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EXECUTIVE COMMITTEE OF THE PROGRAMME OF THE UNITED NATIONS
HIGH COMMISSIONER FOR REFUGEES

Extraordinary session

SUMMARY RECORD OF THE 450th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 29 May 1990, at 10 a.m.

Chairman: Mr. DANNENBRING (Federal Republic of Germany)

CONTENTS

- (a) Review of requirements for General Programmes in 1990 and Projections for 1991
- (b) Review of projected overall programme activities in 1990 and the status of funding

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The meeting was called to order at 10.25 a.m.

- (a) REVIEW OF REQUIREMENTS FOR GENERAL PROGRAMMES IN 1990 AND PROJECTIONS FOR 1991
- (b) REVIEW OF PROJECTED OVERALL PROGRAMME ACTIVITIES IN 1990 AND THE STATUS OF FUNDING (agenda item 5) (A/AC.96/743, 744, 745; A/AC.96/ESC/CRP.2, 3)

1. The CHAIRMAN introduced the item and drew attention to document A/AC.96/ESC/CRP.2, emphasizing that the item was one of the most important before the extraordinary session. The Executive Committee had a mandate to authorize levels of obligations under General Programmes for the second half of 1990. It had been entrusted with that task in order to avoid a repetition of the need to absorb a deficit from the previous year. He noted in particular that the budgeted figure for General Programmes had been revised downwards.
2. Mr. STAFFORD (United Nations Deputy High Commissioner for Refugees) said that following the authorization by the Executive Committee of a ceiling of \$190 million for General Programme expenditures for the first half of 1990, UNHCR had reviewed all its programmes in order to bring the level of delivery of protection and assistance measures below that prescribed ceiling while at the same time absorbing the 1989 deficit. UNHCR had therefore started 1990 with a 12-month General Programme budget of \$340 million.
3. After the 1990 annual target review, a revised figure of \$379 million, which included the \$38 million deficit carried over from 1989, was proposed. The figure of \$379 million needed to be viewed in the context of three factors: the \$414 million originally proposed for the 1990 General Programme, the \$387 million which represented the actual level of 1989 expenditure for the General Programme and the initial target of \$330 million for the 1991 General Programme. Those figures clearly showed a budgetary and expenditure decrease which UNHCR would make every effort to maintain, refugee needs permitting. The very substantial efforts being made by UNHCR, which involved a review of staffing levels and measures to economize on other costs, such as travel, overtime, consultancies and general operating expenses, were also yielding meaningful results that were reflected in the revised budget estimates.
4. The estimated figure of \$735 million for total programme needs for 1990 had been cut to \$672 million, while income for all programmes was projected at \$550 million. Those figures left an income gap of \$82 million, taking into account the \$40 million balances carried forward from 1989. In order to bridge that gap UNHCR had reviewed its funding recommendations on the basis of priority needs.
5. Despite a limited shortfall of \$8.6 million for the General Programmes, that should be covered by some 1990 programme slippage, and delays to some Special Programmes, the plan should ensure that priorities continued to be respected and emphasis squarely placed on the General Programme. The lack of assurances in respect of funding constituted a major flaw in the system, although UNHCR was best able to provide an informed opinion on its funding on the basis of indications received from donors as to their possible

contributions, thus allowing a well thought-out estimate of the likely overall income to be made. On the basis of patterns of past contributions, the planning figure for 1990 was \$550 million, a marginal increase of 3 per cent over the previous year.

6. The funding allocations of between \$370 and \$380 million for General Programme activities were by no means unrealistic if the figure for 1988-1989 contributions of \$325 million was increased by expected secondary income earnings, a modest reallocation of funds from Special to General Programmes and a projected \$20 million in new additional contributions. Some donors had already made known their intentions to make additional resources available which UNHCR would like to be attributed, in priority, to the General Programmes and it seemed likely that at least \$20 million in additional resources would be available before the end of 1990.

7. UNHCR would undoubtedly continue to suffer from financial difficulties if nothing was done to address the highly unpredictable nature of UNHCR's funding. To embark on a new programme year with only one quarter to one third of the required resources, in the form of pledges rather than cash in hand, struck him as being highly speculative, rather than the sound financial management the Executive Committee and UNHCR deserved. He was determined to review the manner in which UNHCR was funded within the mechanism of the Sub-Committee on Administrative and Financial Matters.

8. After stripping programmes down to a minimum, UNHCR still did not know whether sufficient financial resources would be available to enable it to perform its mission. The considerable efforts undertaken, in terms of structural changes made at Headquarters, review of the field establishment, staff reduction and rational fund utilization should be balanced against the needs of refugees.

9. Time was to implement those measures and the confidence of the Executive Committee was required to enable UNHCR to get on with the task of protecting and providing assistance to the millions of refugees for whom it had been made responsible. Accordingly, he requested that the extraordinary session of the Executive Committee should approve the budget of \$378.9 million for its 1990 General Programmes.

10. Mr. LYMAN (United States of America) indicated his country's support for a 1990 General Programme budget of \$378 million which, he understood, would make it possible to liquidate the previous year's \$38 million deficit and to balance the books by the end of 1990. His country's remaining reservations in no way detracted from its support for the leadership and staff of UNHCR.

11. His delegation would like the budget to indicate country and line-item levels; future Executive Committee decisions on budget matters must be based on the level of budgetary information. Such detail would induce donors not to earmark contributions within the General Programmes since they would know that certain high-priority programmes, were included fully within the total. The information provided had not dispelled his delegation's concern about whether sufficient funds had been allocated to countries where the bulk of refugees resided, and it endorsed the proposal by the Nordic countries that developed countries should finance refugee resettlement and related costs in their countries, leaving UNHCR to focus only on legal protection; that would free substantial funds for first-asylum countries in Asia, Africa and Central America.

12. His delegation hoped that it would be possible to restore to the 1991 budget some of the worthwhile activities that would have to be cancelled or deferred in 1990; it would be helpful if the 1991 budget clearly identified such desirable activities and their additional costs. An increase in United States support for refugee assistance in 1991 had been requested from the Congress which it was hoped would help such items to be restored.

13. His delegation fully supported the steps being taken to reduce administrative costs, especially by staff reductions. It stressed the need to ensure that staff reductions were not detrimental to the enhanced technical support, training and emergency response services developed in recent years which enabled UNHCR to forestall the crises that had beset refugee camps in the past.

14. His delegation felt obliged to point out that some of the impact of the current crisis described in document A/AC.96/744 was attributable to a lack of prioritization and of technical management rather than to a shortage of funds. It recognized that the present budget would not fulfil the common objectives of the Executive Committee in respect of assistance to refugees. However, full implementation of all the recommendations of the Temporary Working Group would go a long way towards overcoming the crisis. Those recommendations fell into four categories: increased income from traditional and new donors; improved conditions of service delivery in countries of asylum; greater inter-agency co-operation; cost effective management by UNHCR.

15. In conclusion his delegation supported the proposed budget but urged careful consideration of the issues it had outlined.

16. Mr. MARTIUS (Federal Republic of Germany) said that his country accepted the General Programmes target of \$378.9 million as realistic and appreciated the difficult and sometimes painful measures that had been required to reach that figure. However, the high level of support costs which amounted to 36 per cent of programme activities continued to cause concern and further economies appeared to be required in that area.

17. The changes in Central and Eastern Europe had led, in the first four months of 1990, to a total inflow of over 350,000 asylum-seekers, ethnic Germans and citizens of the German Democratic Republic into the Federal Republic of Germany. Despite the tremendous strain on its budgetary resources caused by the large numbers of new arrivals, the Federal Republic of Germany would, subject to parliamentary approval, double its regular contribution to UNHCR's General Programmes from DM 8 million to DM 16 million.

18. His Government was convinced that improved economic effectiveness in the area of support costs would release funds for direct assistance to refugees, and would make for a lasting improvement of UNHCR's financial situation. It was also convinced that future programme targets would have to be realistically prepared, thus ruling out the need for downward revisions later on.

19. Mr. HYNNINEN (Finland) said that his delegation had noted with pleasure that internal measures already taken by the High Commissioner were in line with the recommendations of the Temporary Working Group.

20. All parties had to contribute to a solution of UNHCR's financial problems. Financial support was necessary, but the granting of asylum and the political will to address the underlying reasons for refugee movements were of primary importance. His delegation was gratified by the initiatives taken by the High Commissioner not only in the financial and humanitarian but also the political aspects of UNHCR activities and expressed Finland's support for him in his endeavours to tackle the root causes of the refugee problem.

21. His delegation recognized the need for greater predictability to allow UNHCR to carry out its mandate, and recommended that further attention be devoted to multi-year budgeting and pledging.

22. The General Programme budget for 1990 was a reasonable one, and it was acceptable to Finland. However, all UNHCR activities should be carried out within available funds and work to improve UNHCR's administration and operations must be continued in order to avoid shortfalls in coming years.

23. Although Finland had a population of only 5 million, it had more than doubled its contribution towards UNHCR in 1989, bringing its share of UNHCR's total funding to 4 per cent, and had further increased its contribution in 1990. The 1990 contribution of \$14 million already contained an increase of \$5 million. However, in view of the special appeals of the High Commissioner and the Chairman of the Executive Committee, Finland had made available \$6.5 million in the spring and had recently decided to grant a further \$6.8 million to UNHCR, bringing its total contributions to over \$27 million. His delegation urged other donors to follow suit; a concerted effort by all was the best way of persuading traditional donors to maintain a high level of contributions in the future.

24. Mr. AASLU (Norway) emphasized that the true burden-sharing required to resolve refugee problems was not just a matter of increasing contributions, and that the manner in which resources were spent was equally important.

25. In addition to the Nkr 80 million announced at the pledging conference in New York in November 1989, and already paid in full, Norway had paid an additional Nkr 30 million to alleviate the difficult situation of the General Programmes. Norway's contribution for 1990 was expected to amount to Nkr 156 million, the equivalent of \$25 million, or almost \$6 per capita. Norway hoped that others would follow up with similar increased contributions.

26. It felt that priority should be given to activities within the General Programmes, although Norwegian contributions might also be directed towards Special Programme activities, in close consultation with UNHCR.

27. Lastly, his delegation congratulated the Deputy High Commissioner on his convincing and clear statement and endorsed the revised General Programme budget of \$378.9 million.

28. Mr. GROTH (Sweden) said that the adoption of the report of the Temporary Working Group constituted a sound basis for addressing the increasing needs of refugees throughout the world and illustrated the value of multilateral approaches to global issues such as that of refugees. As an indication of its preparedness to share the burden, Sweden would contribute Skr 30 million, or approximately \$5 million in earmarked funds, to the UNHCR General Programmes

and Skr 50 million or approximately \$8.2 million to specific programmes in consultation with UNHCR, in addition to its previous core contribution of \$24.2 million, bringing its total contribution for 1990 to approximately \$37.5 million. In addition, it was giving favourable consideration to a substantive contribution to the CIREFCA process in Central America.

29. The protection of refugees was one of a number of global problems that lent itself to multilateral approaches. However, UNHCR did not exist in a vacuum, and required joint efforts by all Governments as well as non-governmental organizations and other entities in order to carry out its mission successfully.

30. Mr. LARSEN (Denmark) said that his Government was very concerned about the financial crisis of UNHCR and its impact on the High Commissioner's capability to implement effectively the necessary assistance programmes for refugees around the world. Denmark was ready to make substantial financial contributions in 1990 on the basis of the consensus on the reform process, UNHCR's serious financial situation and its confidence in the UNHCR leadership. It had tried to respond positively to the High Commissioner's various appeals for increased contributions and early announcements of them. The ordinary Danish contribution of Dkr 75 million to UNHCR's general resources had been paid early in January 1990 to help alleviate the difficult liquidity situation of UNHCR at that time. In addition, his Government was planning to make earmarked contributions in the order of Dkr 110 million to high-priority General and Special Programmes. That would bring his country's 1990 contributions to the same high level as for the previous year at about Dkr 185 million, or some \$28 million at current exchange rates.

31. Furthermore, he wished to announce that his Government had obtained the necessary approval from Parliament to make a separate disbursement to UNHCR's general resources for 1990 in the amount of \$US 5.5 million. Denmark trusted that the announcement of special financial efforts would stimulate major contributions from others able to assist in the difficult situation. Lastly, he wished to indicate his Government's approval of the proposed revised budget of \$378.9 million for 1990.

32. Mr. SHANNON (Canada) said that it was a matter of considerable concern to his country that UNHCR's financial situation remained very serious but he wished to make it plain that Canada's main preoccupation was for the refugees themselves. All efforts should be aimed at ensuring that the largest possible proportion of UNHCR resources went directly to the benefit of refugees. His delegation had therefore welcomed the statement by the High Commissioner outlining his six-point strategy for the better use of resources and the reorganization of UNHCR. Several aspects of his plan echoed specific Canadian concerns.

33. New funding had not been forthcoming from non-traditional donors, and UNHCR therefore continued to rely on a relatively narrow group of traditional donors who had been contributing some 90 per cent of its budget. His delegation strongly supported the idea of broadening UNHCR's sources of income and would assist the High Commissioner's efforts to the extent possible, but in the short term it was necessary to be realistic in assessing prospects for new funding. The High Commissioner's strategy to provide more responsive, more targeted and effective programmes met public expectations and should help the office to adapt systematically to the financial realities. In that

connection, his Government was ready to pursue with UNHCR the development of a strategy for raising private funds in Canada. It was, however, concerned that the office had resorted to indiscriminate across-the-board cuts, rather than concentrating resources on essential activities. That could be avoided by better organization and priority-setting.

34. Canada would continue to support strongly the humanitarian work of UNHCR and expected to provide \$22 million in 1990. That represented a 30 per cent increase over the previous year and would be committed in the anticipation of reforms, both those already announced and others which it trusted would follow.

35. His country was a major contributor to UNHCR. To put that assistance in context, he wished to underscore the level of Canada's total expenditure on behalf of refugees, which had risen over the past decade to well over \$500 million annually. That figure, almost equivalent to the total income received by UNHCR in 1989, included \$90 million in contributions in cash and in food aid to UNHCR, other United Nations agencies and non-governmental organizations assisting refugees and displaced persons; \$150 million in assistance to nearly 40,000 refugees or persons in humanitarian categories admitted to Canada each year; \$60 million for the Canadian refugee determination system; and over \$200 million for other related costs, including integration and social assistance costs.

36. Lastly, he wished to state that his delegation could, with some reservations, accept the proposed target for UNHCR's fund-raising efforts and its provisional 1990 budget figure subject to the Executive Committee's decision that there must be no carry-over of a 1990 deficit into 1991.

37. Mr. BADIA (Italy) said that his country's contribution to 1990 General Programmes should be at least at the same level as for the previous year, in terms of national currency, and would represent a large percentage of the overall Italian contribution to UNHCR. In addition to the contributions already announced to Special Programmes, his Government was ready to consider further special appeals which might arise as a consequence of emergency situations. Mention should also be made of additional assistance by Italy to refugees through channels other than UNHCR, including support to the Prodere project for Central America in the context of the CIREFCA programme, for which a total disbursement of \$15.6 million was anticipated. His Government was also seriously considering the possibility of making a further contribution of several million dollars to the World Food Programme.

38. His delegation wished to assure the High Commissioner of Italy's intention to be of as much assistance as possible in the current financial crisis. The downward revision of the target for 1990 was already substantial and the High Commissioner, was not in a position to do more. But it was equally fair to say that the assistance budgets of donor Governments were taxed so heavily from all quarters that the financing of that level of projected expenditure would require considerable efforts from all possible donors. Meanwhile the High Commissioner, who had made an impressive start, should still strive to effect savings wherever possible in the administrative sector without endangering refugee programmes already suffering from the impact of the financial crisis. Moreover, new avenues of fund-raising should be pursued with determination in order to obtain the additional funds that were so badly needed in the current difficult situation.

39. Mr. HEWITT (United Kingdom) said that his delegation had been impressed by the determination and vigour which the High Commissioner and his Deputy had shown since taking up their appointments at a difficult time in UNHCR's history. Moreover, it had been grateful for the regular and detailed briefings provided by UNHCR on the cost of programme activities and the level of expected income, and hoped that close co-operation would continue.

40. In submitting a revised target of \$378.9 million for General Programmes, UNHCR had set itself an ambitious target considering that the maximum level of contributions had previously never exceeded \$323 million, and even taking into account estimated secondary income and the possible switch of some funds from Special Programmes. However, having noted the High Commissioner's assurances that the budget was a realistic one, his delegation was prepared to endorse it on the basis that, first, the deficit of \$38 million carried over from 1989 would be absorbed by year end; and second, that UNHCR would live within the ceiling of \$378.9 million with no deficit carry-over into 1991. It also looked to UNHCR to monitor income and expenditure particularly carefully in the months ahead. If it became clear that income assumptions would not be met, programme budgets would need to be adjusted correspondingly. His delegation urged that staff reductions and other rationalization measures under consideration should be implemented as swiftly as possible to safeguard direct assistance to refugees, and it welcomed those measures which had already been taken by the High Commissioner.

41. The United Kingdom would continue to be a major and reliable supporter of UNHCR's work and contributed generously both to its core budget and to its appeals for refugee assistance in all parts of the world. During the past decade its level of funding had increased significantly and in 1988 and 1989 had averaged approximately \$35 million per annum for General and Special Programmes. At such an early stage in the financial year, it was not possible to confirm the total amount his country expected to contribute in 1990, but it hoped to reach at least the average level of the past two years. Some \$22 million had so far been committed.

42. While the focus of the session was inevitably on the General Programmes, for which his Government had announced core support of some \$6.8 million, an increase of 11 per cent over 1989, the Executive Committee should not forget the importance of many of the Special Programme appeals which sought the implementation of durable solutions or were of major humanitarian significance, such as the Comprehensive Plan of Action for Indo-Chinese Refugees. The United Kingdom had already pledged close to \$15.5 million for Special Programmes in 1990 and was considering what further assistance it could provide. The above figures took no account of the substantial contribution his country made to the European Community's assistance to UNHCR and to British non-governmental organizations working with UNHCR on refugee projects, or of assistance in dealing with the problems facing Hong Kong.

43. Both donor and refugee hosting countries shared a common interest in ensuring that the maximum amount of income was spent on direct refugee assistance. Staffing represented a very high proportion of administrative costs, and his delegation was therefore pleased to note UNHCR's confirmation that the target of returning to the staffing level of 1 January 1986 would be reached or surpassed by the end of 1990. The savings that would accrue would not, of course, have much impact before 1991.

44. The Working Group had suggested in paragraph 41(m) of its report (A/AC.96/742) that UNHCR should explore the possibilities of enhanced use of Junior Professional Officers. He was pleased to announce that the United Kingdom would shortly sign a joint memorandum of understanding with UNHCR on the employment of such officers and hoped to have a first candidate in place very soon thereafter.

45. The Working Group's report also drew attention to the absence of any regular procedure to review and rationalize the location of UNHCR offices in the field. His delegation noted that a number of offices which had outlived their usefulness were being considered for closure and it looked forward to a report on that matter at the next Executive Committee meeting. Closing an office was not the only means of ensuring the most effective use of available staff resources. In some European offices the ease of modern communications might enable some functions to be carried out by Headquarters staff or staff in neighbouring countries visiting as the need arose. That possibility merited further study. In addition, UNHCR would have to keep a tight rein on travel and other support costs. Careful monitoring in that area would be an important task for the new Comptroller and programme planning division.

46. His delegation had read with great care the Note on the Impact of the Financial Crisis on UNHCR Activities (A/AC.96/744). Continual drastic programme revisions could not be in the interests of UNHCR, sensible planning or the refugees themselves. Until resources matched all the needs which UNHCR had identified, the only responsible way to budget was on the basis of a realistic expectation of income, ensuring that overriding priority was given to life-saving and life-sustaining activities.

47. His delegation supported all moves to secure funding from non-traditional donors or the private sector and was encouraged that some pilot schemes were under way. It urged the intensification of those efforts with a view to achieving early tangible results. Lastly, his delegation wished to assure the High Commissioner of the full support of the United Kingdom Government in his endeavours to return UNHCR to a sound financial footing and to make it better able to respond to the needs of refugees and to address the difficult challenges of the 1990s. That support would continue to be in deeds and not in words alone.

48. Mr. de RIEDMATTEN (Switzerland) said that his delegation was in favour of the proposed downward revision of the 1990 target for General Programmes by about 18.5 per cent in real terms, as well as the substantial reduction in the budget for Special Programmes, and could therefore join in the consensus which should permit formal approval of that target. A few words of caution were, however, in order.

49. The projected resource level appeared reasonable in the light of recent trends, but the total of \$550 million was still only an estimate. While some donors had already been able to confirm that they would maintain their contributions at the same level as in the previous year, or indeed to announce additional contributions, others were not - or not yet - in a position to give such guarantees. Furthermore, it was not certain that donors would all be able to conform, and in sufficient measure, to the priority set for the General Programmes. It was also unclear what would happen if the implementation of new durable solutions through Special Programmes placed further demands on donors' resources.

50. Such uncertainties were the main problem to be resolved in respect of UNHCR's funding mechanisms. In that regard, it was essential to ensure that the level at which UNHCR had been authorized to commit funds corresponded to the level of donors' contributions to the General Programmes. In other words, the crisis must not be perpetuated by allowing a new deficit to occur. The undertaking made by the Executive Committee was both moral and collective. That was its weakness, but it could also be its strength.

51. His country's contributions for 1990, as already indicated to the High Commissioner, would be of the same order as for 1988, at between SwF 20 million and SwF 22 million, placing it among the major donors. Switzerland would certainly consider providing additional contributions towards the end of the year, but those would be limited. Thus, it would not be able to make the same extraordinary effort as in December 1989, when it had increased its contributions for that year by nearly 50 per cent to SwF 32 million. Nevertheless, his Government would be in a position to increase the non-earmarked portion of its contribution from SwF 8 million to SwF 8.5 million. With regard to specially earmarked contributions, it was in permanent contact with programme funding services with a view to conforming to the priorities indicated by UNHCR. It was also endeavouring to reserve the food aid it allocated to UNHCR to specific needs that were difficult to meet.

52. Mr. STRUYE de SWIELANDE (Belgium) said that his Government fully supported the strategy outlined by the High Commissioner and trusted that it would be pursued with vigour. It had no difficulty in joining the consensus on the report of the Temporary Working Group, but felt that the measures proposed were only a first step and that other, more substantial reforms would be necessary. In that regard, several issues merited attention. First, it would be sensible to establish a body within the framework of the Executive Committee to address the problem of the unpredictability of income levels. Second, the distinction between General Programmes and Special Programmes was questionable, particularly as the conventions relating to refugees made no reference to "special" as opposed to "general" refugees. A global presentation of UNHCR's budget was long overdue. Likewise, the earmarking of funds for different categories of refugees was incompatible with the spirit of the Convention. On the other hand, it was time to heed the much-repeated calls to make a clear distinction between the Headquarters and field budgets. Lastly, it would be advisable to set aside 10 per cent of the UNHCR budget for exceptional operations that might be necessitated by new and unforeseeable emergency situations.

53. His delegation endorsed the downward revision of the target for 1990 to \$378.9 million and had no difficulty in approving the proposed overall budget. The High Commissioner could count on the continued support of the Belgian Government, which was increasing its contribution to the General Programmes by 15 per cent for the current year.

54. Mr. LEVITTE (France) said that his country would lend its resolute support to UNHCR, which had a unique responsibility in providing protection and assistance to all the 15 million people who today depended entirely on the international community for their survival and their future. That support went to all the exceptionally devoted staff of UNHCR and especially to the High Commissioner, whose strategy in the current difficult period of restructuring could be endorsed unreservedly. France welcomed in particular

the High Commissioner's efforts to find new contributors, and for that reason had assigned a large part of its contribution to UNHCR action in that area.

55. His delegation also favoured the strengthening of co-operation between UNHCR and the other United Nations agencies on two conditions: first, that UNHCR should maintain its responsibilities particularly in the field of protection; and, second, that such co-operation should make use of additional resources to ensure that asylum countries were not the victims, but rather the beneficiaries, of that co-operation. His delegation would elaborate on that point in the Governing Council of UNDP, which had just begun its work in Geneva. In that spirit, France had decided to allocate F 6.5 million out of its contribution to UNDP for 1990 to the implementation of joint UNDP/UNHCR projects in Central America under the CIREFCA programme.

56. His Government's contributions to UNHCR had increased six-fold between 1987 and 1989 and he was pleased to confirm that in 1990 its contribution would again be increased. It was difficult to give an exact figure since, in addition to contributing to the General Programmes, France would participate in the Special Programmes as they were implemented. In that regard, he was happy to announce that his Government had decided to provide an additional F 1.5 million to fund three UNHCR programmes in favour of the boat people. France, which in the previous year had allocated F 1 billion to support refugees in its own territory, supported UNHCR more than ever before.

57. Mr. IJUIN (Japan) said that his Government endorsed the efforts by UNHCR to deal with its current financial crisis, which thus far showed no signs of improving. The downward revision of the target for 1990 seemed unavoidable because of that crisis, although refugee needs were constantly increasing. It hoped that additional contributions by the end of the year would be sufficient to meet that target. Perhaps the best way to relieve anxiety as to whether the figure of \$378.9 million was realistic would be to monitor the situation carefully through the Sub-Committee on Administrative and Financial Matters.

58. His Government had contributed \$73.8 million to UNHCR in 1989, an amount which represented 14.6 per cent of the Office's total receipts. In addition, it had provided \$19 million since the beginning of the current year out of its 1989/90 fiscal budget. Exact figures for its 1990 contribution could not yet be given because the 1990/91 budget was still subject to Parliamentary approval, but he could give the assurance of his Government's continued support to UNHCR action for humanitarian causes.

59. Mrs. RUESTA DE FURTER (Venezuela) endorsed the High Commissioner's six-pillar strategy as well as his proposed plan for restructuring UNHCR to make it more efficient.

60. According to the Statute of UNHCR, the work of the High Commissioner was humanitarian and social; her delegation feared that the Office was losing sight of that social role. It believed that in the present period of financial crisis, well planned and social action would ensure that the financial resources were substantially increased. Her delegation felt that the programme budget should be formulated according to need and then adjusted to the actual income obtained. With respect to the international protection that refugees should receive, it noted with greatest concern the cases of *réfoulement*, expulsion, extradition, detention in inhuman conditions, which were all paradoxical at a time when respect for human rights was being promoted.

61. Venezuela was a country of asylum and had no refugees. It encouraged the peace process in Latin America and in so doing addressed the root cause of the refugee problem. It approved the proposed budget submitted to the extraordinary session on the understanding that it was a crisis budget. Her delegation thanked the asylum countries and the large contributors that enabled the UNHCR to continue its work and assured the High Commissioner of Venezuela's support.

62. Mr. WALKER (Australia) said that he applauded the clarity and directness of the statements made by the High Commissioner and the Deputy High Commissioner. He welcomed and endorsed the efforts and the decision to reconcile income and needs and appreciated the difficulty of the decision which the High Commissioner and his Office had been forced to make.

63. It was necessary to ensure the protection of refugees to enable them to live in dignity. However, the phenomenon of mass migration could not be ignored. It was not Australia's policy to exclude settlers from any country but it was concerned that the facilities provided for refugees should not be overwhelmed by people who claimed refugee status simply to migrate for economic reasons. The international cost was enormous and the amounts spent by countries in some cases far exceeded UNHCR's entire budget on people who were not refugees. It was, therefore, important that UNHCR should help in dealing with those issues and he strongly supported the work done through the informal consultations on asylum-seekers.

64. The international community together with UNHCR needed to address the problem of durable solutions and the causes of refugee outflow. Australia looked forward to participating in the Working Group on Protection and Durable Solutions and attached great value to the pioneering work done in the Division of Refugee Law and Doctrine on that issue.

65. In order to discharge its mandate, UNHCR had to match its efforts to its available resources. His delegation attached great importance to the assurances given that the previous year's deficit would be absorbed and that there would be no carry-over from 1990 into 1991. His delegation was not in a position to make any new statement during the current budget cycle but welcomed the important additional contributions that had been announced. It recognized the very generous effort by countries of first asylum which shouldered heavy economic burdens. Countries like Australia also bore the burden of local settlement, repatriation and resettlement. It felt strongly that, in the case of developed countries the cost of resettlement should not be charged to UNHCR's resources. His delegation would shortly submit a draft conclusion which drew on the work of the Temporary Working Group, the six pillars announced by the High Commissioner and many of the statements made in the meeting.

66. The CHAIRMAN noted that there appeared to be a consensus in favour of the draft conclusions and decisions on assistance activities - General Programmes submitted by the High Commissioner in document A/AC.96/ES/CRP.3. If there was no objection, he would take it that the Executive Committee wished to adopt those conclusions and decisions.

67. It was so decided.

68. Mr. BRANJDRUP (International Council for Voluntary Agencies) said that in the discussions on the financial crisis facing UNHCR, donor Governments were singled out. The argument was put forward that if UNHCR increased its efficiency and donor countries increased their contributions the financial crisis would be solved. The non-governmental organizations had a different view, however. Donors consisted of two main groups: industrialized countries which contributed funds and other countries, mainly third world countries, which granted inter alia asylum and land, and shared their meagre resources and protected refugees by applying the provisions of the Convention. The contributions made by the second group were not easily quantifiable but came very close to the limits of their capacity.

69. One of the reasons for the present financial crisis was that the principle of burden-sharing between these groups had not been reviewed when the economic situation of the third world countries to which most of the countries of asylum belonged had worsened dramatically. If the industrialized countries did not take on an increased share of the burden, there would be greater migration of refugees and heightened pressure on first asylum countries to take deterrent measures. The non-governmental organizations firmly believed that the developed countries should increase their share of the total cost of helping refugees and review the manner of channelling their contributions. Sufficient resources should be given to UNHCR to enable it to fulfil its statutory role especially in the area of protection and means should be also given to other agencies such as UNDP, UNICEF, IFAD and the World Bank to enable them to help refugees, returnees and displaced persons.

70. Any country granting asylum to a large number of refugees should receive immediate assistance from UNHCR and be offered technical assistance from the United Nations special agencies to meet those new needs. Structural changes were therefore required in several United Nations agencies on the lines of those recently taken in WHO. Those views expressed were in accordance with some of the recommendations on burden-sharing among relevant United Nations agencies made by the Working Group. He realized that such recommendations would take years to implement but in the long run they would permit refugee needs to be covered by government services in the same way as those of nationals and relieve the financial demands on UNHCR.

71. With respect to UNHCR's current financial crisis and solutions to refugee problems, the non-governmental organizations wished to encourage Governments to follow the principle of meeting the vital needs of refugees and not to tailor their refugee programmes to the allocations they were prepared to make. UNHCR had originally projected a budget for the 1990 general programme at \$414 million but later, in the face of the financial crisis and under pressure from donor Governments, it had been reduced to \$341 million. However, to date, Governments had not yet pledged their contributions to meet even those minimum needs. It appeared that major contributors were not prepared to help to maintain adequate levels of assistance to increasing numbers of refugees. Since 10 of the contributors provided 86 per cent of UNHCR budget, non-governmental organizations felt that there was obvious potential for widening the donor base. Present donors should continue to give generously, cease cutbacks and enable UNHCR financially and politically to initiate durable solutions and take advantage of the opportunities that existed for large-scale voluntary repatriation.

72. He drew attention to the growing fear that less priority might be given to the vast problems of third world countries where the most serious refugee under asylum problems occurred. There were millions of refugees in countries of first asylum who would not be able to return or to be resettled elsewhere and needed assistance from international agencies to survive in refugee camps. According to UNHCR, as many as 25,000 refugee children under five years of age were suffering from acute malnutrition, which made them more vulnerable to communicable diseases. Cutbacks also resulted in reduced buffer stocks, health projects being affected, poor water supply, reduction of school construction and of investment in income-generating projects. On account of the shortfall, which began with the operating deficit in 1989 HCR's programme, resources had been wiped out in 1990. The non-governmental organizations urged donor Governments to end the shortfall and to allocate part of their contributions to replenishing a programme reserve fund to enable UNHCR to carry out vital contingency planning.

73. When UNHCR programmes were cut, pressure was then placed on the non-governmental organizations which had no funds to make up shortfalls. He requested that, in future, if UNHCR was forced to make cuts, it should do so in close consultation with the non-governmental organizations.

74. Mr. ACHE (Chairman, UNHCR Staff Council) said that it was appropriate to place the concern over continuing post reductions and the retrenchment exercise in the wider context of the financial crisis. The consequences of the crisis on UNHCR's ability to respond to the needs of refugees were felt by UNHCR staff in the field and at Headquarters. For UNHCR staff who lived with the day-to-day realities of their work, the effect on morale had been devastating. While accepting the principle that the staffing level should be adapted to changing requirements and realities, the Staff Council was concerned at the lack of transparency in the implementation of the exercise. Since 1987, some 400 posts had apparently been discontinued and also an undetermined number of posts had been created. However, the Staff Council had been unable to ascertain which staff members had lost their jobs as a result and what criteria had been used in the process. The recruitment freeze instituted by the current management was fully supported by the Staff Council.

75. Further discontinuations were contemplated by the end of 1990. It was gratifying that the High Commissioner had decided to use internal resources to carry out the task of the ongoing field and Headquarters staffing review. However, the question rose of whether that was the end of the process, whether the purpose of the exercise was to reduce the number of posts to 2,074 or whether it was intended to determine operational requirements for protecting and assisting refugees according to the High Commissioner's mandate or to produce administrative saving. The magnitude of the task of implementing a massive retrenchment exercise within a very short period of time called for the understanding and support of the Executive Committee in order to enable the High Commissioner to minimize the effects of retrenchment on the staff. The Staff Council therefore proposed that the necessary financial support should be given to the High Commissioner to implement the most humane measures, where separation of staff was inevitable. The Staff Council also requested the Executive Committee's support to ensure that former UNHCR staff were given the preference for appointment to posts within the United Nations system and the specialized agencies and that they would enjoy priority in filling future contingency posts within UNHCR. The Staff Council would also

welcome suggestions in that context from the Executive Committee, particularly in respect of staff locally recruited in country-specific programmes and projects in the field.

76. He asked how the three key principles that governed government retrenchment exercises, namely, attrition, redeployment and an implementation time-frame that minimized the effect of post reductions on staff, applied to UNHCR. The scope for attrition was limited, as UNHCR was a relatively young organization. Redeployment possibilities in the field, particularly for local staff, were more difficult and often non-existent. The norm of a three-year time-frame was significantly different from that facing UNHCR. He hoped that the Executive Committee would give due consideration to the scale and specificity of the problem since what was ultimately at stake was the effectiveness of the UNHCR to discharge its mandate. In conclusion, he confirmed the Staff Council's support of the High Commissioner's position on the financial crisis and his recommendations on the six-pillar strategy. The Staff Council also supported the recommendations of the Temporary Working Group contained in document A/AC.90/742 and hoped that the Executive Committee would discuss measures to address the serious concern over reductions in staffing.

77. Mr. STAFFORD (Deputy United Nations High Commissioner for Refugees) thanked the Executive Committee members for their constructive comments and in particular for their endorsement of the 1990 budget. Speaking for the High Commissioner and himself, he hoped that transparency would be the byword of the UNHCR. He wanted to meet the Executive Committee regularly and to share information with it as well as to ensure that UNHCR documents were clear enough to avoid any surprises. He thanked the representative of Belgium in particular for his suggestions concerning the pledging exercise, which would enable some idea to be formed of the level of resources. He had heeded the many admonitions concerning another carry-over into 1991.

78. He was particularly grateful for the comments concerning assistance to refugees because that was the main purpose of UNHCR. He noted that the representative of the non-governmental organizations, in particular, had raised points which were of great concern to UNHCR. The UNHCR, as a whole, was gratified by the major announcements concerning contributions. Note had been taken of the clear statements and instructions given, which would be implemented as soon as was possible.

The meeting rose at 1 p.m.