr. AMIRKHZI (Islamic Republic of Iran), referring to Article 17, paragraph 2, of the Charter of the United Nations, said that Member States were required to pay their contributions in full. The Committee on Contributions, for its part, must take into account the specific situations existing in certain countries when assessing their contributions and recommending appropriate mitigation, without any political considerations.

(Mr. Amirkhizi, Islamic
Republic of Iran)

28. In the scale of assessments for 1989, 1990 and 1991, the share of expenses borne by the developing countries had increased, while, with four exceptions, the share of expenses borne by the developed countries had declined. If the economic conditions and the real capacity to pay of developing countries had been taken into consideration, their contributions would have declined. The facts showed that the criteria used to calculate the scale of assessments were unjust and unrealistic.

29. During the forty-third session of the General Assembly, the Islamic Republic of Iran had objected not only to its own assessed contribution, but also to the mitigation method used. It believed that many factors warranting a greater adjustment had not been taken into account. The assessed contribution of Iran had continued to increase. But after eight years of war, the country was in a difficult economic situation. It had lost a major portion of its resources and must allocate major sums for reconstruction. Oil price fluctuations had also caused problems. Moreover, the Iranian Government had borne part of the cost of the 3 million Afghan and Kurdish refugees not reflected in the country's demographic statistics.

30. Despite those factors, his delegation had not opposed the adoption of General Assembly resolution 43/223. At the forty-ninth session of the Committee on Contributions, Iran had commented on its rate of contribution under paragraph 2 of that resolution. As indicated in paragraph 43 of that Committee's report, a recalculation of the machine scale on the basis of the new data supplied by Iran had resulted in a reduction of the rate by one point. Still, the Committee on Contributions had not taken a decision in that regard, simply noting that there had been an ad hoc adjustment of four percentage points.

31. Given that in the past the United Nations had granted concessions to war-torn countries, the Islamic Republic of Iran should be entitled to similar treatment. In the first place, the aforementioned problems affecting its real capacity to pay should be taken into account. In addition, formulation of general guidelines concerning the application of ad hoc adjustments was imperative.

32. Mr. ABOULLAH (Iraq) said that his country had paid its contribution for the current year in full and that it did not owe any arrears for previous years, despite the enormous difficulties it was facing in the national reconstruction effort following the war. That was clear evidence of the Iraqi Government's commitment to supporting the work of the United Nations. There was nothing new in the report of the Committee on Contributions. Although some countries favoured changing the method of establishing the scale of assessments in order to make it more equitable, agreement had not been reached on what elements the method should include. Thus far the system based on national income estimates and population statistics had consistently worked to the advantage of the developed countries, in spite of the various changes which had been introduced, as could be seen from the analytical tables contained in the annexes to the Committee's report. As the statistics showed, the countries with planned economies had experienced steady growth during the 1980s. The assessments of a number of those countries, however, had been considerably reduced.

(Mr. Aboullah, Iraq)

33. Even if adjustments were made to the statistical base period, the low per capita income allowance, the gradient and the adjustment for high levels of external indebtedness, the existing anomalies would not be eliminated. The problem did not stem from the definition of national income or the method used to calculate national income. The problem was linked to the international economic crisis of the 1980s. It was not clear, however, that the situation would be any better in the 1990s, given the low growth rates in the developing countries and sharply fluctuating exchange rates. In the light of that situation, it was the methodology itself for establishing the scale of assessments that was inequitable. Judging from the content of the report of the Committee on Contributions, there was little reason to expect that things would improve in the near future. The delegations of developing countries would therefore continue to raise objections in an attempt to introduce a more equitable system which did not regularly work to their detriment.

34. At the current session, the Fifth Committee should instruct the Committee on Contributions to modify the scheme for avoiding variations between two successive scales so as to take into account, in particular, the case of developing countries which had experienced no economic growth in the 1980s. The Committee on Contributions should also adopt equitable criteria for redistributing points from the developing countries in the context of the ad hoc adjustment process. Lastly, the resolution to be adopted should clearly indicate that no special assistance should be given to developed countries whose assessments had gone down in recent years. In the absence of such measures, the Committee on Contributions would continue to face serious difficulties in working out a scale of assessments that was acceptable to all countries.

35. Mr. EL HASSANE (Morocco) said that the description of the application of the current methodology should contribute to greater understanding and transparency, as requested in General Assembly resolution 43/223. The Secretariat's note on the evolution of the methodology and its current application should be made available to delegations.

36. His delegation urged the Committee on Contributions to continue its examination of the alternative income concepts. Though it had reviewed the different elements of the current methodology, that Committee had not proposed any concrete measures for improvement. The second stage of the study should logically lead to constructive proposals.

37. The determination of capacity to pay depended largely on statistical data and the statistical base period. The reliability of the data was therefore very important. Morocco favoured retaining the 10-year base period, for stability and continuity. A sufficiently long base period allowed the effects of abrupt changes due to economic difficulties to balance out. Regarding adjustments for high levels of external indebtedness, the Committee on Contributions was encouraged to continue its efforts to determine the best way to take into account the effect of external indebtedness on capacity to pay.

(Mr. El Hassane, Morocco)

38. Resolution 43/223 requested the Committee on Contributions to consider taking into account the situation of certain countries with particular problems. His delegation felt that no factor should be neglected, especially those causing major changes in the economic situation of the countries in question.
39. Alleging that possible adjustments to the ceiling and floor rates were political, the Committee on Contributions had not examined them. His delegation felt that raising the floor rate was undesirable. The contributions of countries to which it applied already represented a heavy burden in relation to national income.
40. Mr. Al-Masri (Syrian Arab Republic) resumed the Chair.
41. Mr. ECKERSLEY (Australia), speaking on behalf of Australia, Canada and New Zealand, said that the explanations and tables provided with the report of the Committee contained the clearest exposition of the scale methodology ever presented to the General Assembly. He would like to encourage the Committee to continue that effort, perhaps by developing the use of graphics to facilitate the interpretation of data. That could equally apply to the addendum, which would also benefit from the inclusion of figures on voluntary contributions in kind by States.
42. The capacity to pay of Member States was a fundamental criterion for determining the scale of assessments. That principle should guide any adjustments to the existing methodology, as the objective was to ensure fairness and equity in the scale.
43. With respect to adjustments for high levels of external indebtedness, the delegations he represented accepted retention of the current adjustment mechanism while encouraging the Secretariat to further refine its data bank on debt statistics. It was difficult to develop a more sophisticated methodology until complete data were available for all the countries. Any decision on debt service ratios must be based on current international financial realities. It would clearly be unrealistic, for example, to adopt a ratio which implied that all outstanding debt would be repaid in five years. The Committee had been right in stating that that aspect of the review was very preliminary and should in no way prejudice the results of additional studies to be undertaken.
44. The decision of the Committee on Contributions to defer its decision on a specific recommendation on any change to the current upper per capita income limit was justified, since any such change should only be made in the light of complete and up-to-date data, although account should be taken of inflationary trends. Once data beyond 1986 were available, it should be possible for the Committee to make a recommendation for a new upper level.
45. It would be interesting to have the results of the study which the Secretariat had been asked to make on the cumulative effects of the scheme to avoid excessive variations of individual rates of assessment between successive scales. Successive applications of the scheme of limits had introduced progressive distortions in the

(Mr. Eckersley, Australia)

assessments of many Member States, a problem which had not been foreseen when the scheme had been introduced. Any further tightening of the limits would only serve to exacerbate the problem.

46. He welcomed the Committee's decision to include in its future reports explicit information on those ad hoc adjustments. While there was a need for the Committee to retain a certain flexibility to correct statistical anomalies, future improvements should act to reduce both the number and the magnitude of such ad hoc changes. The Committee should indicate clearly the guidelines used in making the adjustments. As stated in the report, only substantial changes in economic circumstances would need to be taken into account.

47. The delegations of Australia, Canada and New Zealand again wished to stress the fundamental need for all countries to pay their assessed contributions to the regular budget of the Organization, peace-keeping activities and other United Nations bodies in full and on time. Continued failure to do so was increasing the burden on the budget. The work of the Committee on Contributions was not honoured if the contributions it assessed were not paid.

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

AGENDA ITEM 124: PROGRAMME PLANNING (continued)

AGENDA ITEM 38: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

General debate (continued) (A/44/3, A/44/6/Rev.1, A/44/7, A/44/16 and Add.1, A/44/222 and Corr.1, A/44/233, 234 and 272; A/C.5/44/CRP.1)

48. Mr. GOMEZ (Controller), replying to the questions and observations that had been made in the course of the debate on the three items, noted that all delegations agreed that reforms had been made in some major domains of activity of the Organization, notably in the political and administrative sectors, but that measures to be taken in the economic and social sector remained to be defined. The report requested from the Secretary-General on the intergovernmental structure and functions would be available in a few days, but he was not in a position, at that stage, to indicate what concrete proposals might be made.

49. Most delegations seemed to share the view expressed by the Secretary-General that the reforms of the United Nations were part of a continuing process and that the search for efficiency should remain a permanent concern. As the majority of delegations had stressed, reform should not be perceived primarily as a cost-cutting, post-reducing exercise, but rather as an exercise aimed at producing an Organization better able to fulfil its mandate, particularly in light of the increased responsibilities it was being called upon to assume in major global issues, such as peace-keeping, development, narcotics control and the environment. It had also been stressed that reform, carried out at a time of financial difficulties, must be matched by a commitment on the part of Member States to honour their financial obligations.

(Mr. Gomez)

50. With regard to the update of the report of the Secretary-General on the implementation of resolution 41/213, he said that a conference room paper (A/C.5/44/CRP.1) which provided supplementary information relating to recommendations 15, 55 and 57 of the Group of 18, had been made available to the Committee. Such information had been requested by CPC at its twenty-ninth session. In addition, more supplementary information would be provided, where appropriate, during consideration of the various sections of the programme budget. The Secretariat had taken note of the comments made by a number of delegations on the importance and basic thrust of the analytical report on the implementation of reforms that the Secretary-General was to present to the General Assembly at its forty-fifth session.

51. One of the main rationales for the new budgetary process launched by resolution 41/213 had been the need to reach the broadest possible agreement on the programme budget. It appeared from the general debate that most delegations had concurred, either explicitly or implicitly, with the general direction of the programme budget presented by the Secretary-General and the related recommendations of the Advisory Committee. One delegation had, however, indicated that the proposed programme budget was unacceptable as it stood. Many comments had been made on the disparity between the level of the proposed programme budget and the level approved in the outline. Some delegations held the view that the level indicated in the outline was a ceiling which the Secretary-General must not exceed; others held the view that the figure was only an indicative one. It had also been stated that the budgetary proposals of the Secretary-General, if adjusted downwards on the basis of the Advisory Committee's recommendations, would be several million dollars below the level of the budget outline as approved. Recognizing that the proposed programme budget and the outline had different bases, most delegations had reiterated the need for the Secretariat to develop further the methodology for the establishment of an outline.

52. Several delegations had remarked that the content of programmes should be indicated more clearly. Replying to a question by the representative of Venezuela regarding the impact of post reductions on programmes, he referred to paragraph 12 of the introduction to the programme budget, in which the Secretary-General had expressed the conviction that gains in quality were possible and that there was not necessarily an automatic link between a smaller Secretariat and a reduced role of the Organization. The analytical report on the implementation of reforms which would be submitted to the General Assembly at its forty-fifth session, together with the programme performance report for the period 1988-1989, would provide delegations with an opportunity to assess fully the impact of the reform process. With regard to the possibility of having a conference room paper on the programmatic differences between the proposed programme budget and the 1988-1989 programme budget, he said that the Secretariat would make an oral presentation of such changes when the budget was considered section by section.

53. The size of the contingency fund and the arrangements for its use had been agreed upon at the forty-third session. On the basis of revised estimates, and having regard to the programme budget implications of the decisions to be taken by the Main Committees at the current session, the Fifth Committee would have to take

(Mr. Gomez)

decisions on the use of the contingency fund in 1990. Several delegations had emphasized that, if the fund was to be used in accordance with the provisions governing its operation, statements of programme budget implications must place more emphasis on reprogramming or termination of certain activities, an opinion shared by the Advisory Committee. The Secretariat, too, had instructed programme managers to ensure that statements of programme budget implications included analyses of possible alternatives to the use of the contingency fund. The report on the question of constituting a reserve fund to counter the effects of inflation and currency fluctuations was due to appear very shortly.

54. A very large number of comments had been made on the question of extrabudgetary resources. Stricter control and greater transparency were called for in that field, and improvements would be made in the presentation of information regarding extrabudgetary resources in the next proposed budget. As for the substantive problems raised by certain delegations, particularly that of Finland, it was to be hoped that, through the efforts of all the parties concerned, satisfactory solutions would be found in the coming years. The Secretariat would not be in a position to prepare a conference room paper on the relationship between extrabudgetary resources and priorities in the programme budget, but supplementary information on that issue would be provided when each section of the budget was considered.

55. Many delegations agreed with the Secretary-General that priorities in the programme budget should be derived from the priorities laid down in the medium-term plan. Several delegations considered that the modified system of priorities, based on outputs rather than programme elements, should be put into effect on a trial basis; but others considered that the proposal should be further studied by CPC and the General Assembly. Perhaps the best course of action would be for CPC to consider the issue at its next session, in the light of the proposals to be made on priorities in the next medium-term plan. In reply to the question by the delegation of the Philippines, he said that, for reasons set forth in paragraph 13 of the Introduction to the proposed budget, the Secretary-General had refrained from proposing overall priorities for the programme budget; however, priorities among programme elements had indeed been established. Those priorities, and the relevant CPC recommendations, would be commented on during the detailed consideration of each section of the budget.

56. Most delegations had stressed the need to involve the intergovernmental bodies in the planning and programming process. The Secretariat attached great importance to the recommendation made by CPC in paragraph 48 of its report, a recommendation which had also been mentioned by the Advisory Committee in its first report on the proposed programme budget. The extremely complicated problems raised by the calendar of meetings of intergovernmental bodies could be solved only in the long term. For its own part, the Secretariat would endeavour to provide the intergovernmental bodies with all necessary information on budgetary and programmatic issues. With regard to the summary table in paragraph 70 of the Advisory Committee's report, he informed the representative of Hungary that the 17 work programmes which had not yet been reviewed could not be reviewed by an intergovernmental body. The only thing which could be done at that stage was to

(Mr. Gomez)

inform all intergovernmental bodies concerned of the decisions that the General Assembly would take on the programmatic content of the various sections of the budget. The consultative process was crucial to the preparation of the medium-term plan, and some progress had already been achieved in that regard, at least in comparison with the previous plan. In some cases, intergovernmental bodies had even indicated a desirable order of priority among subprogrammes.

57. Several delegations had stressed the importance of the various phases of the programming and budgeting cycle, including monitoring and evaluation. Stressing the need to improve those two aspects of the cycle, some delegations had expressed disappointment that not all of the subprogrammes contained in the current medium-term plan would be subject to self-evaluation. They believed that each subprogramme should be subject to self-evaluation at least once in the medium-term plan cycle. Differing views had been expressed regarding the value of annex IV of document A/44/233. The Secretariat noted those comments, and would keep the question under review.

58. Improvements had been made in the format of the programme budget, but, as some delegations had stressed, aligning themselves with the recommendations of the Advisory Committee and CPC, much remained to be done, particularly with regard to non-recurrent expenditures, the determination of the growth rate, the apportionment of common costs, changes in outputs, and extrabudgetary resources.

59. The target set by the Group of 18 of a 15 per cent reduction in posts was not based on any scientific criterion. The recommendation therefore needed to be implemented with the utmost flexibility. Several delegations had deplored the fact that the reductions proposed by the Secretary-General had not been based on an analysis of the work-loads of the various departments. But, in view of the extremely short period of time (about four months) available in which to decide what posts should be abolished, it had not been possible to make such a thorough analysis. In any case, the 13.5 per cent reduction proposed by the Secretary-General at the forty-third session had been decided on the basis of the most thorough and objective examination possible in the light of the constraints, inter alia financial, with which the United Nations had been faced.

60. In the proposed programme budget for the biennium 1990-1991, the Secretary-General was proposing a net additional reduction of eight posts. As indicated in the Introduction to the programme budget, given the need not to jeopardize programme execution, the absence of concrete results in the economic and social sector, the impossibility of limiting the number of meetings and, furthermore, given the additional responsibilities entrusted to the United Nations in recent months, he was not in a position to propose further cuts. Regarding high-level posts, the position of the Secretary-General remained as stated in paragraph 19 of the Introduction to the programme budget, namely, that he was most definitely not in a position to propose further reductions in that area.

61. Additional information on the implementation of recommendations 54 and 55 was contained in document A/C.5/44/CRP.1, and the Assistant Secretary-General for Human Resources Management would provide further clarifications on those matters in due

(Mr. Gomez)

course. The Secretary-General had indicated that recommendation 54 was taken into account when appointments or extensions of appointments at senior levels were being considered, but that other factors, such as competence and the principle of equitable geographical distribution, were also taken into account.

62. In response to the question raised by the representative of Tunisia concerning the transfer of certain posts from the Department of International Economic and Social Affairs to the Centre for Social Development and Humanitarian Affairs in Vienna, he said that the transfer, for which the rationale had been provided in the course of discussions in CPC, did not fall within the framework of the restructuring of the economic and social sectors, which had yet to be achieved, but was the result of decisions taken in previous years. Specific information concerning the reorganization of the Department of Public Information would be provided in a conference room paper.

63. With respect to the criteria which had been used to formulate proposals for technological innovations and in anticipation of a more detailed response at a later time, he wished simply to note that a number of mechanisms and procedures had been established recently in the Secretariat aimed at determining policy in that domain. The setting up of an integrated management information system also fell within that framework. The question raised by the representative of India concerning the transfer to the regular budget of a certain number of UNHCR posts previously financed by extrabudgetary funds, and vice versa, would be answered in detail during the consideration of section 21 of the programme budget. Generally speaking, the Secretariat would use the opportunity provided by the first reading of the budget to respond in detail to any questions posed by the delegations.

64. Mr. ETUKET (Uganda) said that the Secretariat was, for the moment, not able to provide the conference room paper requested by his delegation on the links between the extrabudgetary resources and the priorities adopted by the General Assembly. In the absence of the relevant information, several delegations participating in the twenty-ninth session of CPC had been unable to make decisions on aspects of the proposed budget concerning programmes. He therefore hoped that the Secretariat would be able to provide clear and comprehensive explanations on that matter during the reading of the budget section by section.

65. Mr. NASSER (Egypt) said that his delegation welcomed the confirmation by the Controller that programmes would not suffer as a result of the negative growth rate. Given the importance of an analysis of the differences between the proposed programme budget and the current programme budget, he noted with satisfaction that the Secretariat planned to present information in that regard on a section-by-section basis and requested that such information should be available in written form. With respect to the reduction in the number of posts at the Under-Secretary-General and Assistant Secretary-General levels, he wished to know the implications for current staff in that category of the post eliminations proposed in the proposed programme budget.

66. Mr. GARRIDO (Philippines) said that he wished to obtain assurance that the Contingency Fund would at all times be maintained at the level approved and requested the Secretariat to report on that matter at a later time.
67. Mr. LADJOUZI (Algeria) said that the reading of the proposed budget on a section-by-section basis would be facilitated if delegations had the Controller's response in writing.
68. Mr. LOPEZ (Venezuela) observed that the analytical report to be presented by the Secretary-General at the forty-fifth session of the General Assembly would discuss the effects that staff cutbacks might have on programmes; the reading of the proposed budget on a section-by-section basis might also provide an occasion to request from the Secretariat clarification on the possible negative effects resulting from the elimination of posts. In addition, modifications to programme content would be presented orally for each section. With respect to new technology, he explained that the question raised by his delegation concerned United Nations policy in that domain rather than the innovations proposed in a particular section. He wished to stress that such a programme was very important inasmuch as it could help to consolidate improved efficiency due to the reforms. Moreover, at some point, it might involve substantial investments which should be closely monitored. He asked the Secretariat to prepare an overview, in writing if possible, and to specify when such a task could be carried out.
69. Mr. KOUBAA (Tunisia) said that he had not fully understood the response of the Controller with respect to the connection between the reforms planned in the economic and social sector and the transfer to Vienna of posts in the social domain.
70. Ms. GOICOHEA ESTEÑEZ (Cuba) said that she wished to join with those delegations requesting that the Controller's response should be distributed by the Secretariat. She hoped that the conference room paper concerning the use of the reserve fund would be issued quickly, in order that the delegations might make informed decisions during the debate. Given the importance of reviewing the modifications in programme content, her delegation was insisting, as it had done during the meetings of CPC, that the pertinent information should be presented in writing. Her delegation had requested from the Secretariat more precise information on the application of recommendation 47: since the information transmitted covered the period 1984-1988, it was not possible to form a precise picture of the reforms launched in 1986.
71. Mr. GOMEZ (Controller) said that it was not only the lack of time or of personnel which prevented the Secretariat from responding to delegations in the fashion they desired. Other factors were involved, such as the availability of information and other aspects mentioned by the Advisory Committee in its report. Much more effort was needed before the information system could function in an entirely satisfactory manner. He confirmed that during the reading of the budget on a section-by-section basis, the Secretariat would do everything possible to provide additional information on both extrabudgetary financing and the differences between the proposed programme budget and the current programme budget. With regard to the posts at the Under-Secretary-General and Assistant Secretary-General levels, the cuts proposed by the Secretariat represented a 15 per cent reduction.

(Mr. Gomez)

He was not in a position to give to the representative of the Philippines the desired assurances with regard to the financing of the Contingency Fund because that depended entirely on the Member States. What applied to the Contingency Fund applied equally to the programme budget: the actual amount would equal the approved amount only if the Member States fulfilled their financial obligations.

72. With respect to the programme of technical innovations, he would review the overall policy of the United Nations in that field during the reading of sections 28 and 29, which dealt with areas in which that type of investment was the most substantial. His notes would be made available to delegations.

73. In response to the Cuban delegation, he said that the report on the reserve fund, contained in document A/44/665, would be distributed in the course of the day, as would the Secretary-General's report on the integrated management system. Lastly, the text of the response which he had just presented would be made available to the Committee as soon as possible. The representative of Tunisia would thus be able to consult the text before returning, if necessary, to the point he had raised.

The meeting rose at 12.45 p.m.