

conference

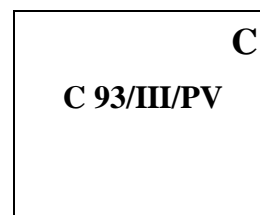
FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

conférence

ORGANISATION DES NATIONS UNIES POUR L'AUMENTATION ET L'AGRICULTURE

conferencia

ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION



Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

Rome, 6-24 November 1993

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DE LA CONFÉRENCE
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PRIMERA SESION

(18 November 1993)

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SEXTA SESION

(23 November 1993)

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ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

C
C 93/III/PV/1

Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

FIRST MEETING
PREMIERE SEANCE
PRIMERA SESION

(18 November 1993)

The First Meeting was opened at 10.15 hours

Mr Algirdas Zemaitis, Chairman of Commission III, presiding

La première séance est ouverte à 10 h 15

sous la présidence de M. Algirdas Zemaitis. Président de la Commission III

Se abre la primera sesión a las 10.15 horas

baio la presidencia del Sr. Algirdas Zemaitis. Presidente de la Comisión III

CHAIRMAN: The meeting is called to order. I would like to welcome distinguished delegates to this first meeting of Commission III and to remind them that Commission III of the Conference deals with constitutional and administrative matters. Seven meetings have been scheduled if required. The Commission must conclude its work on Monday 22 November.

At this point, I would like to introduce the two Vice-chairmen of this Commission. They are His Excellency Michael Kima Tabong, Ambassador and Permanent Representative of Cameroon to FAO, and Mr Jean-Paul Rivaud, in charge of the Mission to the United Nations and International Organizations of the Ministry of Foreign Affairs of France. The Rapporteur for Commission III is Mr Neil Magedaragamage, Alternate Permanent Representative of Sri Lanka to FAO.

I would like to draw the attention of delegates to Document C 93/12, which sets out arrangements for the 27th Session of the Conference. This document also deals with Conference Resolutions, and I would like to remind distinguished delegates that the Council has recommended that the number of resolutions be kept to a minimum and that they should deal only with matters requiring a formal decision by the Conference.

For the criteria for the formulation of resolutions, please refer to Appendix D of C 93/12.

A tentative timetable for Commission III is given in Appendix A of document C 93/12. The provisional checklist of required documents is in C 93/LIM/13 Rev. 1. The Journal of the Conference Order of the Day also indicates which documents are required for particular items.

The Commission's working hours normally will be from 09.30 to 12.30 and from 14.30 to 17.30. As I have already mentioned, provision has been made for a total of seven meetings, if required, with five allocated to discussions and two for the adoption of the report. The Commission has to have its work completed and the report adopted by Monday, 22 November. This will require the full cooperation of delegates being on time to enable the work to be finished. This meeting should have started at 09.30 and it is now 10.15. I would therefore appreciate it if the delegates realize that the meeting will start on time; unfortunately I have to have a quorum.

In order to save time for everybody concerned, please do not congratulate me on my election as the Chairman. Many people have congratulated me privately and so on. Everybody knows that I am in the chair. It will save time if you do not congratulate me on my election as Chairman.

I should like to request Mr Richard M. Stein, Chief, General Legal Affairs Service, and Secretary of the Commission, to explain briefly the practical arrangements for our meeting.

Richard M. STEIN (Secretary, Commission III): Thank you very much, Mr Chairman, for giving me the opportunity to present very briefly some of the administrative arrangements for this meeting.

As you were kind enough to say, I am the Secretary. The Assistant Secretary Mr Flood, is here, so that you will know who he is, if you do not know him already, and he is from the Personnel Division. We also have two secretaries, Ms Calcagni and Ms Blaylock. If you require any assistance you know that they are part of the staff.

I would also recall - it has appeared in the Journal - that the Chairman's office is in Room A-375. If you go out of this corridor, his office is at the end of the corridor in Building A. We shall try, to the extent possible during the meetings, to have someone there in case you require any information or help.

As to the administrative arrangements for the meeting, as you have pointed out in particular, in the document which was circulated in July 1993 entitled "Arrangements for the 27th Session of the Conference", there was a schedule for Commission III as for the other Commissions. Since that time, of course, we have lost a half day yesterday because one of the other Commissions had to continue with its meetings. In any case, as you know, Mr Chairman, because it was also in consultation with you, we reviewed very carefully, in consultation with the Assistant Secretary, the various documents before us and we came to the conclusion - and I shall briefly tell you why in just a moment - that it might be possible to move ahead more rapidly than had first been envisaged when the first schedule was established in July. At that time, of course, it was done on a theoretical basis. However, since the original schedule was established, a number of things have happened which give us good reason to believe that we can move ahead quickly.

Many of these items have been under review by various bodies of this Organization for some time. Some of the items have been before the Council at least once, many of them twice, and some of them even three or four times. In addition - and much of this has taken place since the meeting of the Council in June - there have been additional, intense consultations on many of these points. We believe that through these consultations both during the Council meeting, the discussions at the CCLM and the discussions at the Council itself, there should remain on the majority of the items no outstanding problems. Consequently, perhaps we are being optimistic, but that is in fact a philosophy of the Secretariat of this Commission, and we think there is good reason to be optimistic.

Naturally this does not imply in any way that the items are not important. On the contrary, it is because these items are of great importance and it is customary for this Commission to have items of extreme importance, as has been the case in the past and is the case now, that they were vetted and reviewed many many times before they came to the Commission. We therefore believe that there has been a consensus reached. However, this is not an attempt to restrain the possibility for delegations to intervene here; that is not what I am saying - simply that there has been a great deal of agreement on it.

Therefore, from the schedule which appears in the document that one received each day (the Journal of the Conference for today, C 93/DJ/10), you will note that what we have suggested on the agenda today is that if possible we may be able to deal with all the constitutional and legal matters this morning and then begin in the afternoon with some of the financial matters. With your help and with some luck, we may be able to do that. Anyway, that is what we have proposed for the reasons that I have just stated.

CHAIRMAN: Thank you very much, Mr Stein. The first Agenda item is number 16, "Multilateral Treaties Deposited with the Director-General (Status as at 30 June 1993)". The document reference are C 93/21 and C 93/21-Sup.1. This item will be introduced by Mr Gerald Moore, the Legal Counsel.

III. CONSTITUTIONAL AND ADMINISTRATIVE MATTERS
III. QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES
III. ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS

A. Constitutional and Legal Matters

A. Questions constitutionnelles et juridiques

A Asuntos constitucionales y jurídicos

16. Statutory Report on Status of Conventions and Agreements and Amendments thereto

16. Rapport statutaire sur l'état des conventions et accords et sur les amendements y relatifs

16. Informe reglamentario sobre el estado de las convenciones y acuerdos y de las enmiendas a los mismos

Gerald MOORE (Legal Counsel): Mr Chairman, as you have mentioned, the documents before you are C 93/21, which is the basic document which sets out the status as at 30 June 1993 of the Multilateral Treaties Deposited with the Director-General, and C 93/21-Sup.1, which updates that document.

Mr Chairman, in accordance with Rule XXI.5 of the General Rules of the Organization, the Director-General is required to report to the Conference whenever a Conventional Agreement or a Supplementary Conventional Agreement concluded under Article XIV of the FAO Constitution comes into force or ceases to be in force or has been amended and the amendments have come into force.

In addition, under established practice, the Director-General informs the Conference of any development which may occur with respect first of all to Treaties, if any, concluded between FAO and Member Nations under Article XV of the Constitution; secondly, Treaties concluded outside the framework of FAO in respect of which the Director-General acts as depository; thirdly, the status of the Convention on the Privileges and Immunities of the Specialized Agencies in respect of FAO.

Mr Chairman, the two documents before you contain the relevant information on the present status of the Treaties to which I have just referred. It should be noted that the Statutory Report which has been submitted to the Conference follows basically the same pattern as earlier reports.

Since the submission of the previous report, and as reflected in paragraphs 133-137, the Conference of Plenipotentiaries which met in Abidjan, Côte d'Ivoire, on 12 and 13 December 1991, adopted the Agreement for the Establishment of the Intergovernmental Organization for Marketing Information and Cooperative Services for Fishery Products in Africa (INFOPÊCHE) for which the Director-General has been asked to perform depository functions. The Agreement, which has been ratified by Liberia on 9 November 1993, and to which three other countries have become parties, will enter into force on receipt of the 5th Instrument of Ratification or Accession. We have been informed that Cameroon, Côte d'Ivoire, Mauritania and Sierra Leone are in the process of ratifying the Agreement or acceding to it.

You may wish to note that institutions similar to INFOPÊCHE are being established with the assistance of the Organization for the Arab countries, which is called INFOSAMAK, and the Latin American and Caribbean Region (INFOPESCA)

Also as reflected in paragraphs 80-83 of document C 93/21, a Conference of Plenipotentiaries of States parties to the International Convention on the Conservation of Atlantic Tunas (ICAT) met in Madrid, Spain, on 4 and 5 June 1992 and adopted a protocol to amend the Convention.

In addition, as reflected in paragraphs 138-142 of the document, the Conference of Plenipotentiaries which met in Rabat, Morocco, from 16 to 18 February 1993, adopted the agreement for the Establishment of the Near East Plant Protection Organization (NEPPO), for which the Director-General has also been asked to perform depository functions. The Agreement, signed by 10 countries, will enter into force on receipt of the 10th Instrument of Ratification or Accession. The re-establishment of a Regional Plant Protection Body for the Near East has been fully supported by the Conference at its 25th Session in November 1989.

I would also like to note, Mr Chairman, that since the submission of the last report, the Agreement on the Network of Aquaculture Centres in Asia and the Pacific (NACA) and the Agreement for the Establishment of a Regional Centre on Agrarian Reform and Rural Development for the Near East (CARDNA) have also been amended. The amendments to the first one entered into force on 10 January 1993, while the amendments to the second Agreement adopted by CARDNA's Governing Council on 6 October 1993 will enter into force on 5 December 1993.

Finally, I would like to point out that following a request made by the riparian countries of Lake Victoria, the Organization is presently preparing, in consultation with the States concerned, a Convention for the Establishment of the Lake Victoria Fisheries Commission. The Draft Convention will be discussed at a Legal and Technical Consultation at the end of February 1994 and will be adopted, hopefully, by a Conference of Plenipotentiaries in June 1994.

With reference to paragraphs 20-26 of document C 93/21, the number of parties to the International Plant Protection Convention (IPPC), the revised text of which entered into force on 4 April 1991, is now 100. However, in view of the considerable importance of the Convention in strengthening international action against the spread of important plant pests, especially in the context of international trade, it seems highly desirable that all countries, including non-FAO Member Nations, should be encouraged to adhere to the Convention. The Conference may therefore wish to renew its appeal that it launched at its previous session to the States that have not yet adhered to the IPPC, to deposit an Instrument of Adherence with the Director-General as soon as possible.

Finally I would like to mention that in reply to a request for information made by the Organization, the Permanent Representative of the Federal Republic of Germany to FAO has informed the Organization that Germany has no basic difficulties against deleting all references regarding the former Berlin Declaration in the FAO document regarding multilateral treaties deposited with the Director-General. However, it has been pointed out that agreement to such deletion can only be given if FAO at the same time secures that all counter declarations, objections and other declarations of other nations relating to the Berlin Declaration will also be deleted.

The Organization is presently asking the countries concerned about their intentions on this matter.

CHAIRMAN: Thank you, Mr Moore. This item was presented for information and there is no need in our forum for any prolonged discussion, but if anybody would like to comment on it, please proceed. No. Thank you.

We move now to Item 17 Amendment to Rule XXXIV of GRO regarding terms of reference of the Committee on Constitutional Legal Matters. The document reference is C 93/LIM/13. The item will again be introduced by Mr Moore.

17. Amendment of Rule XXXIV of GRO regarding Terms of Reference of CCLM

17. Amendement de l'Article XXXIV du RGO concernant le mandat du CQCJ

17. Enmienda al Artículo XXXIV del Reglamento General de la Organización en relación con el mandato del CACJ

Gerald MOORE (Legal Counsel): Thank you, Mr Chairman. Again, before you on this subject is document C 93/LIM/13 entitled "Terms of Reference of the Committee on Constitutional and Legal Matters, (CCLM)."

This matter arose out of the discussions in the 100th Session of the Council in November 1991, and the remarks regarding the role and mandate of the CCLM made by the then Chairman of the CCLM, Ambassador Poulides of Cyprus. In accordance with the mandate given to it by the Council, the CCLM reviewed the terms of reference at its 58th Session in April 1992 in the light of the constant evolution of its work since the establishment of the Committee in 1957.

The CCLM made certain proposals for the amendment of its terms of reference as set out in Rule XXXIV of the General Rules of the Organization. These amendments are not designed to change the nature of the Committee, but to enable it to be of greater service to the Organization. The amendments were endorsed by the Council at its 102nd Session in November 1992, and pursuant to Rule XLVIII-3 were proposed to the Conference for adoption. They are designed firstly to define more clearly the competence of the Committee as regards the privileges and immunities of the Organization, and secondly to allow for referral by the Director-General or the Council of other matters not specifically listed in Rule XXXIV to the Committee, and thirdly to authorize the CCLM to make recommendations and to give advice on matters referred to it by the Council or by the Director-General.

The Conference, and this Commission in particular, is being requested to recommend the adoption of the amendments pursuant to Rule XLVIII.2 of the General Rules of the Organization. On this I should point out that when we come to the Plenary Session we will require a roll call vote and a two-thirds majority for the adoption of these amendments since they involve amendments to the General Rules of the Organization, but of course in the Commission no such vote is required and it is merely by simple acclamation that these recommendations and adoptions can be made.

CHAIRMAN: Thank you, Mr Moore. Are there any comments from the distinguished delegates on this item?

Samuel FERNANDEZ ILLANES (Chile): Sobre este tema quisiera hacer un comentario muy breve. Me ha tocado el privilegio y el honor de ser

presidente del Comité de Asuntos Constitucionales y Jurídicos en los dos últimos años. He podido, por lo tanto, comprobar de manera fehaciente el gran trabajo realizado por este Comité. Asimismo, he podido comprobar también que las materias que han sido objeto de este Comité toman cada vez mayor trascendencia, mayor importancia, y se hace necesaria su adecuación a los nuevos desafíos de esta Organización. Por lo tanto, he pedido la palabra para apoyar firmemente estas enmiendas al artículo XXXIV del Reglamento General, que reflejan de manera exhaustiva aquellas posibilidades, cada vez mayores, de trabajo para el Comité.

Asimismo, una vez más, quisiera destacar el trabajo realizado por el Comité en estos últimos dos años en que he tenido el honor de presidirlo y rendir un homenaje, una vez más, al gran trabajo y eficiente labor realizados por la Consejera Legal y todo su equipo.

CHAIRMAN: Thank you very much, distinguished delegate of Chile. Is there anybody else please?

Gerald MOORE (Legal Counsel): Thank you. I draw the attention of the Commission once more to the fact that there is the Draft Resolution on the revision of Rule XXXIV of the General Rules of the Organization which is set out in the Appendix to the document, and this is really the one you are now being asked to approve in the Commission and recommend for adoption.

CHAIRMAN: Thank you, Mr Moore. Are there any other comments from the distinguished delegates?

Well, I think the point is rather clear. We heard that the distinguished delegate of Chile was working on this item. So the consensus, I presume, of this meeting is that we recommend the adoption of this item to the Conference.

We move now to Item 18 Amendment to para.10 of Appendix to Conference Resolution 46/57, document reference C 93/LIM/14. This item again will be introduced by Mr Moore.

18. Amendment to para. 10 of Appendix to Conference Resolution 46/57

18. Amendement du par. 10 de l'Annexe à la Résolution 46/57 de la Conférence.

18. Enmienda del párr. 10 del Apéndice a la Resolución 46/57 de la Conferencia

Gerald MOORE (Legal Counsel): Just to repeat again, the document before you today on this item is document C 93/LIM/14, which is entitled Amendment to para. 10 of the Appendix to Conference Resolution 46/57, and it contains the Draft Resolution for adoption by the Conference setting out the proposed changes to paragraph 10.

Mr Chairman, this matter arose out of the consideration by a Technical Conference in 1992 of the Draft Agreement for the Establishment of the Indian Ocean Tuna Commission, a subject which you will note is also on your agenda today.

At the time of the Technical Conference in 1992, the Member Nations concerned wished to adopt a more flexible wording for the reservations clause in the Draft Agreement, that is the Draft Agreement on the Indian Ocean Tuna Commission, that will be in line with modern international law and in particular with the precepts of the Vienna Convention on the Law of Treaties. At that time the Technical Conference itself felt constrained by the wording of paragraph 10 of the Appendix to Conference Resolution 46/57 which sets out the principles and procedures which should govern conventions and agreements concluded under Articles XIV and XV of the Constitution, and Commissions and Committees established under Article VI of the Constitution. This paragraph 10 was adopted at a time when the development of international law with respect to reservations was still unclear. I should point out that the entire principles and procedures are of course set out in Part R of our Basic Texts.

The Member Nations concerned considered that the present wording of paragraph 10, which calls for a standard provision on reservations to be inserted in all Article XIV agreements requiring all reservations to be approved by all the parties to the agreement, was too restrictive and out of line with modern international law. This view was shared by the Committee on Constitutional and Legal Matters (the CCLM) at its 59th Session in September 1992, which recommended the revision of paragraph 10 by the present session of the Conference.

The new wording suggested by the CCLM and endorsed by the Council is set out in the Draft Resolution which is appended to document C 93/LIM/14. I will just read that:

"Reservations

10. A clause on the admissibility of reservations may be inserted in conventions and agreements. Any such clause shall be in line with public international law as reflected in particular in the provisions of Part II, Section 2 of the Vienna Convention on the Law of Treaties of 1969. Failing such a clause, the admissibility of reservations shall be governed by public international law as reflected in the above provisions of the Vienna Convention. The Director-General of the Organization shall notify all signatory, acceding and accepting governments of all reservations".

Mr Chairman, the Conference is now called upon to consider and formally approve the new wording for paragraph 10 of the Appendix to Conference Resolution 46/57, as set out in Part R of the Basic Texts, and has to adopt the new wording as set out in the Conference Resolution which appears at the end of the document which I have referred to.

CHAIRMAN: Thank you Mr Moore. As you have noted, this item has been approved by the Council at its 103rd Session in June 1993 and has been referred to this Commission, so we recommend its adoption to the Conference. Do I hear any comments please?

Francis Montanaro MIFSUD (Malta): I have no comments on the substance which I think is perfectly clear to us all. However, with regard to the title of the Draft Resolution, I would like to bring your attention to a point which was picked up in our Resolutions Committee but which has evidently not been

transmitted to the part of the Secretariat concerned with the processing of these documents, although it is reflected in the report of the Resolutions Committee.

In the title the penultimate line speaks of "Section R of Volume II of the Basic Texts". In the body of the Draft Resolution the reference is to "Part R" which I think is the normal term that is used. So besides that Section R is not necessarily in Volume II of the Basic Texts, it just happens to be in Section or Part R of the Basic Texts irrespective of the number of volumes in which the Basic Texts are reproduced.

So might I relay to you that the proposed amendment from the Resolutions Committee is to the effect that we should have here in the penultimate line "Part R of the Basic Texts", and not "Section R of Volume II of the Basic Texts". I thought it would be useful to pick up this error now before it goes to Plenary.

Gerald MOORE (Legal Counsel): I am in perfect agreement with that. I think that it is a perfectly correct amendment to this title. I would add that the reference in the title should in fact be to para 10 of the Appendix to Conference Resolution 46/57.

CHAIRMAN: Are there any other comments? I think it is the consensus of this meeting that this item be recommended to Conference for adoption.

We move to item 19.1. Abolition of the Panel of Experts on Emergency Action Against the Desert Locust and Other Crop Pests and Abolition of the Advisory Panel on Epizootiology, document reference C 93/LIM/20. Mr Moore will introduce the subject.

19. Other Constitutional and Legal Matters:

19. Autres questions constitutionnelles et juridiques:

19. Otros asuntos constitucionales y jurídicos:

19.1. Abolition of the Panel of Experts on Emergency Action Against the Desert Locusts and Other Crop Pests and Abolition of the Advisory Panel on Epizootiology

19.1. Suppression du Groupe d'experts chargés des mesures d'urgence contre le criquet pèlerin et autres ennemis des cultures et suppression du Groupe consultatif sur l'épizootologie

19.1. Supresión del Cuadro de Expertos en medidas de urgencia contra la langosta del desierto y otras plagas de los cultivos y supresión del Cuadro de Expertos en Epizootiología

Gerald MOORE (Legal Counsel): As we are moving quite fast, I will repeat that the document before you is C 93/LIM/20, entitled "Abolition of the Panel of Experts on Emergency Action Against the Desert Locust and Other Crop Pests and Abolition of the Advisory Panel on Epizootiology." As you will notice, there are two panels of experts that are recommended to be abolished. I will explain.

The Panel of Experts on Epizootiology was established by the Director-General under Article VI.4 of the FAO Constitution under

Resolution 35/65 adopted by the Conference at its 13th Session in 1965. In 1969, the Conference by Resolution 17/69 decided to maintain it. At the same time the Conference requested the Director-General to also establish an advisory panel on desert locust control, later called Panel of Experts on Emergency Action Against the Desert Locust and Other Crop Pests.

In 1975, the Conference by Resolution 33/75 decided to maintain both panels.

At its 12th Session in April/May 1993, the Committee on Agriculture agreed with the Director-General's recommendation that the Council request Conference to abolish the Panel of Experts on Emergency Action against the Desert Locust and Other Crops Pests since this panel, not having fulfilled its mandate, had been superseded by more effective mechanisms.

At the same time the COAG, noting that the Advisory Panel on Epizootiology also did not appear to be extant, requested the FAO Secretariat to prepare a document proposing its abolition on the basis of which the Council could recommend appropriate action.

The Council at its 103rd Session in June 1993 endorsed the recommendation of the Committee on Agriculture to abolish the Panel of Experts on Emergency Action Against the Desert Locusts and Other Crop Pests. The Council also recommended the abolition of the Advisory Panel on Epizootiology.

At the same time, the Council recommended that the mechanism for access to the Working Capital Fund to finance initial control activities in case of emergencies should be maintained and that the Director-General be required to consult only with the Chairperson of the Finance Committee or another member of that Committee as designated by the Chairperson before accessing the Working Capital Fund for such emergencies.

The Council then recommended that the Conference adopt the Draft Resolution included in document C 93/LIM/20, which is now before you and to which I draw your attention which I commend to you for your approval. I think that is really a matter of legal and constitutional housekeeping of the Organization.

CHAIRMAN: Do I hear any comments?

Dominik LANGKNBACHER (Switzerland): Fully in line with the proposal and in support of the swift mechanism that is proposed, I have a very small technical question.

In paragraph 2 on the one side we authorize US\$1 000 000 from the Working Capital Fund. In the latter part of that same paragraph we then do so "provided that no more than US\$700 000 be withdrawn". I do not see how these two figures actually match. May I have a small clarification from the Secretariat?

Gerald MOORE (Legal Counsel): I believe that there is a general authorization to the Director-General to withdraw up to US\$1 000 000 from the Working Capital Fund to finance these two emergency measures, but it indicates that the limit of US\$700 000, which is drawn from the previous

resolutions is a limit in any one biennium, first of all, and under either of the above headings, which I suppose means that you could have US\$700 000 withdrawn for the initial emergency measures for the control of outbreaks of livestock diseases and perhaps a further US\$300 000 for the initial control activities against locusts.

This is a matter that is a repetition, as I indicate, of a previous resolution, and I presume that this is the reason why these two figures are put here. We will certainly check to ensure that we are reproducing the provisions of the Resolution correctly. This is how I read the way in which the two figures fit together.

CHAIRMAN: I see that the Delegate from Switzerland is satisfied with the explanation. Are there any further comments?

We shall recommend that this item be adopted.

Item 19.2, Draft International Agreement on the Flagging of Vessels Fishing on the High Seas, documents C 93/26, C 93/LIM/23 and C 93/LIM/26. Mr Moore will introduce this item.

19.2 Draft International Agreement on the Flagging of Vessels Fishing on the High Seas

19.2 Projet d'Accord international sur l'attribution d'un pavillon aux navires pêchant en haute mer

19.2 Proyecto de Acuerdo Internacional sobre el Abanderamiento de los buques que pescan en alta mar

Gerald MOORE (Legal Counsel): Mr Chairman, the Conference has before it today for its consideration and formal approval a Draft Agreement to promote compliance with internationally conservation and management measures by fishing vessels on the high seas. First of all, I would like to clarify and explain the documentation before you today.

You will note that you have two versions of the text of the Draft Agreement, one presented in document C 93/26 dated August 1993, entitled "Draft Agreement on the Flagging of Vessels Fishing on the High Seas to Promote Compliance with Internationally Agreed Conservation and Management Measures."

This version of the text contains a number of provisions still in brackets.

The second is document C 93/LIM/26, entitled "Draft Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas." This version of the text contains no brackets and represents the final agreed version of the Draft Agreement as recommended by the last Session of the Council two weeks ago, and is the version that is before you today for your formal approval. I will repeat that the version of the Draft Agreement that you are being asked to consider today is contained in document C 93/LIM/26, and not that contained in the document C 93/26 dated August 1993. I trust that the reasons for the existence of two versions of the text will be clear when I explain the background of the Agreement and the history of its negotiations.

The Draft Agreement now before you for formal approval is a product of a brief but intense series of negotiations that have taken place primarily over the last nine months. The need for the agreement was first pointed out at the Cancun Conference on Responsible Fishing in April 1992 and in this sense the Draft Agreement draws its inspiration from that Conference and from the Declaration of Cancun adopted at that Conference.

The call for an agreement was reiterated by the UNCED Conference in June 1992 and was supported by the FAO Technical Consultation on High Seas Fisheries in September 1992. The FAO Council considered the matter at its 102nd Session in November 1992, one year ago, at which time it was agreed that the Organization should be entrusted with the task for drawing up a formal international agreement and facilitating negotiation of that agreement on the "fast track" with a view to its formal approval at the present session of the Conference.

Since then the sequence of events has been the following: (1) An informal group of experts was convened in February 1993 to draw up the first draft of an agreement; (2) The Draft Agreement was considered by the Committee on Fisheries at its 20th Session, which met in March 1993 through the mechanism of an open-ended Technical Committee established for that purpose; (3) The text of the agreement was then considered by the 103rd Session of the FAO Council in June 1993, again through the mechanism of an open Technical Committee, which met during the course of the Council session. At that session the Council was able to agree on the main lines of the Draft Agreement but did not have the time to reach agreement on all points. Some provisions, therefore, remained in brackets. However, the Council decided to send the draft text, brackets and all, to the Conference. This is the version set out in document C 93/26 dated August 1993. Meanwhile, the Council decided to request the Secretariat to continue informal consultations with FAO members with a view to resolving the outstanding issues. A series of informal consultations was held with interested FAO members on the occasion of the UN Conference on Straddling Fish Stocks and highly Migratory Fish Stocks which met in July 1993 in New York. At these consultations consensus was achieved on the text of the Draft Agreement.

Meanwhile, the text of the Agreement had been circulated to FAO members for comments in accordance with Rule XXI of the General Rules of the Organization. The results of the informal consultations in New York and the comments received on the Draft Agreement from FAO members were then considered by the Committee on Constitutional and Legal Matters at its 61st session in October 1993, and it was given their blessing with a few minor drafting amendments. The Draft Agreement was then further considered by the 104th Session of the FAO Council just two weeks ago in the context of its consideration of the Report of the CCLM and the further open technical committee was set up to finalize the text in light of the further comments received from Member Nations. The text you have before you then is the product of the work of the last technical committee and of the Council, which reached consensus on the Draft Agreement, recommending it for formal approval by the present Conference and acclaiming it as "a momentous achievement and a milestone in the international management of high seas fisheries".

With your kind permission, I would like to clarify three points about the Draft Agreement itself. First of all, the scope of the Draft Agreement as recommended by the Cancun Conference was to provide a framework for states to take effective action to deter reflagging of vessels by their nationals

as a means of avoiding compliance with applicable conservation and management rules for fishing activities on the high seas. During the course of the negotiations, the focus of the Draft Agreement has changed somewhat away from the act of flagging, which is essentially a matter for the transport and merchant shipping authorities in each state, towards the act of authorization to fish, which is a matter wholly within the competence of national fisheries authorities. The main concepts on which the present Agreement relies to achieve its objectives are the clear exposition of the notion of the responsibility of flag states for activities of fishing vessels flying their flags, including the requirement for the authorization by national authorities of all fishing taking place on the high seas and the requirement to prevent fishing vessels flying their flags from undermining international conservation and management measures and the transparency provided through the establishment of an international system of information exchange on the existence, authorization and activities of fishing vessels operating on the high seas.

Secondly, I would like to draw your attention to the fact that the Draft Agreement forms an integral part of the International Code of Conduct on Responsible Fishing as recommended in the Declaration of Cancun and, in fact, represents the first accomplishment of that Code. Other parts of the Code are now under active formulation.

Thirdly, I would draw your attention to the report of the Director-General on the technical, administrative and financial implications of the Draft Agreement as set out in Part II of the document C 93/26 dated August 1993.

The Draft Agreement now before you is the product of a fast track series of negotiations that had been carried out in a constructive and consensual atmosphere by FAO members. It represents the first substantive blow in the battle to bring high seas fisheries under management control and to ensure that high seas fishing is carried out responsibly. Once formally approved by the Conference, the Agreement will be circulated to all FAO members and eligible non-member states for their acceptance in accordance with their own internal constitutional procedures and will come into force after the deposit of the 25th instrument of acceptance.

I commend the Agreement to the Commission for its formal approval here, and I believe that on this matter, too, there is a resolution for the Commission to consider.

CHAIRMAN; Again, I feel that this particular document has been really very well prepared, and everybody has the information. I recommend that it be approved for approval by the Conference. However, do I hear any comments, please?

Frank D. BUCHHOLZ (United States of America): The United States fully supports the adoption of the Draft Agreement as part of the larger effort to elaborate a Code of Conduct for Responsible Fishing as envisaged in the Declaration of Cancun. We applaud the work of FAO and those states that participated in the negotiations on the Draft Agreement. In particular, we would like to commend the Director-General, the Fisheries Department and the Office of the Legal Counsel for their efforts to conclude this Agreement in time for this Conference. We believe that the Agreement, once enforced, will contribute significantly to the conservation and management of living marine resources on the high seas. To this end, we urge all

states, particularly those with fishing vessels operating on the high seas, to consider acceptance of the Agreement at the earliest possible time

Hubert DE SCHRYVER (Belgium): On Agenda Item 19.2, I would like to read the following declaration by the Presidency on behalf of the European Community and its Member States: The European Community and its member states want to congratulate the Secretariat for its fine and very valuable work which made the Agreement to Promote Compliance with International Conservation and Management for Fishing Vessels Fishing in the High Seas possible. We would have preferred the regime to have been tougher than the one now put forward. However, in keeping with the spirit of constructiveness that has motivated the Community and its Member States in its contributions to the drafting, and in the interests of consensus, we are happy to indicate our approval of the Agreement. The importance of the achievements of this Agreement is substantial and underlines our commitment to conservation and management objectives in conformity with the principles of responsibility and the sustainability of natural resources. We shall recommend its enactment to our authorities, and hope that it will be implemented as soon as possible and by as many as possible.

In connection with the further work on the Code of Conduct, we take the view that we would build on the momentum which has been created during the elaboration of the Agreement. We can do so by accelerating the work on the other elements of the code of conduct and, in particular, the general principles as proposed by the Chairman of COFI during the 104th Council and as outlined in his letter on this issue.

Samuel FERNANDEZ ILLANES (Chile): Gracias Presidente; gracias por darme una vez más el uso de la palabra.

Deseo manifestar la opinión favorable de mi delegación respecto de este proyecto de acuerdo, para promover el cumplimiento de las medidas internacionales de conservación y ordenación por los buques pesqueros que pescan en alta mar. Ha sido particularmente importante para mi delegación el haber participado en esas etapas del proyecto de acuerdo. Asimismo consideramos que es una materia de alta trascendencia para el Derecho Internacional, su desarrollo progresivo, su codificación y, fundamentalmente, para atender las necesidades de tantos países que ven con preocupación ciertas prácticas internacionales que no deben continuar en materia pesquera.

También, Presidente, ha sido motivo de satisfacción personal, para este delegado que les habla, en su doble carácter de presidente del Comité de Asuntos Constitucionales y Jurídicos, que tuvo la oportunidad de analizar este proyecto de acuerdo, y asimismo, en ese mismo carácter, como presidente del Comité del Grupo Abierto que creó el Consejo y que llevó, afortunadamente, a buen término este trabajo. Deseo, en ese sentido, destacar una vez más - como tuve la oportunidad de hacerlo ante el Consejo en las dos oportunidades precedentes - destacar, decía, la labor de acercamiento, de entrega, de apoyo y de consenso y gran espíritu negociador que demostraron todas y cada una de las delegaciones que participaron en esta redacción. Asimismo, el reconocimiento, una vez más, a la labor de la Secretaría, a la labor de la División de Pesca de la FAO.

Creo que estamos en presencia de un paso trascendente, un paso que forma y formará parte, del Código Internacional de Conducta sobre Pesca

Responsable, al cual, naturalmente, mi delegación da todo su apoyo y coincide plenamente con lo propuesto por el distinguido representante de España y presidente del COFI, en el sentido de dar un impulso adicional a dicho Código que tanta falta hace para todos los que están preocupados del sector de la pesca. Pero fundamentalmente destacar la labor que a la FAO y a todos sus miembros le ha correspondido en este proyecto de acuerdo que apoyamos y que, insistimos una vez más, recomendamos firmemente su aprobación por esta Conferencia. Gracias Presidente.

CHAIRMAN: Thank you very much, distinguished delegate of Chile. Next will be the delegate of Korea. However, I would like the future speakers to make it as short as possible unless there is disagreement, because everybody seems to be in agreement with this item, and I do not want to have a repetition of one of the previous meetings this year where a proposal was made by a distinguished delegate, and then there were 32 delegations that spoke about five minutes each in support of it.

Yong-Shik HWANG (Korea, Republic of): On behalf of the Korean delegation, I also would like to express my appreciation to the staff of FAO and the participants from many Member Nations for the outstanding work that they have done in drafting the International Agreement on the Flagging of Vessels Fishing on the High Seas. The Republic of Korea, as one of the biggest distant water fishing nations, believes that rational conservation, management and optimum utilization of marine resources will serve to benefit all of us by ensuring the supply of animal protein for food and fostering the economic activities of the countries concerned. My delegation expects that this new agreement in our fisheries history would enable us to bring about a fulfilment of our common objective of effective conservation and sustainable utilization of the marine living resources on the high seas. There still remains a lot of work to be done in the coming years to realize our common goals. My delegation believes that active participation and close cooperation of many countries concerned will be the cornerstone for the successful implementation of this important Agreement. We remain hopeful that an eventual incorporation of this Agreement into the Code of Conduct for Responsible Fishing will help the Code to serve as a fair and impartial instrument for the common objective of sustainable development in the use of marine living resources on the high seas.

Galo YEPEZ HOLGUIN (Ecuador): Muy rápidamente, Sr. Presidente, me permito solicitar la palabra para expresar la más sincera felicitación a quienes elaboran este proyecto y, especialmente, a los integrantes del Comité de Asuntos Constitucionales y Jurídicos. Deseo aquí felicitar a su presidente así como, también, al asesor jurídico de la FAO.

El documento recoge todos los principios fundamentales para la conservación y ordenación de estos recursos en alta mar. El documento formará parte del Código de Conducta, por eso deseo expresar el apoyo, también, a la propuesta del Presidente del Comité de Pesca para que se aprueben rápidamente estos principios.

U TIN MAUNG MYINT (Myanmar) : Mr Chairman, the study of the wealthiest production reveals that the wealthiest catch, after reaching a peak of 100 million tonnes in 1989, fell to 97 million tonnes in 1990 and has stagnated until last year. We have also come to notice that during the past

two decades the catch of a large number of the mussel stocks has declined significantly due largely to overfishing and that the major mussel species throughout the world have been overfished. The severity of overfishing is felt more in developed countries than in developing countries. The situation for pelagic fisheries also is not so encouraging.

There is, therefore, an urgent need not only for the fishing countries but also for the international community to exert every effort to prevent the occurrence of overfishing.

This could be achieved by introducing and imposing measures geared to a rational exploitation of fisheries. Therefore, the Myanmar delegation would like to strongly support the adoption of the Draft International Agreement of the Flagging of Vessels Fishing on the High Seas to promote compliance with internationally agreed conservation and management measures.

Aulânio Eugenio PEREIRA (Cap-Vert): Monsieur le Président, le Cap-Vert se réjouit des trois principes inclus dans le projet d'accord.

En premier lieu nous constatons que le principe de la responsabilité de l'Etat du pavillon est érigé en concept prioritaire; c'est un mécanisme pivot de l'accord. Ce principe revêt pour nous, ainsi que pour les pays de notre sous-région, une grande importance puisqu'il oblige l'Etat du pavillon à prendre toutes les mesures destinées à garantir qu'un contrôle interne est bien exercé à l'égard de ses navires de pêche. Nous nous réjouissons de l'élargissement de ce principe à de nouveaux domaines, celui de l'immatriculation des navires de pêche et celui de la protection des ressources de haute mer.

En deuxième lieu l'accord impose l'obligation, à la charge des Etats, d'établir un mécanisme de dépôt et d'échange d'informations. Or une proposition d'établissement d'un registre sous-régional de navires de pêche est à l'étude et sur le point d'aboutir dans notre sous-région. Il nous semble, de manière générale, que de nouvelles possibilités d'obtention et d'échange d'informations pourraient bénéficier à ce registre sous-régional et réciproquement aux futurs Etats faisant partie de l'accord. Mais cette question appelle un examen plus attentif, et elle n'est pas directement liée au débat qui nous retient ici.

En troisième lieu, nous nous réjouissons de constater que l'accord est conclu dans le cadre de l'Article XIV de l'Acte constitutif de la FAO. De plus, la FAO est appelée à jouer un grand rôle dans la gestion et la mise en oeuvre de l'accord. Nous sommes heureux de constater que la primauté de la compétence de notre Organisation dans le secteur des pêches est, une fois encore, pleinement reconnue. Nous ne doutons pas qu'elle constituera une garantie de succès de l'accord.

Voici les quelques raisons qui amènent le Cap-Vert à soutenir résolument l'accord destiné à promouvoir le respect des mesures internationales de conservation et d'aménagement par les navires de pêches opérant en haute mer.

Che Ani SAAD (Malaysia): Malaysia, being one of the coastal states, is happy to report that the extended jurisdiction arising out of UNCLOS 1982 has managed in great measure to achieve much of its objectives of better

management of fishing stocks in our waters, leading to modest benefits to our country.

We are concerned, however, with the present state of overcapitalization in the world fishing fleets, problems associated with straddling and highly migratory stocks beyond the EEZ and the high seas, control fishing vessels operating in the high seas, and reflagging of fishing vessels to assure compliance with applicable conservation and management rules for fishing activities on the high seas.

Malaysia knows, as a matter of fact, the yellow-finned tuna and bigeye tuna which are found in our waters of East Malaysia are of the same stock that abound in the South Pacific. Thus, we may see the time when we might wish to participate in fishing of those straddling stocks beyond our EEZ and the high seas. We do not wish to see those fish stocks totally depleted before then. Therefore, we wish to emphasize the importance of introduction of an international management regime for the affected fish stocks and to secure greater emphasis on flag state responsibility in these areas.

We laud the efforts of FAO in its endeavour to establish a new Indian Ocean Tuna Commission. We hope that this body will be able to put some measures in the practices of fishing around this region; recognize the needs of developing coastal states in terms of resources, technology transfer, and assistance with training to enable developing coastal states to fulfil their responsibility for conservation and management of straddling and stocks in high seas fishing.

We recognize a need for an agreement on the compliance with international conservation and management measures in the high seas and we are fully aware that a Code of Conduct for Responsible Fishing is in progress. It has been said that agreement on the compliance with international conservation and management measures of fishing vessels could be an integral part of the Code of Conduct for Responsible Fishing; but, in view of the urgency of the need for control of fishing vessels on the high seas, we are therefore supporting the introduction of this Draft International Agreement and principles associated with it.

Adrián ISSETTO (Argentina): Gracias, señor Presidente. Simplemente para expresar que la delegación argentina quiere presentar su apoyo al Proyecto de Acuerdo Internacional sobre el abanderamiento de los buques que pescan en alta mar y a la propuesta del Comité Técnico referente al tratamiento acelerado sobre el Código de Conducta.

Julio César LUPINACCI (Uruguay): Gracias señor Presidente. Trataré de ser concreto y conciso también yo, pero debo refrenar mis deseos de hacer un comentario de este trabajo que ha sido muy bien elaborado y no resisto especialmente señalar nuestra satisfacción por la labor de quienes han colaborado en este acuerdo y felicitar al Dr. Moore por la tarea que ha cumplido para lograrlo y por su contribución para lograr este feliz resultado.

Como él muy lo dice hay tres principios fundamentales en este acuerdo, señalar, sobre todo el principio de la responsabilidad del estado del pabellón y, también la instauración de un sistema internacional de intercambio de informaciones que es muy importante para el eficaz

cumplimiento de este acuerdo y, por supuesto, señalar, una vez más, que este acuerdo forma parte del Código Internacional de Conducta.

Solamente quisiera hacer una pequeña observación y es que hubiéramos deseado que en materia de cooperación internacional este acuerdo hubiera sido más firme, más definido en alguno de sus aspectos, pero, desde luego, estamos en la primera etapa de un proceso de instauración de un principio muy importante que se consagró en Cancún - que es el principio de pesca responsable - y en ese Código estableceremos muchas normas o reglas que permitirán una mayor y más eficaz cooperación internacional entre todos los estados.

Para terminar, señor Presidente yo quisiera primero agradecer la atención que se prestó a nuestras observaciones al texto español, que merecía algunas correcciones. Y en cuanto a ello se refiere - no se si es el momento apropiado, pero creo que sí - cabría una pequeña observación más en cuanto al texto español, que se refiere al artículo décimo sobre aceptación, en su segundo párrafo, cuando dice: "La aceptación en el poder del Director General", ese "el poder" no es correcto en signo español, debería decirse: "en poder del Director General".

El mismo error se produce en el párrafo cinco del artículo trece, sobre enmiendas en que habla también de "el poder" cuando debe decir "en poder del Director General". Una pequeña corrección, señor Presidente, en aras de una mejor presentación del texto en lengua española. Muchas gracias señor Presidente.

Francis Montanaro MIFSUD (Malta): There were various stages in the elaboration of the Draft Agreement in the meetings of the Technical Committee, and we fully endorse the end product and support the adoption of the Draft Resolution. As I mentioned in the Commission II and I would like to reiterate here, it is our understanding that this Agreement will be conceived as an integral part of the Code of Conduct for Responsible Fishing, and we therefore support the proposal made by the Chairman of the Committee on Fisheries for the elaboration of this Code to be maintained on a fast track so as not to lose the momentum we have gained in drawing up and concluding this Agreement.

Mr Chairman, I have to be brief and, therefore, I cannot thank sufficiently the Secretariat, the Fisheries Department, the Office of Legal Council, the Chairman of the Finance Committee, and our colleagues on the Technical Committee who contributed so much to arrive at what we hope will be our success. Thank you.

Ebrahim MAYGOLINEJAD (Iran, Islamic Republic of): Mr Chairman, ladies and gentlemen, on behalf of the Islamic Republic of Iran, I also would like to express our full support for the International Agreement on the Flagging of Vessels Fishing on the High Seas and congratulate the Fisheries Department, Legal Office, and all Member Nations involved for their efforts. In order to conserve fisheries' resources and its sustainability, I would like to ask FAO for further steps in this regard, especially the International Code of Conduct for Responsible Fishing.

Mrs Inga MAGISTAD (Norway): Thank you, Mr Chairman. Let me also state my country's full support for the adoption of this Draft Agreement and join

others in commending the FAO Secretariat for their very useful work in this respect. Even though we would have preferred a stronger instrument, we are very pleased to join in the consensus on this Draft Agreement and we, like others, would like to underline the importance of an early implementation of the Agreement. I thank you, Mr Chairman.

Robert ANDRIGO (Canada): Thank you, Mr Chairman. As this is an International Agreement, it requires the formal approval of the Ministers of Foreign Affairs and of Fisheries and Oceans of Canada. As members of a new Government which took office but one week ago, their commitments have not made it possible for them to address this matter. Mr Chairman, I do not foresee any difficulty but I do need a little more time to receive formal advice from my capital, and I would underscore that officials are acting on this matter on a priority basis. Nevertheless, I must defer transmittal of my Government's formal decision on this issue until later in the Conference.

CHAIRMAN: I take into consideration the reservations of Canada, which can be expressed during the Conference when this proposal will be made for final adoption. I therefore move that this Commission recommends the adoption of this item for the Conference. Am I correct, Mr Moore?

Gerald MOORE (Legal Counsel): Yes. I would just like to comment on one or two points that have been raised during the discussion and also to thank the delegates for their kind words for the Secretariat.

First of all, several delegates have raised the question that they would have liked a stronger Agreement. I just want to say that this is the first step, as it were, in adopting and getting the Agreement off the ground. There is always the possibility of amending the Agreement at a later time through a Conference session in order to make it stronger, if necessary, in the light of the experience of the implementation of it.

Secondly, to stress that the Agreement is an integral part of the International Code of Conduct on Responsible Fishing. I think it was mentioned at one stage during the discussions that "there was a possibility of waiting for the Code". I want to make it clear that the Draft Agreement here today will be the first part of the Code and that there will be other parts of the Code to follow.

Thirdly, a number of delegates have laid stress upon the need for early implementation. We will do what we can to help countries, through their procedures, to bring it into force and bring it to their attention, as it were, and also to work out guidelines with respect to the implementation of the Agreement national legislation. Indeed, we are thinking of holding some form of consultation which can produce guidelines for countries on implementing the Agreement into their national legislation. I believe, however, that the Assistant Director-General for Fisheries, Dr Krone, has some information with respect to the further aspects of the International Code of Conduct itself and the request from the Chairman of the Committee of Fisheries regarding speeding up the process on that.

W. KRONE (Assistant Director-General, a.i., Fisheries Department): Mr Chairman, since the Agreement which you have just passed is an integral

part of the Code of Conduct on Responsible Fishing, it is perhaps appropriate to give some information to delegates on how we intend to proceed with the preparation of the Code of Conduct, particularly in view of your expressed wish to put the elaboration of the General Principles of the Code on a fast track.

I have already informed the Council two weeks ago that the Secretariat has a preliminary draft of a number of chapters of the Draft Code, including the General Principles, in an advanced state of preparation. I also said that we hoped to be able to start consultations with experts and institutions early next year.

As to the General Principles, we could envisage a meeting of a small informal working group in February next year to review the first draft text prepared by the Secretariat. The group would be composed of 18-20 government-nominated experts selected by members in accordance with traditional practices of balanced regional representation in order to guarantee that all interests are represented. This relatively small working group is a key aspect in accelerating the process of drafting the chapter on General Principles, which will then be submitted to all Member Nations for consideration. If you agree to this proposal, we would kindly ask the Chairman of the Group of 77 and of the OECD Group to provide us with a list of 18-20 members, including representatives from Eastern and Central European countries. We would require this information in the first week of December in order to issue the invitations for the working group meeting. We also propose to invite to the meeting the Chairman of the UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks.

I should like to emphasize, Mr Chairman, that the product of the discussion in this working group would continue to be an informal Secretariat document, and there will be ample opportunity for all members and for other organizations to review and comment on this text. The first opportunity could be afforded at the UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks, which holds its 2nd Substantive Session in New York in March 1994. FAO has been closely collaborating with the UN Secretariat in the preparation of this Conference and this has been highly recognized by the Conference. At present we are preparing, as requested by the July Session of the Conference, two documents to be discussed at the next Session in March. One document deals with reference points for fisheries management, the other with the precautionary approach to fisheries management.

A draft text of the General Principles of the Code of Conduct as prepared by the Secretariat at the working group could be made available informally to delegates at the New York meeting. We believe firmly that this could usefully contribute to the discussions at that Conference. It is certainly our firm intention that our work on the general principles should be complementary with and supportive of the UN Conference debate.

Likewise, the discussions at the New York UN Conference will help us to further refine our draft text on the General Principles and, indeed, other sections of the Code of Conduct such as sections on fishing operations and fisheries management. The UN Conference in New York could also be used for informal consultations with governments in a similar manner as was done for the Draft of the Agreement which you have just passed at the last session of the UN Conference.

In the further process of elaborating the General Principles, we would envisage sending a revised text to COFI members in March/April for review and written comments, and countries would be requested to provide their comments by the end of August. The same draft will also be made available at the First Substantive Session of the UN Conference, which is scheduled to be held in August 1994. Based on FAO and COFI member comments and on any-relevant outcome of the UN Conference, a first draft will be prepared by the Secretariat in September for submission to the FAO Council in November 1994. This final draft will be sent to the Member Nations as much in advance as possible for their early consideration, and the November session of the Council next year may again wish to set up a technical committee in order to consider the draft and the comments received.

Mr Chairman, the Secretariat is aware that some countries would like to see the working group of government-nominated experts to be held rather after the next session of the UN Conference. We feel very strongly that the FAO Secretariat should go ahead, particularly in view of your unanimous recommendation to prepare the General Principles on the fast track. We will intensively participate in the UN Conference in March in New York. We cannot appear to have nothing in our hands, to have done nothing on the General Principles, as you have instructed us to do. On the other hand, we are convinced that, in the manner I have just described how we will proceed on the matter, a full coordination with the UN Conference is guaranteed.

CHAIRMAN: Before concluding this item and recommending it to be submitted for approval of the Conference under Article XIV.1 of the Constitution, I would like to thank the Chairman of the OECD who has presented a written statement for inclusion in the record on this important matter

G rard VIATTE (Observateur pour OCDE): Monsieur le Pr sident, je vous f licite pour votre  lection et pour celle des Vice-Pr sidents. Nous appr cions beaucoup les travaux conduits par la FAO dans le domaine des p cheries, et nous la f licitons pour les r sultats obtenus, notamment en ce qui concerne la Convention qui est pr sent e   la Conf rence. Vous me permettrez de saisir cette occasion pour  voquer bri vement les travaux du Comit  des p cheries de l'OCDE, et notamment l'activit  qui vient d' tre engag e sur la gestion des ressources marines vivantes.

De nombreuses nations de p che sont aujourd'hui confront es   une faible rentabilit  dans leurs industries, la surp che ou l'appauvrissement des stocks. Ce sont ces probl mes qui ont pouss  le Comit  des p cheries de l'OCDE   concentrer, dans les ann es qui viennent, la majeure partie de ses ressources   l'examen des aspects  conomiques de la gestion des ressources vivantes.

L'objectif d'ensemble du projet consistera, pour les pays membres,    changer des informations,   faire part de leurs exp riences respectives et des r sultats de leurs recherches sur la gestion des ressources biologiques de la mer dans les eaux plac es sous la juridiction des Etats c tiers et au-del . L' tude aura les objectifs sp cifiques suivants:

- a) Examen des pratiques des pays membres en mati re de gestion;
- b) Examen des aspects  conomiques de la gestion des ressources biologiques de la mer dans les eaux plac es sous la juridiction des Etats c tiers et au-del , y compris les aspects de gestion de

l'ajustement structurel, la gestion des pêcheries d'espèces multiples, la gestion des stocks chevauchant les limites territoriales et des espèces hautement migratoires. On évaluera dans ce cadre navires arborant des pavillons de complaisance;

- c) Détermination des domaines pour lesquels une coordination et une collaboration internationales pourraient être utiles, en tenant compte des travaux en cours dans d'autres enceintes internationales, notamment la FAO, sur le Code de conduite pour une pêche responsable.

L'OCDE compte que cette étude contribuera utilement aux travaux de la FAO sur un Code de conduite pour la pêche responsable ainsi qu'à ceux des Nations Unies sur la pêche en haute mer. En tout état de cause, elle représentera une nouvelle occasion de renforcer la coopération très intense qui a toujours existé entre la FAO et l'OCDE en matière de politique des pêches.

Merci Monsieur le Président.

Robert ANDRIGO (Canada): Thank you, Mr Chairman, and thank you particularly to Dr Krone for the explanation that he has given us of the procedure that he envisages for work on the General Principles of the Code of Conduct. As you know, we have supported work on the Code of Conduct and we have also given our agreement in principle to fast-tracking the work on the General Principles. This is the first time that we have heard something substantive behind how we would schedule that particular work, and I thank him for that.

Just a couple of comments on what was described: first of all, with regard to the meeting of government-nominated experts that is envisaged for early next year, I would expect that that meeting at this particular stage would be on the basis of participants taking part in their capacities as experts rather than as government representatives. This was the procedure followed in respect of the Flagging Agreement, and it is equally appropriate in this instance, given that we as Government do not yet know quite precisely what the contents of these General Principles might be, so I would just underscore that particular point.

I was very pleased to note that Dr Krone has underlined what was the decision of Commission II in respect of the necessity of this work needing to be complementary with, supportive of and coordinated with that of the UN Conference. I can only re-underline that, and emphasize certainly from my delegation's point of view the necessity of ensuring that the Chairman of the UN Conference in fact does participate. I think that this is by far the most effective way of ensuring absence of duplication and of ensuring full coordination and complementarity with that work.

I would have a question in respect of the process as currently outlined. We are proceeding to what was described, I believe, as a final draft for presentation to Council in 1994.

¹ Texte reçu avec demande d'insertion au procès verbal

In 1994, as I understood the original timetables, there should have been, or there is, a role for COFI to play in considering this particular Code of Conduct, and am I to understand that the final draft that is to be considered by Council in 1994 is the final draft to be subsequently submitted for the consideration of COFI, and then subsequent re-entry to the Council in 1995 as it wends its way to the Conference, which is the only body that has final approval over something of this sort? I would appreciate if Dr Krone could perhaps elucidate on that point.

CHAIRMAN: The next speaker and I hope the last speaker will be the Islamic Republic of Iran. We have spent already a considerable amount of time. We have two more items on the agenda and if I could not start the meeting on time, at least I would like to conclude it on time.

Ebrahim MAYGOLINEJAD (Iran, Islamic Republic of): We would like to express our support for Mr Krone's proposal, and we believe the member countries' domination through regional bases will be more effective.

Paul Neville ROSS (Australia): I will be very brief. I have listened with interest to the statement by Mr Krone. We note particularly his comment that it is the firm intention that FAO work on the General Principles should be complementary with and supportive of the UN Conference debate. We also welcome the intention to invite the Chairman of the UN Conference to participate in the proposed technical meeting next year.

Nevertheless, Mr Chairman, as Mr Krone indicated, Australia has concern about the timing of the proposed technical meeting. It is Australia's view that FAO should wait until after the March session of the UN Conference before convening an expert group to develop the General Principles section of the code. Please understand that it is the timing of the expert group meeting which is the issue, not FAO's role in coordinating the Code of Conduct, which we support. Australia has a strong interest in participating in the expert consultation. We consider the countries which have been active and constructive in the UN process need to participate. It is our preference that the basic principles be elaborated through the UN Conference first, and then brought into a more detailed practical context through the Code.

That said, Mr Chairman, it is not our intention to oppose this proposal from Mr Krone if it is acceptable to the majority of members. This is on the understanding, as mentioned by Canada, that the participants in the expert group be in their personal capacity, and that the Chair of the UN Conference be invited to the meeting.

Ms C. BOGLE (New Zealand): I also wanted to make just a few comments on the timetable that has been suggested to us by Dr Krone for the work on the General Principles of the Code of Conduct. Like other delegations, we supported the concept of accelerating this work on the basis that it in no way preempts important policy decisions which, as we know, are expected from the UN Conference on Highly Migratory Species and Straddling Stocks.

Now as we have seen, Conference will hold its next session in March and is expected to conclude its work in August, and this provides a good opportunity for a complementary tracking along of the two processes in

these two forums, but like Australia we believe it would be better if the experts' working group, which we are talking about here, could have the benefit of the outcome of the next session of the Conference, and the reason for this is that the Conference's work on principles relating to high seas management of these species would then be able to provide some high level guidance to the drafters of the Code of Conduct, and it seems to us this would be a more productive and cost-effective way to use a group of experts working on this issue. However, we would not insist upon this if other delegations believe that the February timetable is the more appropriate one.

In terms of finalizing the General Principles, I think it may be impossible to set a definite timetable, although consideration by the Council in November should be feasible, depending again on the outcome of the August session of the UN Conference, which is probably the concluding session of that Conference.

We very much support the idea of involving the Chair of the UN Conference in the expert group so as to ensure complementarity between the two discussions.

CHAIRMAN: In the future I would like to draw the attention of the delegates that we are discussing not timetables, not compositions, but whether this Commission recommends for the adoption by the Conference of an agreement. The points of various things can be worked out later on, but this Commission is not responsible for it.

O. TOUGAARD- (EEC): On behalf of the European Community I would also like to join the previous speakers in expressing my gratefulness to Dr Krone for the outline of the procedures for the further work on the Code of Conduct. We can in general give our support to his proposals.

As to the first meeting in early February next year, we find that this is convenient, it is logical, and we feel that the results of such an expert meeting may be usefully utilized as an input for the UN Conference during the second part of the month of March.

Likewise, we would also like to support the involvement of the Chairman of the United Nations Conference in this work.

CHAIRMAN. I would like again to point out that we are considering, and we have already agreed, that this draft will be submitted to the Conference for approval, and I have two more speakers and they definitely will be the last ones. They are Mexico and Norway.

José ELIAS LEAL (Mexico): Seré muy breve. Unica y exclusivamente, a nombre de nuestra delegación, agradecer los comentarios del Dr Krone y, desde este momento, apoyarlos en lo general. Me parece que son amplios, consideramos que es muy importante la elaboración del Código de Conducta y nuestra delegación se encuentra en la mejor disposición para estar presente y apoyar los comentarios que aquí se han hecho esta mañana.

Mrs Inga MAGISTAD (Norway): I will be brief. Just let me say that my delegation also is somewhat concerned about the timetable, and we support the comments just made and the questions raised by other delegations, in particular by Canada, and we would actually like to have a bit of clarification on how the Secretariat sees the time schedule and also the role of COFI, because, as was pointed out by Canada, this does not really seem clear to us.

Let me just put the record straight and say we support very much the idea of involving the Chairman of the UN Conference in this respect, and also as was stated by the others of course, we think there is a good case for awaiting the March meeting in the UN before we have the expert meeting.

W. KRONE (Assistant Director-General, a.i. (Fisheries Department): I did not mean to set up your agenda, but we have received some very useful comments in the Secretariat to allow this article to proceed further.

Just to reply to two points. Yes, this meeting - the experts coming there would be acting as experts and not commit the government in any way whatsoever. Regarding the finalization of the Code, it will be a matter for COFI to approve the final text, which will then go to Council and Conference in 1995. However, the General Principles which we have been asked to put on a fast track, we might - and I say we might - it might not be possible - have the Council in November decide on some final wording of it. If not, they will also go to COFI and follow the other parts of the Code in the same manner.

CHAIRMAN: We now move to item 19.3 Cooperation Agreement between the Organization for the Network of Aquaculture Centres in Asia and the Pacific and the Food and Agriculture Organization of the United Nations, document C 93/LIM/21.

19.3 Cooperation Agreement between the Organization for the Network of Aquaculture Centres in Asia and the Pacific (NACA) and the Food and Agriculture Organization of the United Nations (FAO)

19.3 Accord de coopération entre l'Organisation du Réseau de centres d'aquaculture de la région Asie et Pacifique (RCAAP) et l'Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO)

19.3 Acuerdo de cooperación entre la Organización para la Red de centros de acuicultura de Asia y el Pacífico (NACA) y la Organización de las Naciones Unidas para la Agricultura y la Alimentación (FAO)

Gerald MOORE (Legal Counsel): The document before you on this item is C 93/LIM/21 entitled "Draft Cooperation Agreement between the Organization for the Network of Aquaculture Centres in Asia and the Pacific (NACA) and the Food and Agriculture Organization of the United Nations."

Mr Chairman, NACA was established originally as a project funded by UNDP and executed by FAO. The project was very successful and the participating governments decided to convert it into a self-sustaining international organization. This was accomplished through the adoption of the Agreement on the Network of Aquaculture Centres in Asia and the Pacific in 1988, an

Agreement which entered into force in 1990, and now boasts some 12 governments as members.

The Agreement itself foresaw the adoption of a cooperation agreement with FAO, and the present Draft Agreement was proposed by the governing council of NACA and presented to the CCLM at its 60th Session in April 1993. The Cooperation Agreement, you will note, Mr Chairman, is itself very concise and has as its objective to establish and maintain a close working relationship between NACA and FAO mainly through the participation of FAO in the NACA Governing Council with observer status, and FAO participation in the NACA Technical Advisory committee as a full member.

The text of the cooperation agreement is set out in the Appendix to the document before you today, and is commended to the Conference for its formal confirmation under Article XIII.1 of the Constitution.

Che Ani SAAD (Malaysia): Malaysia has benefited greatly since the establishment of NACA in 1980 under FAO/UNDP funding. In 1990 NACA became an intergovernmental body with each member contributing to a common pool totalling about 250 000 Malaysian Ringgit per year. The main benefit is the ability of aquaculture training in freshwater and brackish water. Many of the staff and officers of the Department of Fisheries in Malaysia have been trained under the NACA programme as senior aquaculturists, and also in very technical areas of breeding and culture in freshwater and marine organisms.

NACA has already established four regional league centres in Wu-hsi, China, Bhubaneswar, India, Bangkok, Thailand and Iloilo, Philippines to carry out research to upgrade and develop new technologies for aquaculture. In addition, NACA conducts other programmes on aquaculture.

Malaysia is very supportive of NACA activities and its proposed agreement with FAO. This can only bring more benefit to member countries and help the development of aquaculture in my country and countries in the region.

CHAIRMAN: Thank you very Malaysia. Anybody else please? This item seems to be also very well prepared and straightforward and I move that the Commission recommends its adoption to the Conference. We move to the next item.

The next item is 19.4, Agreement for the Establishment of the Indian Ocean Tuna Commission, document C 93/LIM/27.

19.4 Agreement for the Establishment of the Indian Ocean Tuna Commission

19.4 Accord portant création de la Commission des thons de l'océan Indien

19.4 Acuerdo para establecer la Comisión del Atún del Océano Indico

Gerald MOORE (Legal Counsel): The document before you on this item is C 93/LIM/27, which contains the text of the Draft Agreement for the Establishment of the Indian Ocean Tuna Commission that has been submitted to you by the 104th Session of the Council, which met earlier this month and asked for this matter to be included on the agenda of the Conference today.

As you may know, the negotiation of this important international Agreement has quite a long history, dating back to an International Technical Conference held in Rome in 1989.

The need for the establishment of the Indian Ocean Tuna Commission has been recognized since that time and has never been questioned. It was reiterated at the Technical Conference held in June 1992, which reached broad agreement on the text of the Draft Agreement before you today. Recently the need has also been highlighted by the UN Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks, which seems poised to accord a major role to regional fishery bodies in the management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

However, a number of difficulties have risen, firstly, over the need to allow for full participation in the proposed Commission of the European Economic Community, and more lately over the wording of Article IV of the Draft Agreement that establishes the eligibility criteria for membership in the new Commission.

A series of intense negotiations has been held over the last 18 months in order to reach agreement on the wording, negotiations which seem now to have come to fruition.

The Draft Agreement was submitted to the 104th Session of the Council earlier this month for its formal approval. However, at the last moment the Council was informed that bilateral discussions between two potential parties to the agreement, the United Kingdom and Mauritius, which had formed part of the original compromise formula on Article IV, had not yet reached fruition and Mauritius was not in a position to formally approve the Draft Agreement.

I have now been informed by Mauritius that the bilateral discussions have reached fruition that it is now in a position to formally approve the Draft Agreement. That removes one of the barriers to the formal adoption of the Agreement, and I think the most important barrier.

The second difficulty has been occasioned by the perception of some potential parties to the Agreement - a perception I should add that is not shared by other potential parties - that the participation of both the EEC and two of its member states, the United Kingdom and France, would entail a "double voice" for the EEC and its member states in the new Commission. I should point out in this context that, this being a matter within the exclusive competence of the EEC, the EEC itself will join the Commission with a single vote and that other member states having fishing vessels operating in the region, such as Spain, would not be eligible to join the Commission.

In view of this expressed concern on the part of some FAO Member States, the Council at its 104th Session two weeks ago noted that this was an issue that should be explored in its wider perspective in similar situations in the Organization as a whole and, therefore, decided to refer this matter to the CCLM for its consideration with a view to carrying out a legal analysis of the issues involved and reporting to the Council at its 106th Session in November 1994.

In the meantime the approach adopted in the present agreement should not be viewed as pre-empting the outcome of that analysis and that report. On this basis and understanding, the Council, noting the urgent need for the

establishment of appropriate machinery for the management of tuna and tuna-like species in the Indian Ocean, recommended that the Agreement for the Establishment of the Indian Ocean Tuna Commission be submitted to the 27th Session of the Conference for its formal approval in the form presented to it in the report of the CCLM as amended by the Council.

The third obstacle to the formal approval of the Draft Agreement has also been removed with the formal agreement this morning of the amendment to paragraph 10 of Part R of the Basic Texts allowing for more flexibility in the wording of reservation clauses and agreements drawn up under Article XIV of the FAO Constitution.

One provision of the Draft Agreement remains to be agreed upon and that is the precise-wording of Article XVI entitled Coastal States' Rights. Following further discussions over the week-end with the countries most directly concerned, I am now in a position to recommend the following new wording as a compromise formula for this particular provision. I will read out the wording: "This Agreement shall not prejudice the exercise of sovereign rights of a coastal state in accordance with the international law of the sea for the purpose of exploring and exploiting, conserving and managing the living resources, including the highly migratory species, within a zone of up to 200 nautical miles under its jurisdiction.

I would refer you to your original document in which you will note that the words "relevant rules of" have been deleted, and the words which were included in brackets in the text before you, the words "of the sea", are no longer in brackets so that the change to the Article is merely that the second line would read "in accordance with the international law of the sea for the purposes of exploring and exploiting", etc.

In view of the above, Mr Chairman, I believe that the Conference is now in a position to formally approve the Draft Agreement under Article XIV of the FAO Constitution and to allow for the long-awaited establishment of the Indian Ocean Tuna Commission. Once formally approved by the Conference, the Agreement will be circulated to all potential Members for their acceptance and will come into force on deposit of the tenth Instrument of Acceptance.

Mr Chairman, I commend the Agreement to the Conference for its formal approval and I would draw your attention to the Conference Draft Resolution submitted to you, which would then encapsulate the approval of the Conference.

CHAIRMAN: Are there any comments?

Lam Cheng LAM THUON MINE (Mauritius): The Mauritius delegation wishes to confirm Mr Moore's statement regarding the discussions between Mauritius and the United Kingdom on the cooperation of fisheries to conserve resources in the waters around the Chagos archipelago. Having made sufficient progress in our discussions we are now pleased to welcome the Indian Ocean Tuna Commission Agreement and take this opportunity to thank the Secretariat for their efforts to obtain as convergent views as possible from Member States.

We also extend our thanks to the delegations of many thanks to the delegations of many countries for their support in setting up the IOTC.

Mrs Promilla ISSAR (India): It is with extreme gratification that India views the Draft Agreement on the Indian Ocean Tuna Commission that has been presented to this Conference. This is the result of a continuous exchange of views, discussions and deliberations on various aspects of the Agreement.

There have been certain modifications of the original draft on the basis of suggestions made by certain members. Some doubts and reservations have been expressed, and these have been discussed in detail in the document C 93/LIM/27, which is an extract from the Report of the 104th Session of the Council. India supports the views expressed therein.

Specifically, India agrees that the present formulation of Article 15 sufficiently addresses the problem of the possible duplication of the mandates of IOTC and other regional organizations. This is a facet relating to implementation, and the IOTC would be capable of handling it at that stage by ensuring continuous interaction with other regional organizations. India also agrees that the present formulation as suggested by Mr Moore of Article XVI may be accepted.

As indicated in paragraph 84 of the document, India strongly supports and recommends that the matter of the "double voice" of the EEC may be referred to the CCLM in order to carry out a legal analysis and report the outcome to the 106th Session of the Council, and that the present Draft Agreement should not be viewed in any sense as pre-empting the outcome of that analysis.

We would also like to reiterate that India is strongly committed to the formation of the IOTC. Such regional cooperation is important to the development of the deep sea fishery sector, application of technology and human resource development and sustainable exploitation of fishery resources of the region compatible to ecological concerns.

It has also been found that increasing the fishing efforts in the southern oceanic regions results in reduction of the migrating segment of the fish population by the time it reaches the Indian waters. Cooperation among countries fishing in the region would be extremely helpful and indeed necessary in directing fishing efforts strictly in accordance with environmental imperatives.

In the background of these interests and concerns, India would also like to offer to host the organization and to have the headquarters of IOTC located in India.

In conclusion, it may be stated that India agrees with and supports the approach outlined in the said document and the Draft Agreement for the formation of the Indian Ocean Tuna Commission appended thereto.

I would like to express special thanks to the Legal Counsel of the FAO for his efforts to establish the Indian Ocean Tuna Commission at this stage.

Raphaël RABE (Madagascar): La délégation malgache voudrait, elle aussi, manifester sa profonde gratitude à M. Moore, Conseiller juridique de la FAO, pour les efforts importants qu'il a déployés pour parvenir au résultat que nous constatons actuellement.

Malgré le fait que certains problèmes soulevés par les autorités malgaches compétentes à l'endroit de quelques dispositions du projet d'accord n'aient pas pu trouver de solution définitive, nous voudrions, nous aussi, nous joindre au consensus que se dégage pour l'approbation de l'accord par la Conférence; nous sommes convaincus de la nécessité d'aller de l'avant dans ce sens.

Nous voudrions cependant insister sur la nécessité de trouver des solutions urgentes à ces problèmes car leur persistance pourrait nuire en quelque sorte à l'efficacité qu'on attend de la Commission, et porter atteinte à la bonne entente entre les Membres qui devront étroitement coopérer, et sans réserve.

Ma délégation renouvelle donc son appui à l'approbation de cet accord.

Ray ALLEN (United Kingdom): I can be extremely brief. I would just like to confirm what has been said by the delegate of Mauritius regarding the bilateral discussions. We, too, welcome the establishment of this Commission, and I would like to express my appreciation to the Legal Counsel for all the hard work he has put into the establishment of this Commission.

O. TOUGAARD (EEC): On behalf of the European Community, which has been negotiating this Agreement on behalf of its Member States, I would like to express my deep appreciation of the excellent work done by the Secretariat on the establishment of this Commission. I wanted particularly to thank the Legal Counsel, Mr Moore, who we all know has played a leading role in seeing this Agreement through. With regard to the draft as it now stands, the European Community can accept the text as presented in the Conference paper C 93/LIM/27, Appendix F, and as it is proposed to be amended, in regard to Article 16. The European Community is looking forward to the implementation of this Agreement which will contribute to the improved management of fishery resources in its area of coverage. We have taken note of the previous interventions by some delegations over what they perceive to be a double voice for the EEC and its Member States. We want to emphasize that there exists no such double voice. We take the position that this question was settled by the general declaration of competence which the European Community submitted to FAO at the time of its accession. We can, however, agree that this matter be considered by the CCLM as proposed by the 104th Council.

Jacques LAUREAU (France): Je tenais également à féliciter, au nom de la France, notre ami Gerald Moore pour l'excellent travail qu'il a accompli, nous permettant de parvenir enfin à un accord sur la création de la CTOI.

Mon pays a déjà manifesté son intérêt, depuis plus de 10 ans, pour la coopération entre les pays et les territoires de cette zone en soutenant, dès le début, un projet du PNUD que tout le monde connaît bien, auquel nous avons contribué il y a 10 ans et qui se poursuit aujourd'hui dans sa cinquième phase.

La France se réjouit donc que la CTOI puisse reprendre cet héritage et puisse par ailleurs amplifier ses opérations de coopération auxquelles elle ne manquera pas également d'apporter des contributions.

Arrow Solomon OBURO (Kenya) : I wish to take this opportunity to express our appreciation to the Secretariat for document C 93/LIM/27. The Kenya delegation compliments Mr Moore for his clarity and excellent reduction of the subject. We commend FAO for the untiring efforts and determination with which its officials promoted consultations that facilitated compromises and agreement on the draft document for the establishment of IOTC as presented to us in document C 93/LIM/27, Appendix F. The justification for the creation of IOTC and activities in support of the same and the antecedent to the discussions today are comprehensively summarized in the extract from the report of the 104th Session of the Council, as reproduced on pages 1, 2 and 3 of the document under discussion. The same are echoed in the proposed Resolution, the draft of which is appended on page 4 of the document. The preamble to the Draft Agreement at page FI of the document further amplifies the need for IOTC. For this reason, I shall therefore not elaborate further on the reasons why the birth of IOTC must be allowed to happen. However, without any prejudice to our acceptance and support for the creation of IOTC, my delegation wishes to note with appreciation the Council decision and recommendation that concerns expressed over the double voice issue shall be referred to the Committee on Constitutional and Legal Matters, CCLM, and that the Conference decision taken in the meantime to adopt the Draft Agreement as it now stands shall neither prejudice nor preempt the analysis of CCLM on this matter. We therefore urge an expeditious conclusion of this matter. Concerning duplicity and complementarity between IOTC and other intergovernmental agencies whose mandates and functions may interface with those of IOTC, we believe the activities are and shall remain complementary and supplementary to each other. On one specific issue, however, that is the interrelationship between the Indo-Pacific Fisheries Commission and IOTC, taking note that the highly migratory fish stock come under the mandate of both institutions, now it is delegated to IOTC. We recommend that FAO undertake a comparative analysis of the mandate of both organizations, and where it is considered necessary, that the competence and work of IOTC will be enhanced by causing some adjustment of the functions of IPC. Let FAO formulate, after consultations with members of both organizations, changes it considers appropriate to be effected on IPC's mandate to improve performance of IOTC. With these observations, Kenya supports the creation of IOTC and recommends that the 27th Session of FAO approve and adopt the Draft Agreement for the establishment of IOTC, the Indian Ocean Tuna Commission, as presented in the document under discussion.

CHAIRMAN: Before giving the floor to Mr Moore and closing this item, I would like to give the floor to Mr Krone. After all, this is his baby, or his fish, and he might want to make some additional comment.

W. KRONE (Assistant Director-General, a.i., Fisheries Department): I want just briefly to respond to the concerns expressed by Kenya, and to some extent I think it was also indicated by the Indian delegation. The Indo-Pacific Fisheries Council has never been dealing with tuna in the Indian Ocean. The Indo-Pacific Fisheries Council has been dealing with tuna in the South China Sea area, while other parts of the Pacific Ocean have been covered by specially set up regional organizations outside the FAO framework. The organization which has dealt with tuna in the Indian Ocean has been the Indian Ocean Fisheries Commission, which had and still has a committee on tuna. That committee will continue until this organization, the IOTC, is established, but then it will not. It will not have any more need to meet because its function will have been taken over by the new

organization. So I do not think there is any particular danger. I can just say that the IPC will be meeting in two weeks' time in Bangkok and some issues of its restructured mandate will be covered, but it will not affect greatly the tuna fisheries in the Indian Ocean. I hope that has clarified the question of overlap between different institutions.

Gerald MOORE (Legal Counsel): Thank you Mr Chairman. I would like to thank delegates for their kind words and to indicate that the CCLM, of course, will be taking up the matter that had been referred to it already by the Council, and it will be taking up and reporting to the Session of the Council in November 1994.

CHAIRMAN: So the Commission decides that this item will be presented to the Conference for approval. Now I would like to give the floor to Mr Stein, the Secretary, because he has an announcement to make or a proposal.

Richard STEIN (Secretary Commission III): I am very content to see that we have been able to handle all of these matters this morning, and very important ones at that. I would propose, if the Commission is in agreement, that we might, since we lost a little bit of time at the beginning of the morning - it is twenty-five past twelve - if the Commission would be willing to try to take two more items for which we had asked some people to be here, including the representative of the Staff Association, that in principle should not require a long discussion. If you would be willing, we might be able to take those two items now. We are jumping over. We have chosen two that might be handled rather quickly. One would be Item 24.2, Personnel Matters, and the next one would be 24.3 on Commissary accounts. If you would be willing to do that, we might try it in the next 30 minutes.

CHAIRMAN: Does anybody disagree?

Frank D. BUCHHOLZ (United States of America): I have no disagreement with what Mr Stein has just proposed, but while we are discussing the scheduling of agenda items, I thought I would raise a concern of mine. That has to do with Item 22, the Financial Position of the Organization. It is my understanding that this will be raised this afternoon and that that was based on, I believe, what Mr Stein referred to as uncontroversial and items which can be supported by consensus. It has become apparent to me that there is no consensus behind the document which has been circulated, which I believe is C 93 LIM/18, and the Resolution thereby. While many delegations are sympathetic to the general thrust of that document, I believe there will be continuing discussions of some of the details that are contained in that document, and I would strongly suggest that to avoid delay in our afternoon proceedings that we move Item 22 back to where it was originally scheduled, which is tomorrow morning.

Richard STEIN (Secretary Commission III): Certainly, I think that we must take account of what has been said by the United States. Could I propose a possible compromise? But if you think it should only begin tomorrow morning, perhaps we could put it as the last item today because Item 23, in any case, will be handled tomorrow morning because that is one which will probably give rise to discussion. If in the course of the afternoon we were able to do the other items by putting 22 at the end of the afternoon if we had time to start it, or naturally, if you prefer to, we will do it

tomorrow. But it is just a suggestion. Naturally, it is up to the Commission.

Ray ALLEN (United Kingdom): I think the suggestion made by my colleague from the United States is a wise one. I think, by putting this item at the close of play this afternoon, we could well be here until nine o'clock tonight. This item will give rise to quite considerable discussion, I think, and I think it would be wise to leave it until tomorrow, where it was originally placed.

Nedilson RICARDO JORGE (Brazil): Just as a clarification of the schedule for tomorrow morning, is first discussed Item 22 and next Item 23? Is that the understanding?

Jacques LAUREAU (France): Monsieur le Président, je voudrais savoir ce que l'on va faire cet après-midi. Rien? Il y a les points 20 et 21, mais ces points durent cinq minutes.

Richard STEIN (Secrétaire Commission III): En réponse à la question qui vient d'être posée par l'Ambassadeur de France, il est vrai qu'il ne restera pas beaucoup à faire. Mais, si je n'ai pas perdu le compte, il y a tout de même les points 20, 21, 22.1, 24.1 et 24.4 au cas où. C'est pourquoi j'avais proposé, sans pour autant dire que les débats continueraient jusqu'à 21 heures, que l'on commence la discussion du point 22, si on avait le temps, tout en terminant à l'heure normale. Si toutefois on terminait, on pouvait discuter des autres points et les résoudre, ce qui est tout à fait possible, dans l'après-midi. Il me semblait qu'il resterait alors peut-être une heure ou une heure et demie avant 17h.30 pour commencer les discussions sur le point 22.

Sans réouvrir le débat (mais en même temps je le fais un petit peu) ce n'était pas pour achever le premier sujet mais pour commencer aujourd'hui. Mais, encore une fois, on peut voir quand on en sera là. Il reste tout de même quelques points à traiter cet après-midi.

Jacques LAUREAU (France) : Le point 22 forme un tout, on ne peut pas le saucissonner. On va regarder des statistiques, on va constater qu'il y a beaucoup d'arriérés de paiements, etc. Tout cela fait un tout et il ne faut pas le découper. A mon avis, si on décide de traiter ce point demain matin, il faudrait que dans les quelques minutes qui nous restent nous terminions une série de points, ce qui nous permettrait éventuellement cet après-midi de préparer nos interventions sur le point 22. Et nous pourrions traiter maintenant les points 24.1 et 24.3.

CHAIRMAN: I suggest that we adjourn the meeting of the Commission until 14:30 this afternoon, and a detailed programme will be prepared.

Abdul Rahman AL-MAHMOUD (Qatar) (Original language Arabic): I am looking at the programme for this afternoon, and we have 20 and 20.1, 22, 22.1; so what are we going to discuss? Are we amending the Conference Journal's programme? I think perhaps the Arabic version is different from the others; I do not know. Could I perhaps have some explanation?

Francis Montanaro MIFSUD (Malta): Might I suggest that we proceed with the agenda in the order it is set in the Journal for the Conference for today. I am afraid if we postpone 20-21 to this afternoon and add some other items, we will find it very difficult to get a quorum.

CHAIRMAN: Thank you. Well, according to the Journal of the Conference Order of the Day for this afternoon, at 14:30 hours we have Item 20, Item 21, Item 22, and applicable sub-items. Any comments on that, please?

Ashraf Mohsen Mohammed MOHSEN (original language Arabic) (Egypt): I would like to second the proposition by the delegate of Malta on the condition that the Chair would assure that we will finish by six o'clock.

The meeting rose at 12.45 hours.

La séance est levée à 12 h 45.

Se levanta la sesión a las 12.45 horas.



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FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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ORGANISATION DES NATIONS UNIES POUR L'AUMENTATION ET L'AGRICULTURE

conferencia

ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

C

C 93/III/PV/2

Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

SECOND MEETING
DEUXIEME SEANCE
SEGUNDA SESION
(18 November 1993)

The Second Meeting was opened at 15.10 hours

Mr J. P. Rivaud, Vice-Chairman of Commission III, presiding

La deuxième séance est ouverte à 15 h 10

sous la présidence de M. J.P. Rivaud, Vice-Président de la Commission III

Se abre la segunda sesión a las 15.10 horas

baio la presidencia del Sr. J.P. Rivaud, Vicepresidente de la Comisión III

LE PRESIDENT: Mesdames et Messieurs les délégués, je déclare ouverte la 2ème séance de la troisième Commission. Le Président de la Commission, M. Zemaitis, m'a demandé de présider cette deuxième séance. Je m'appelle Jean-Paul Rivâud de la délégation française.

Christian BERGER (France): Je me rallierai à la proposition qui consiste à traiter le point 22 demain, si tout le monde est d'accord, car c'est un point qui va conduire à de très longues discussions et qui est très important pour l'avenir de notre Organisation.

III. CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

III. QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

III. ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVAS (continuación)

20. Audited Accounts 1990-91

20. Comptes vérifiés 1990-91

20. Cuentas comprobadas de 1990-91

20.1. Follow-up to External Auditors' Recommendations (C 93/27)

20.1. Suivi des recommandations du Commissaire aux comptes

20.1. Aplicación de las recomendaciones del Auditor Externo

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): Since items 20 and 20.1 are related, with your permission we will take them together. I will begin with item 20, the audited accounts.

The Conference has before it C 93/5, C 93/6 and C 93/7. These are the final Audited Accounts for the biennium 1990-91 for the Regular Programme, the activities funded by the United Nations Development Programme and the World Food Programme.

In accordance with General Rule XXVII.7, the Finance Committee examined the Audited Accounts at its 74th Session. The Council reviewed the Financial Report of the Regular Programme and UNDP at its 102nd Session. It endorsed the recommendations of the External Auditor and recommended a Draft Resolution for adoption by the Conference. The audited accounts of the World Food Programme were approved by the CFA at its 36th Session in accordance with Paragraph 30 of the General Regulations of the World Food Programme. The Draft Resolution for the adoption of these financial reports is contained in document C 93/LIM/15.

I will now turn to the report on the Implementation of the External Audit Recommendations. This report is contained in document C 93/27. This is the first report to the Conference following its request at its last session that we provide information on actions taken to implement the recommendations made by the External Auditor. As you will note, the document provides separately actions taken in respect to the recommendations made in the report on the Regular Programme and the UNDP. For easy reference, we have quoted the recommendations in detail, together with our responses. You will note that actions have been taken in respect of most of the recommendations. Where the recommendations relate to the future, we have also taken appropriate note to ensure that they will be taken into account. As I believe the paper is self-explanatory, I do not

propose to address any of the recommendations in detail, but I will rather respond to any further information the members of the Commission may wish to have. Since the audited accounts in the report cover various areas, we have here my colleagues and myself who will be prepared to answer any questions which may be asked.

D.P.D. VAN RAPPARD (Netherlands): The report on the Implementation of the External Auditor Recommendations gives a positive picture. As such, we are pleased with that. However, reading paragraph 156 of the Financial Report and Statements Volume I gives a rather reserved picture of the financial reporting. This brings us to a number of questions. First of all, what are the criteria for the common auditing standards? Secondly, what tolerances have been applied? document C 93/5 mentions frequently the problems arising with FINSYS. These take a lot of the capacity of the Organization. This brings us to the question of how to continue with FINSYS. The document gives the impression that the internal control can be improved, reading paragraphs 157 and 158. A lot of control activities are being applied later on. The document report on the implementation of external audit recommendations should, although not too critically, be supported, particularly regarding the following recommendations : measures to improve the cash flow liquidity with all its effects for interest costs and the cut-down of the number of banking accounts; improve financial reporting, more timely improvement of the transparency. The third point is measures to improve the automatization system, FINSYS.

Ms Teresa D. HOBGOOD (United States of America): As one of several Member Nations that previously called for a report on follow-up measures implemented by FAO to respond to recommendations of the External Auditor, my delegation takes great pleasure in commenting on this important issue. The United States strongly supports financial management practices that improve FAO's accountability to Member Nations. In this respect, we are pleased to see that FAO is taking corrective action recommended by the External Auditor in his report on the 1990-91 Audited Accounts. Member States need a mechanism in place in FAO to ensure that recommendations of the External Auditor are implemented fully. Otherwise, mistakes will be repeated, internal control systems will no longer function, and Member Nations' limited resources will be wasted. The report before us clearly represents a step forward. It is a testament to the vitally important role performed by the External Auditor in assessing the effectiveness and efficiency of FAO's operations. As the only external oversight mechanism focusing on FAO, we rely heavily on the External Auditor's independence, his or her judgement and assessment of the strength and weaknesses of financial management operations. We would like to pay tribute to the Controller and Auditor General of the United Kingdom, Sir Boyd Orr and his excellent team for their many years of sustained effort to improve FAO and Member Nations' oversight role. The United States would expect the United Kingdom's External Auditor to continue to play an important role in improving the accountability of the UN system to Member States, particularly as we seek to establish an independent oversight mechanism such as an Inspector General at the United Nations.

Turning to the issues addressed in C 93/27, we have several comments to make. First, we recall that the External Auditor recommended the recruitment of systems accountants in the Finance Division. We endorsed this recommendation since we believe that FAO must exploit advanced computer technology to enable Member Nations to get the highest returns on

their investment. In this respect, we would hope that the three positions for systems accountants will be filled at the earliest opportunity.

Second, with respect to enhanced controls for receivables and payables, we are concerned that it has not been possible to correct all of the errors. Mistakes in accounting transactions of this nature can lead to an overstatement or understatement of resources. This in turn makes it difficult to determine FAO's true cash position. Are there mechanisms in place to ensure that these problems will not recur?

Third, turning to the External Auditor's recommendation to disclose interest charges in the financial statement, we strongly favour this approach, irrespective of the material or immaterial amount of these charges. Such a practice is consistent with generally accepted accounting principles and enhances the transparency of FAO's financial data.

Finally, we are pleased to note that the standard basic executing agency agreement with UNDP was signed by FAO in April 1993. This is indeed welcome news. We look forward to examining future progress reports which could perhaps include the External Auditor's reactions to FAO's responses. Again, we are aiming for enhanced efficiencies, greater transparency and economies.

Ray ALLEN (United Kingdom): My delegation welcomes the issue of this report as a contribution toward transparency in the expenditure reporting process. Like the delegation of the United States, my delegation was one of those that called for the production of this document. I can fully support the statement just made by the delegate of the United States. We are particularly pleased to note that for the Regular Programme, appropriate follow-up action has been taken on the recommendations of the Auditor, particularly in the areas of improved management and related procedures for the development and enhancement of major computerized systems. On specific areas of the report, I would like to make the following comments, beginning with FINSYS/PERSYS. We are pleased to note that the functional review of FINSYS/PERSYS was completed earlier this year. In the context of this review, we would be grateful to hear what progress is being made on the requests for amendments to the system. Concerning the quality of systems documentation, we hope that the exercise is still on course, ready to be substantially completed by the end of the year. With regard to the disaster recovery plan, we would like to know if it was finalized by the end of October and whether arrangements have been made for it to be tested. On staffing issues, we are pleased to note the strengthened Finance Division and would be interested to hear whether the three new posts have now been filled, and also when it is envisaged that the permanent programmers will be engaged.

Turning to the Financial and Other Matters section of the paper, we are pleased to note that the costs of borrowing will be shown separately on the income and expenditures statement. We will be debating the issue of nonpayment of contributions tomorrow and will be pleased to hear how far the discount scheme has encouraged early payment of contributions. It would appear to us that it has had very little effect so far. We look forward to receiving future financial reports, including the separate statements showing changes in financial resources. We would be interested to hear how the work of the Task Force has progressed on analysis and clearing the receivable and payable accounts.

We are pleased that the financial reporting, including that to meet the Trust Fund donors' specific needs, has improved. Mr Chairman, we consider that the use of independent evaluation studies is an important tool to assess project impact, value for money, feedback on lessons learned, and recommendations for future projects and programmes. Without this effective feedback system the benefits of evaluation are not achieved. The cost-effectiveness of such projects needs to be assessed to see if the value of the product at delivery point exceeds the total cost of the delivery of the product.

On the UNDP we note the comments of the External Auditor and the Secretariat responses. I just add that we are pleased to note that new procedures and reports have been introduced and reported in paragraph 27(a).

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): There were a few questions. There was one by the distinguished delegate from the Netherlands about the common auditing standards. Mr Chairman, the auditing standards used by the External Auditor are as stated in his introduction to the report. These are the auditing standards agreed to by the panel of the External Auditors of the UN system, and they are based on the internationally accepted, generally accepted, auditing standards and they basically are standards which cover reporting standards, i.e., relevance of reports, reliability of reports. They are field standards; in other words, planning of audit work, audit work procedures, supervision of work, the independence of the External Auditor, the qualifications of the Auditor; so these are basically the standards which the Auditor is talking about, but they are ones which have been agreed and applied in the whole UN system by the different External Auditors of the various UN agencies.

There was a question on the system's accountants' posts being filled, or what is the status of these posts. Mr Chairman, these posts were authorized to have been filled. On the third one the recommendation is just being drafted. The candidate has been identified; so the third post should be filled soon as well.

There was another question, or a suggestion, that the External Auditor's reaction perhaps should be included in our report on the implementation of the Auditor's recommendation for future sessions.

The process is the External Auditor each biennium, when he produces his report, he revisits his recommendations; so he will be commenting on our implementation of his recommendations in his own report. So our report is a separate report to the Conference which they had requested, but the External Auditor in his report will include comments on the progress we have achieved on the implementation of his recommendations. So in his next audit report you would find, probably, comments on the progress we have achieved.

There was a question on the system's documentation. We made quite a bit of progress on this. The system documentation consists of 120 overview and unit-level sections organized in eighteen volumes. While most of the critical components of the system documentation are completed, the total sign-off on this documentation will be completed in the first half of 1994.

The drafts would be ready by the end of the year.

There was a question on the Disaster Recovery Plan. The Disaster Recovery Plan has been finalized as planned including completion of the outstanding phases, i.e., detailed requirement analysis, alternative analysis, and Disaster Recovery Plan preparation. At the moment we are in the process of preparing a tender for the provision of off-site facilities and that probably would take us into early next year, the tender process and evaluation process, but there has been good progress in that area.

For the functional review, Mr Chairman, there is a request for information on the progress in regard to the Functional Review. Mr Chairman, the Functional Review recommended that for certain modules we should migrate to packaged solutions, the reason being that since this was designed about in the early 1980's - that is, nearly ten years - and in the meantime technology has moved along, and the recommendation is that gradually we would move to back a solution for certain modules. Certain of the modules we should retain, like PERSYS or the payroll module, but before going in for such a process, one of the recommendations of the Consultants was that we should review all our administrative and financial procedures, in other words, streamline these procedures before evaluating the various packages on the market; and that is the process we have started, Mr Chairman. We are, in fact, in the process. We have started the process of reviewing and streamlining our procedures, and once that is completed - and the forecast is that we should be completing this review in about six months' time - and then we would start evaluating the various packages to migrate to package solutions, that is, for certain modules only.

There was a question on the receivables and the payables. There, also, we have - like we had reported, there were task forces established to clear some of this work. In fact, there has been progress. Some of the biggest accounts have been cleared. In fact, there are four large general ledger accounts which have been cleared, and work is progressing on the other accounts, and we hope to make progress and complete the work with the financial statements of this biennium.

This is the list of questions I have had. If I have missed any, I will be happy to come back to them.

LE PRESIDENT: S'il n'y a pas d'autres interventions, je pense que nous pouvons considérer qu'un consensus s'est dégagé sur le point 20 de l'ordre du jour, qui traite des comptes vérifiés de 1990-91, pour recommander l'adoption du projet de résolution par la Conférence qui est inclus dans le document C 93/LIM/15.

Par ailleurs, nous avons pris note du rapport sur la mise en oeuvre des recommandations du commissaire aux comptes. S'il n'y a pas d'observations, nous pouvons donc passer au point suivant de l'ordre du jour qui concerne le barème des contributions, et je passe à nouveau la parole à M. Mehboob pour qu'il nous présente ce point 21 de l'ordre du jour.

21. Scale of Contributions 1994-95

21. Barème des contributions 1994-95

21. Escala de cuotas para 1994-95

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): In accordance with past practice, a document containing a

resolution concerning the Scale of Contributions to be adopted for the next biennium, document C 93/LIM/4-Corr. 1, is presented to the Conference in compliance with the recommendations of the Council. The Council noted, at its 103rd Session in June 1993, that in accordance with the decision of the 8th Session of the Conference in 1955, the FAO Scale of Contributions for the years 1994-95 has been derived from the United Nations Scale of Assessments, in this case, the one in force during the calendar year 1993 as established by the General Assembly Resolution 46/221A of 20 December 1991. The Appendix to the document, Mr Chairman, sets out the proposed FAO scale for 1994-95, which had been modified since the recommendation of the Council to take into account the new Members -- Armenia, Bosnia-Herzegovina, Croatia, the Czech Republic, Eritrea, Kyrgyz Republic, Slovakia, Slovenia, South Africa, and the former Yugoslav Republic of-Macedonia -- admitted at the current Session of the Conference. The assessment rates of Member Nations in the UN Scale are lower than those in the FAO Scale since there is a difference in membership which requires a pro rata increase in the UN assessment rates in order to arrive at the FAO Scale of a full one hundred percent.

I would be pleased to answer any questions that Members may have on this matter.

Ernst ZIMMERL (Austria) (Original language German) : If we compare the scale of contributions for 1994-95 with 1992-93, then for many countries there seems to be substantial differences. These are due to economic developments in some cases or due to the fact that new Members have come in. This has worked out at 1.65 percent. If we analyse this together with C 93/LIM/17, Status of the Contributions, then we have to note that the sum of the percentages'Of the countries which have no arrears have gone down; whereas 5 percent of the 1994-95 budgetary income, more than US\$30 million, should come from countries that have considerable arrears, up to 200 percent. So more than US\$10 million should be here due by the new Member Nations; and with many of them, because of their extremely difficult economic situation or because of a conflict situation it is unlikely that timely payments can be made.

My delegation does not wish to call in question the readiness to pay of these two groups, but I think that we are required to consider the ability to pay of all Members of the Association on purely business grounds. From the business point of view, when we come to the conclusion of the 1994-95 Agenda, 5 to 6 percent of the income would appear to be in doubt and, therefore, we should consider where economies might be made.

Two further points : you and many of us might have noted that the interest of the Member Nations under the country statements have been somewhat limited. My delegation takes the view that one cannot expect Ministers to speak in a room where there are about 70 percent of the seats empty and many of those remaining do not seem to be following the speaker very intently.

My experience here illustrates that this situation has not occurred this year for the first time.

Secondly, in our Organization there are Commissions dealing with items that have aroused very little interest. I am thinking of sessions of the Intergovernmental Group on Rice, Oils, Oilseeds and so on.

If we look at the participant list, we can see that representatives of 50 countries have taken part, but if we consider the Members actually in the hall, we find that the numbers are considerably smaller. Only a part of the delegations come from capitals and are really concerned with the topics.

It must be observed that the interest in the topics debated has fallen off both on the developing country-side and also the developed. Mr Chairman, when there is an activity of our Organization that arouses only limited interest, then I think that we have to draw conclusions from that. Otherwise, we shall simply be here wasting our money and, of course, the poorest among our Members will be suffering thereby.

Yong-Shik HWANG (Korea, Republic of): As a member of OCONTUR, my country paid in full the annual contribution to the budget early this year. As you are well aware, the percentage of the contributions assessed to the country of Korea will increase from 0.26 percent to 0.81 percent, that is, more than a 200 percent increase for the 1994-95 biennium. Despite the budget restraint, my Government has decided wholeheartedly to accept the significant increase in the spirit of international cooperation and for the development of the work of FAO.

With regard to the financial situation and the status of contributions to the budget, my delegation takes note of the Director-General's suggestion that the Member Nations with limited resources in hard currency should be allowed to pay contributions in local currency, subject to the strict application of certain conditions, so as to facilitate the payment of assessed contributions. My delegation is of the view that the Director-General's suggestion deserves due consideration and could be studied further by the Financial Committee.

Alhaji MAI M. JIR (Nigeria): Looking at C 93/LIM/4 and C 93/LIM/4 Corr.1, on page G.3 of C 93/LIM/4, the proposed scale for Nigeria for 1994-95 was 0.24 percent and for 1992-93, 0.23 percent. I thought that we paid 0.24 percent in 1992-93. In C 93/LIM/4 Corr.1 both 1992-93 and 1994-95 are recorded as 0.23 percent. I think we paid 0.24 percent against 1992-93. Nigeria has outstanding only about 0.75 percent.

I also wish to support the previous speaker in relation to considering the possibility of countries having difficulty in the foreign exchange paying in their own currencies. We have also written to the UN to reconsider our assessed scale, but unfortunately we are still paying 0.24 percent.

Abdul Rahman AL-MAHMOUD (Qatar) (Original language Arabic): I would like to comment on what my colleague from Austria was saying about the new Member Nations of the Organization. I think that these new countries have taken into consideration the need to make contributions and to cover the arrears. That is another matter, and I do not think we ought to link arrears with the Scale of Contributions, which is what we are looking at now.

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): Mr Chairman, with your permission, I would like to ask the Director of Finance to answer this question.

E.S. OWENS (Director, Financial Services Division): I believe that the only question I noted for the Secretariat was the one from the delegate from Nigeria concerning the Scale of Contributions for 1992-93. It was 0.23 percent for 1992-93 for Nigeria. In 1990-91, it was 0.24 percent for Nigeria. I believe that is the only question the Secretariat need answer.

LE PRESIDENT: Merci Monsieur le Directeur des services financiers. J'espère que les réponses fournies ont satisfait ceux qui avaient posé des questions. Monsieur Mehboob a-t-il d'autres commentaires à faire? Puisque ce n'est pas le cas je pense, en conclusion de ce bref débat, que nous pouvons recommander l'adoption par la Conférence du projet de résolution qui figure donc au document C 93/LIM/4 - Corr. 1 intégrant les corrections par rapport "aux nouveaux Etats Membres.

Ne voyant pas d'autres prises de parole, nous pouvons donc maintenant passer au point 24. Et je passe la parole à M. Mehboob qui va introduire la question du point 24.2 "Questions de personnel".

24. Other Administrative and Financial Matters

24. Autres questions administratives et financières

24. Otros asuntos administrativos y financieros

24.2. Personnel Matters

24.2. Questions de personnel

24.2. Asuntos de personal

K. MEHBOOB, Assistant Director-General (Administration and Finance Department): Information on this agenda item is contained in document C 93/LIM/19. It refers to the recent activities of the International Civil Service Commission and the UN Joint Staff Pension Board: "Changes in Salary Scales and Allowances and Statistics of Personnel Services".

This information is provided for the Council on a routine basis at each session. The document under consideration, however, also includes information on the latest developments regarding Staff Post Adjustment problems arising from the devaluation of the Italian lira. My introduction will concentrate on this issue, Mr Chairman.

You will recall that the attention of the FAO Governing Bodies was on several occasions drawn to the negative impact of the devaluation of the Italian lira on staff remuneration as well as on the Organization's ability to recruit and retain high quality staff. Accordingly, at the ICSC Session held in March of this year FAO presented a paper explaining the situation and proposing remedies to mitigate the problems which arose from the instability of the local currency. The ICSC recognized that this situation merited special consideration and approved the implementation of a special measure.

However, at its 103rd Session, the Council noted that the special measure had done little to improve the situation and agreed to mandate the Secretariat to pursue the issue with the ICSC. The Council also suggested that it would be useful to have a new, in-depth survey as the latest cost-of-living comparison Rome/New York was undertaken in April 1990.

At its 38th Session in July 1993, at FAO's request, the ICSC considered an item concerning the quantification of the special measure applied to the Rome Post Adjustment. Following considerable discussion, the ICSC concluded that its previous decision provided suitable arrangements to alleviate the situation and that sufficient new elements had not been presented which would warrant a revision of that decision. The ICSC did, however, confirm the arrangements necessary for the conduct of the place-to-place cost-of-living survey in Rome in early 1994. The ICSC special measure is considered inadequate to improve the reduced value of pay in US dollar terms which seriously jeopardizes the Organization's ability to attract and retain high quality staff. As the Commission has now decided not to reconsider the special measure, the Organization is left in a situation where it is at a loss to consider what further measures it may take to redress these problems other than to await the results of the cost-of-living survey. As it is anticipated that the Rome/New York cost-of-living comparison would contribute to clarifying the questions raised in connection with the level of the Rome Post Adjustment, I can only conclude with the hope that the results of the survey will have a positive and significant impact on the problems described.

Mr Chairman, if there are any questions, my staff and I will be happy to answer them.

LE PRESIDENT: Avant d'ouvrir la discussion aux représentants des Etats Membres, le Directeur général a demandé que l'on autorise un représentant des trois associations de personnel à faire une déclaration relative à ce point 24.2 "Questions de personnel". En conséquence, je propose de donner la parole à M. Clive Elliott, Président en exercice de l'Association du personnel de terrain qui a été désigné par les trois associations pour s'exprimer en leur nom.

Clive ELLIOTT (Acting Chairman, Field Staff Association): I first would like to thank the Director-General for his permission to address you today. It is an honour for me to be given this opportunity and to speak to you on behalf of the three staff associations, the Field Staff Association, which covers all the long-term international professionals scattered around the world in field duty stations, the Association of Professional Staff covering all the professionals at Headquarters and, thirdly, the Union of General Service Staff covering the General Service staff here in Rome.

Yesterday the three staff associations took part in a celebration of the 18 years of service of the outgoing Director-General. We looked back with deep gratitude at the brighter aspects of the past, but today we want to look forward to the future and to share with you some of the concerns of our three associations. We also wish to take this opportunity to give our warmest welcome to the new Director-General, Mr Diouf, with whom we look forward to continuing the efforts to build a stronger and more efficient Organization to meet the changing needs of the Member Nations over the next six years. It is a daunting task in these difficult times, but he can count on the support of the staff, the great majority of whom are dedicated to fulfilling the ideals for which FAO stands.

This dedication and enthusiasm is nowhere clearer than amongst the field staff who often have to work under difficult conditions concerning their personal security and health. But it is very satisfying work, helping to build sustainable institutions in the countries that they serve and seeing

the end results of improved agriculture and nutrition, especially for the poorest sectors of the community. For these staff it is therefore of the utmost concern to see the way in which the resources for FAO field projects, particularly under UNDP funding, have begun seriously to shrink over the last two years. The signs of decline are alarming, and if the decline is not halted, the staff wonder whether FAO will have much of a field programme left within four or five years. There are many staff members both in the field and in the Headquarters who feel that FAO, without a strong field programme, would be insignificant on the world stage. The complementarity between the field programme and the Regular Programme is obvious, but the field programme has been described as the life-blood of the Organization. If that is so, then the field staff are its arteries and its capillaries delivering the blood to where it is needed, and it is of course the Member Nations amongst the developing countries that can directly benefit from the accumulated expertise and advice of FAO, and who stand to lose the most if the decline goes on.

There are many reasons for the current trend which are beyond FAO's control like the economic recession, leading to a decline in overall resources for technical cooperation activities, but there are others about which both Member States, FAO and its staff can do something. FAO staff and management, supported by Member States, represented by you, have to work harder at developing confidence, in both donors and recipient countries, that what FAO does in the field is done well, done efficiently, done sustainably by building national capacity and is good value for the money.

Some say that the day of long-term international professional project staff is over, and the future of technical assistance lies with national execution and short-term expert inputs. Field staff support national execution as the reality of the day. We recognize the increasingly important role for national colleagues as experts working on FAO projects, and we are fully involved in supporting the considerable growth of projects directly executed by governments.

At the same time we think that the necessity or not of longer-term international expertise depends on which disciplines you are talking about and what manpower resources are available locally. The best approach to successful national execution is probably a gradual one adapted to the realities of the local situation. We believe that the need for long-term expertise, albeit much reduced compared with ten years ago, may still be there in many countries, and that even under national execution there is plenty of scope for expert services to be provided by FAO on a longer-term basis.

We also feel that there is tremendous benefit, for example, to be gained by a national expert with two years' experience working shoulder-to-shoulder with an international expert with 20 years' experience, for a year or two.

Long-term problems need long-term solutions, and sustainable capacity building takes time. We believe that if these questions are not examined dispassionately and objectively, the rate of development of poor countries could well be slowed down.

The changing nature of the field programme has resulted in a decline of job security for field staff. In the last few months we have seen a steady flow of separations of very experienced colleagues whose services have been highly valued by their host countries but to whom no follow-up posts could be offered. At the same time, the prospects for the future and the

declining remuneration levels for professional staff is making it increasingly difficult to retain or find the best qualified personnel for the few jobs on offer.

The declining remuneration for professional staff is nowhere more keenly felt than in this expensive city of Rome. The professional staff at Headquarters received a body blow from the application of the outdated methodologies of the International Civil Service Commission (ICSC) when, last October, the Italian lira was significantly devalued. Some staff with heavy commitments outside Italy lost 20 percent of their salaries in dollar terms almost overnight. Efforts to persuade the ICSC to institute measures to restore the situation to what it was before the devaluation have produced only too little too late. We note that our sister organization, the World Food Programme, that rotates its field and headquarters staff, they are experiencing difficulty in persuading their staff to come to Rome because of the high cost of living, and our own Director-General has repeatedly expressed concern over the difficulties of attracting and retaining qualified staff for Headquarters posts.

The quality of the field programme and its ability to respond to the needs of member countries depends, to a large extent, on the quality of the technical and administrative support given by Headquarters. The field and Headquarters are inextricably interlinked. A reduced field programme has direct consequences on Headquarters; a weakened Headquarters will have direct consequences on the field programme.

Within this structure we should not lose sight of those who perform their tasks far removed from the limelight, and whose efforts may therefore go unnoticed and undervalued. I am speaking of the General Service staff who in the last 12 months have seen significant negative changes to their conditions of employment. At the Common System level the ICSC made changes to the GS Salary Survey Methodology, not so much to strengthen its technical validity as to effect savings on the remuneration of General Service staff. Three important points are missing from the discussion on GS remuneration. Firstly that the conditions of employment of the General Service category automatically reflect the local conditions in Rome and consequently any economic recession that prevails. There was no methodology change to curb General Service salaries; the economic recession itself will have this effect. Secondly, statistics of constructive maxima salaries, as opposed to actual paid salaries, gave an unrealistic picture of GS remuneration. For example, there is no General Service Staff member in Headquarters who receives the maximum salaries listed in the Programme of Work and Budget because there is no one at the top step and few, if any, who will reach this level which now requires at least 30 years of service.

Thirdly, in Rome, the General Service category is increasingly composed of staff members who come from a home country different from that of the duty station but very few have international entitlements since the category is, by definition, local. Unlike other international staff, the General Service meet a cost of high rents, home travel and children's education out of their take-home pay, not out of additional allowances set by the Common System and paid by the Organization. In discussions of staff remuneration, these points should not be ignored.

With regard to General Service pensions, the staff representatives in a spirit of compromise in the UN Joint Staff Pension Board, have agreed to changes to the methodology for the calculation of GS pensionable remuneration which, at the time they take effect in April 1994, will result

in a freeze of pensionable remuneration for many General Service staff members who are already suffering from such a freeze due to last year's implementation of a new significantly reduced scale of staff assessment rates. This freeze will be further prolonged when salary surveys conducted under the new methodology yield negative results. If this trend continues, *GS* pensions in the future may not be sufficient to maintain an adequate standard of living in the country in which the staff retire.

At the local level, as the Programme of Work and Budget for 1994-95 testifies, many savings are having to be made to *GS* posts. This is being done partly by abolishing or freezing posts vacated and no longer required, and partly by reviewing the existing job descriptions of to-be-filled posts and establishing them at a lower grade where feasible. The staff fear that a result of "this process will ruin career development opportunities and staff motivation unless it is part of an Organization-wide plan which ensures a vertical career ladder for General Service staff and sufficient training to permit lateral transfers. This still needs to be developed and must be developed if the dedication and commitment of the *GS* staff is to be sustained. The General Service wants to be made to feel members of a team and not to see their best efforts go unnoticed and unrewarded.

The Programme of Work and Budget in its Medium-Term Plan for 1994-99 lists several initiatives that could alleviate the problem of staff motivation and the Organization's need to attract and maintain adequately qualified personnel at all levels, and here I speak of all staff, both professional and General Service.

With regard to the conditions of service, in accordance with the Council Resolution of November 1992, measures which might be taken within the framework of the Common System will be actively considered. With regard to career development, attention will be given to training, performance appraisal and awards, better selection procedures, and job classification will be given attention.

In this framework staff consultation plays a crucial role. The UN General Assembly Resolution of December 1992 states that dialogue is of fundamental importance for the goals of the Common System. We must all work together to face the challenges that lie ahead, and the changes must be made in conjunction with the staff.

In conclusion, I think it will be clear to you that significant problems exist for *FAO* staff. I have highlighted to you the changes in the nature and scope of the field programme, the recent falls in professional remuneration, and the difficulties with the conditions of service of our General Service staff. Much remains to be done to turn these problems around, to boost staff morale so that the best possible service can be given to all member countries. We count on your support and understanding.

PRESIDENT: Je crois que viennent d'être évoquées les questions qui intéressent tous les Etats Membres de la *FAO* puisqu'il y va de la santé, du dynamisme de notre Organisation et aussi, peut-on dire, de sa capacité à s'adapter aux besoins nouveaux.

Je vais maintenant passer la parole aux délégués qui souhaitent intervenir sur ce point de l'ordre du jour, Questions de personnel. Si je vois bien, il n'y a pas d'intervention?... Très bien, merci au représentant du personnel.

Nous allons donc pouvoir maintenant passer au point suivant de l'ordre du jour, le point 24.3, Comptes du Groupement d'achats du personnel. Cette question va être présentée par M. Alhéritière.

24.3. Commissary Accounts

24.3. Comptes du Groupement d'achats du personnel

24.3. Cuentas del Economato

D. ALHERITIERE (Directeur, Division des Services administratifs): Parmi les dernières recommandations du Conseil figure un projet de résolution concernant les comptes du Groupement d'achats du personnel, plus connu sous son vocable-anglais de Commissary. S'agissant d'une modification du système actuel de transfert des profits du Groupement d'achats au Fonds d'aide sociale, permettez-moi d'expliquer brièvement le sens et la nature du changement proposé.

Jusqu'à maintenant, le Fonds d'aide sociale recevait 0,5 pour cent du produit des ventes du Groupement d'achats, mois par mois. A la clôture des comptes annuels, il recevait l'ensemble des bénéfices éventuels du Groupement. Bon an, mal an, ceci représentait une somme totale équivalente à 1,2 pour cent des ventes du Groupement. La proposition actuelle ne vise pas à augmenter ce pourcentage global qui devrait rester autour de 1,2 pour cent, mais à rendre les versements du Groupement d'achats au Fonds d'aide sociale à la fois plus réguliers et plus flexibles. Les versements mensuels au Fonds d'aide sociale seront doublés pour passer de 0,5 pour cent à 1 pour cent des ventes. Mais les profits annuels du Groupement d'achats ne seront plus automatiquement versés au Fonds d'aide sociale. Ils pourront, en partie ou en totalité, être retenus, gardés par le Groupement d'achats pour commencer l'année dans un meilleur confort comptable.

La proposition qui vous est faite a reçu l'aval unanime du Comité financier et du Conseil. Elle avait auparavant été soumise au Comité mixte du Groupement d'achats pour consultation.

Ernst ZIMMERL (Austria) (Original language German): There is a Commissary Committee. Representatives of the Staff Association are members. In the Staff Association publication I read that the representatives of the Committee have withdrawn because they have not been sufficiently informed on the use of the money resulting from profits that go to a particular fund. We just heard about that.

It was also noted that commissary costs were covered where there was no good cause.

Perhaps I might ask the following questions of the Secretariat. Does the Commissary make a surplus and how high has that been in the last few years? What happens with the profit? We hear now that it goes to a particular fund, but what does the fund do with the money? Does the commissary pay a rent to FAO for the premises taken up and, if so, how much? Does the Commissary also carry staff costs? Does it pay wages to people who are active in other areas of FAO?

D. ALHERITIÈRE (Directeur, Division des Services administratifs): Le distingué délégué de l'Autriche nous a posé trois questions concernant le Groupement d'achats du personnel.

La première, si je l'ai bien comprise, a trait au volume des bénéfices et à leur affectation. Comme vous le savez, le Groupement d'achats ne doit pas en principe faire des bénéfices. Mais comme il est bien entendu très difficile de mener une opération commerciale avec un résultat annuel nul égal à zéro, et comme il n'est certainement pas souhaitable de risquer d'être en déficit, la pratique des trente dernières années a été que le Groupement d'achats a toujours conclu l'année avec un certain bénéfice, toujours modeste. En 1992, ce bénéfice a été légèrement plus important qu'à l'habitude, car nous avons eu un important dédommagement d'assurance au dernier moment avant la clôture des comptes, qui a augmenté le solde positif. Et pour répondre à la question du distingué délégué de l'Autriche, la somme totale des bénéfices a été de 200 millions de dollars environ.

C'est précisément pour éviter en partie un versement trop important au Fonds d'aide sociale que nous avons proposé qu'une certaine flexibilité soit donnée à l'administration de façon qu'une partie de cette somme puisse nous aider à commencer l'exercice financier de l'année suivante dans des conditions favorables. Comme vous le savez, le Groupement d'achats commence l'année avec des coûts qui, généralement, excèdent ses revenus puisqu'il y a certains coûts incompressibles comme les coûts du personnel. Or, le Groupement d'achats fait 25 pour cent de ses affaires dans les deux derniers mois de l'année, en novembre et décembre, et, au mois de janvier-février, évidemment, il y a une certaine tendance à la baisse. Les coûts sont alors généralement plus élevés que les revenus.

Donc, cette flexibilité permettra à l'administration de transférer en tant que de besoin une partie des bénéfices pour commencer l'année dans des conditions plus favorables d'un point de vue trésorerie et d'un point de vue financier. Cet argent, qui va au Fonds d'aide sociale, était versé de façon très irrégulière puisque un tiers seulement de ces fonds provenaient du prélèvement mensuel sur les ventes du Groupement d'achats et les deux tiers du bénéfice dont la somme exacte n'était connue que quelques mois après la clôture de l'exercice financier.

Pour rendre ces versements plus réguliers sans les augmenter, je précise bien sans les augmenter, la part versée régulièrement mois par mois sera elle doublée, c'est-à-dire que le prélèvement sera de 0,5 à 1 pour cent sur les ventes. Et à la fin de l'année, évidemment, la part qui sera versée d'un bloc sera diminuée en proportion.

Le Fonds d'aide sociale est un fonds qui finance une série d'activités au profit du personnel. Je ne vais pas vous énumérer toutes les activités que ce fonds finance, mais il finance en particulier les activités sociales du personnel, les différentes subventions versées aux clubs.

La seconde question du distingué représentant de l'Autriche avait trait au loyer du Groupement d'achats. Celui-ci, effectivement, paye un loyer à l'Organisation depuis quelques années, pour rester dans la philosophie d'origine, voulue par la Conférence, philosophie d'autosuffisance. Néanmoins, il serait inutile de cacher qu'effectivement pendant de très nombreuses années le Groupement d'achats n'a payé aucun loyer à l'Organisation pour ses activités.

La troisième question avait trait au remboursement des frais éventuels du travail opéré par les vérificateurs des comptes, tant interne qu'externe. Et bien, il y a également remboursement des dépenses pour le travail effectué par les deux vérificateurs, interne et externe. Le Groupement d'achats rembourse les dépenses encourues par ces deux organismes. Là encore, cela n'a pas toujours été le cas, mais c'est une décision qui a été prise, toujours dans la ligne de la philosophie d'ensemble de l'autofinancement du Groupement d'achats et à l'occasion de la crise financière qui avait frappé l'Organisation dans la seconde moitié des années 80.

K. MEHBOOB (Assistant Director-General, Administration and Finance Division): I just wish to supplement something that Mr Alhéritière said, which concerns the surplus.

It is not simply the arithmetic of arriving at zero at the end of the year. The Commissary, being a commercial entity, must have a surplus at the end in order to create certain reserves, etc., and the fact that it is a nonprofit institution does not mean that there will be zero at the end of the year. It still has to have certain reserves to supplement its ongoing situation. Therefore, a surplus is foreseen at the beginning of the year. The effort is not to arrive at zero at the end of the year. A commercial organization run on proper lines must have some surplus at the end. What it means is that no dividends are paid out. The surplus is ploughed back into the Commissary.

Ernst ZIMMERL (Austria) (Original language German) : I would like to have some additional clarification. We have heard what the surplus was for 1992. I would have been happy to hear what it was for 1990-91. On the Social Aid Fund, who controls the money? Is it FAO employees or someone else who has the disposal of the money? And why does the Commissary pay rent to the FAO? I was discussing this with Italian colleagues, and I think that FAO is paying the Government one lire per year, or is it one dollar? So I wondered whether in the Commissary there were people being paid by the Commissary but who are actually active in other areas of the FAO. I think I did not have a reply to that.

Mustapha-Menouar SINACEUR (Maroc): Je vous remercie. Il est bien entendu qu'ayant déjà eu à traiter cette question au Comité financier, nous approuvons le projet de résolution qui nous est soumis et qui sera transmis à la Commission plénière de la Conférence.

Je voudrais passer une petite question à Monsieur Alhéritière étant donné que certaines évolutions se sont produites depuis les discussions que nous avons eues au Comité financier à la session de septembre: il se souviendra parfaitement de la question que j'avais posée relative au local du Commissary qui se trouve au Building F; et je me souviens également parfaitement qu'il nous avait été répondu à l'époque que ce local, ouvert au Building F, coûtait de l'argent au Commissary qui était déficitaire.

Or, nous avons tous entendu parler maintenant de la possibilité que le PAM prenne d'autres locaux et ne soit plus sur la Cristoforo Colombo mais un peu plus haut sur la via Laurentina.

J'aimerais savoir ce qu'il va en advenir. Le local du Building F sera bien naturellement fermé mais qu'advient-il alors des nouveaux locaux du PAM? Ou, pour les mêmes raisons évoquées par Monsieur Alhéritière au mois de septembre, n'y aura-t-il plus désormais d'annexe du Commissary pour le PAM?

D. ALHERITIERE (Directeur, Division des Services administratifs): Dans l'ordre des questions qui ont été posées, l'intervenant de l'Autriche a demandé des précisions sur les loyers. Le loyer a été fixé chaque année à 100 millions de liras. Il n'augmentera pas lors du transfert du Commissary.

Je précise qu'il n'est pas tout à fait exact de dire que l'Organisation ne louait pas de locaux à l'extérieur; elle en louait au contraire quelques-uns. Et, à partir du moment où l'Organisation devait louer des locaux à l'extérieur, il était évidemment normal et naturel de faire payer au Commissary de l'espace qui aurait pu être utilisé par l'Organisation pour des activités logées à l'extérieur. Nous louons par exemple des entrepôts, qui nous coûtent assez cher, pour les publications de la FAO. Nous essayons évidemment de les louer en dehors du centre historique pour diminuer le prix au mètre carré. Nous en avons à Pomezia et nous en avons d'autres en dehors de la ville.

Cette question n'est cependant pas définitivement close car elle fait l'objet en permanence de négociations avec les représentants du personnel et elle est chaque fois évoquée lors des différentes sessions du Comité financier.

Quant au solde créditeur que nous avons eu en 1991, il a été de 98 millions de dollars, et donc plus faible que celui que nous avons eu en 1992.

Le distingué délégué du Royaume du Maroc a eu tout à fait raison d'évoquer la question de l'antenne de l'immeuble F. Il y a plusieurs aspects à cette question. C'est une question que nous examinons en permanence, surtout depuis que le Programme alimentaire mondial a décidé de déplacer son siège encore plus loin de l'endroit où nous nous trouvons actuellement.

Il est bien évident que le personnel du Programme alimentaire mondial, dans la situation juridique actuelle, a le droit d'utiliser le Groupement d'achats de la FAO, mais cela ne signifie nullement que ce droit doit être exercé à l'endroit même où le Programme alimentaire mondial a ses bureaux. Cette question dépend d'une étude de rentabilité d'une éventuelle antenne dans les nouveaux locaux du PAM. Il serait certainement prématuré de fournir une réponse aujourd'hui mais un retour en arrière rapide ne serait peut-être pas inutile pour mieux comprendre la question.

Nous avons disposé, à certains moments, de l'immeuble G qui se trouvait dans un autre quartier que celui de la Cristoforo Colombo; nous avions là-bas des membres du personnel de la FAO (des fonctionnaires) qui avaient bien sûr droit à l'utilisation du Groupement d'achats mais qui n'avaient pas d'antenne du Groupement d'achats à l'endroit même de leurs bureaux. Il est donc fort possible que nous soyons contraints par les événements soit à ne pas ouvrir d'antenne du Groupement d'achats dans les nouveaux locaux du Programme alimentaire mondial, soit d'ouvrir une antenne extrêmement modeste ou d'en ouvrir une plus importante, ceci dépendant également de la disponibilité du Programme alimentaire mondial de couvrir certains frais supplémentaires liés à ce détachement.

Il est certain qu'il y a des coûts fixes dans l'installation d'une antenne du Groupement d'achats et ces coûts fixes, répartis sur 400 fonctionnaires au lieu de 700, peuvent poser des problèmes de rentabilité qu'il faudra examiner ensemble avec nos collègues du Programme alimentaire mondial et en consultation avec les représentants des syndicats à l'intérieur du Comité mixte sur les questions du Groupement d'achats.

Ernst ZIMMERL (Austria) (Original language German): I do apologize for pressing my point, but there were still points that were not responded to. I wanted to know who actually controls the money. Who is entitled to the disposal of the money? We were told that Lire 100 million is called for from the Commissary because FAO has to rent the premises which had been used by the Commissary. I would like to know how much these external premises cost in terms of rent the last two years. I was asking specifically whether the Commissary has wage costs for persons who are partly or wholly active in the FAO elsewhere. I had no reply to that.

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): I will attempt to answer the questions on the staff welfare fund, and the second question Mr Alhéritière will take. The Staff Welfare Fund is used on the authorized expenditure by the Director-General but on the recommendation of the Inter-Staff Consultative Committee. In other words, the members of this Committee are the three Staff Associations. They make recommendations on how the monies in the Staff Welfare Fund can be spent, and the actual expenditure takes place with the authority of the Director-General.

D. ALHERITIERE (Directeur, Division des Services administratifs): Ayant à prendre de nouveau la parole, j'en profite pour apporter une précision sur les relations avec le Programme alimentaire mondial concernant le Groupement d'achats. Il est bien évident que dans l'hypothèse où le Programme alimentaire mondial aurait un nouveau siège, avec des quotas et des privilèges séparés de ceux de la FAO, le Programme alimentaire mondial devrait évidemment dans cette hypothèse créer son propre Groupement d'achats, à moins que les quotas et les privilèges ne soient strictement identiques et que nous puissions envisager une opération commune.

Je ne suis malheureusement pas en mesure de donner le détail ni le chiffre global des loyers que nous payons à l'extérieur car cela ne dépend pas entièrement de ma division. Comme je l'ai mentionné tout à l'heure, une partie de l'espace loué à l'extérieur est loué pour l'entreposage de publications de la FAO. Je me ferai un plaisir de rassembler l'ensemble des données pour apporter au délégué de l'Autriche le chiffre global des loyers extérieurs de l'Organisation.

Ernst ZIMMERL (Austria) (Original language German): I am really very sorry, but the last question on wage costs was not touched upon. I would be glad to have a clarification on that.

D. ALHERITIERE (Directeur, Division des Services administratifs): Le distingué délégué de l'Autriche a parfaitement raison de rappeler qu'il avait posé une question supplémentaire sur les salaires versés par le Groupement d'achats. Il y a évidemment l'ensemble des employés du

Groupement d'achats, cet ensemble comprenant les employés affectés aux opérations stricto sensu du Groupement d'achats et quelques employés affectés à des opérations qui font partie du Groupement d'achats mais qui sont comprises dans un sens plus large. Et je pense que le distingué délégué de l'Autriche veut faire référence au poste qui s'occupe de la supervision des installations de restauration. C'est en réalité une fonction qui relève à la fois du chef du Commissary et de son adjoint. Les deux sont censés apporter un certain contrôle des installations de restauration.

Je pense qu'il fait également référence aux personnes qui apportent un service tout à fait gratuit au personnel mais qui n'est pas à proprement parler dans la ligne de ce que l'Organisation devrait financer - je veux parler ici des deux postes des services généraux qui s'occupent de faciliter les formalités pour l'ensemble des fonctionnaires de la FAO, pour l'immatriculation de leurs véhicules ou le changement d'immatriculation, etc. Cette question fait l'objet de négociations permanentes avec les représentants des syndicats.

Deux opinions opposées se dégagent évidemment sur cette question; certains pensent que ces dépenses doivent être en partie supportées par l'Organisation, d'autres pensent au contraire que ces dépenses n'ont pas une relation directe avec le Groupement d'achats et que le Groupement d'achats ne devrait donc pas les supporter.

LE PRESIDENT: Si le représentant de l'Autriche ainsi que l'ensemble des autres délégués sont satisfaits des réponses apportées par le Secrétariat, je vous rappelle l'existence d'un projet de résolution sur ce point de l'ordre du jour; et je pense que nous sommes d'accord pour recommander l'adoption de ce projet par la Conférence.

Nous pouvons donc passer au point suivant 24.4 "Contribution de la Tchécoslovaquie". Je passe la parole à M. Mehboob.

24.4. Other Matters

24.4. Questions diverses

24.4. Otros asuntos

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): The document before you is C 93/LIM/25; and, as you know, Mr Chairman, the Czechoslovak Federation was formally dissolved at midnight on 31 December 1992, and Czechoslovakia then ceased to exist. The dissolution gave rise to two new independent states, the Czech Republic and Slovak Republic. Both have just been admitted to Membership of FAO at this Conference. A question arose, Mr Chairman, regarding the assessed contribution of Czechoslovakia for 1993; in particular, whether Czechoslovakia was under a legal obligation to pay this contribution to FAO and whether the Czech and Slovak Republics, as legal successors to Czechoslovakia, were liable to pay this contribution. As you will note from the document before you, this question was discussed by both the Finance committee and the CCLM. In short, Mr Chairman, the Council recognized the particular circumstances of this case and agreed this matter would have to be examined on an ad hoc basis. The conclusion reached should not constitute a precedent in respect to future cases. The Council formally recommended to the Conference that Czechoslovakia was not to be considered

under a legal obligation to pay the 1993 contribution to FAO and the Conference should write off this contribution as at 31 December 1992, in advancing the amount, US\$192 500 stood to the credit of Czechoslovakia in the Working Capital Fund. The conclusion of the Council, Mr Chairman, and its recommendation to the Conference is that once the Czech and Slovak Republics have been admitted to membership of the Organization, the residual balance of the former Czechoslovakia should be credited to the new Member Nations in proportion to their Assessed Contributions.

In line with the financial recommendations, these amounts should be applied, firstly, to pay their advances due to the Working Capital Fund and, secondly, to be used for the partial payment of their assessed contribution for the last quarter of 1993.

Mr Chairman, we have the Legal Counsel here; and, if there are any questions, he will be happy to answer them.

LE PRESIDENT: Des délégations souhaitent-elles intervenir sur ce point de l'ordre du jour? Puisque je n'en vois pas, nous pouvons donc considérer que nous acceptons cette recommandation du Conseil au sujet de la contribution de la Tchécoslovaquie.

Notre ordre du jour de cet après-midi est épuisé. Je crois que nous avons assez bien travaillé, ce qui va nous permettre de préparer la longue séance de demain qui va donc comporter deux points: 22 et 23 concernant les contributions et la question des coûts d'appui.

The meeting-rose 17.00 hours.

La séance est levée à 17 heures.

Se levanta la sesión a las 17.00 horas.



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FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

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ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE

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ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

C

C 93/III/PV/3

Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

THIRD MEETING
TROISIEME SEANCE
TERCERA SESION

(19 November 1993)

The Third Meeting was opened at 10.20 hours

Mr Algirdas Zemaitis, Chairman of Commission III, presiding

La troisième séance est ouverte à 10 h 20

sous la présidence de M. Algirdas Zemaitis, Président de la Commission III

Se abre la tercera sesión a las 10.20 horas

bajo la presidencia del Sr. Algirdas Zemaitis, Presidente de la Comisión III

- III. CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)
- III. QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)
- III. ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVAS (continuación)

- 22. Financial Position of the Organization
- 22. Situation financière de l'Organisation
- 22. Situación financiera de la Organización

- 22.1. Status of Contributions
- 22.1. Etat des contributions
- 22.1. Estado de las cuotas

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): The extract of the report of the 104th Session of the Council contained in document C 93/LIM/17 deals with the contribution position of the Organization at 3 November 1993. Mr Chairman, with your permission, I would take the other document "Measures to improve the collection of Assessed Contributions" under this item as well.

Document C 93/LIM/34 has been prepared in order to provide the Conference with an update on this position as at 16 November 1993 and to detail the amounts received since the last session of the Council.

As of 16 November 1993, the Organization had received over US\$267 million in respect of the 1993 assessments. This represents 84.3 percent of the total and is lower than the amount received at the same time last year although higher than the amount received at the same date in the three preceding years. Receipts of arrears of contributions have amounted to nearly US\$43 million, which compares favourably with the recent past.

I am pleased to report that since the preparation of this document contributions have been received from Gabon, Paraguay, Guatemala, and Mozambique. However, it is still disappointing to have to note that, as of 16 November 79 Member Nations have not made any payment towards their 1993 assessment. This figure is amongst the highest ever at this date. Furthermore, 69 Member Nations have arrears outstanding from previous years. This number is high and, if we take into account the fact that 79 Member Nations have made no payment towards their 1993 assessment, then the difficult situation the Organization faces becomes clear. It also becomes clear that in such a situation it is almost impossible to have an efficient cash management process.

I should like to highlight that we have this unfavourable situation with regard to the receipt of contributions, despite the fact that we have a discount scheme in force and despite the fact that on numerous occasions the Finance Committee, the Council, and the Conference have issued appeals to Member Nations to pay their contributions on time.

None of these measures has had any effect, and it is for this reason that the Director-General has submitted a proposal to improve the collection of assessed contributions. This proposal is contained in document C 93/LIM/18 and is presented for the consideration of the Conference in accordance with the request of the Council as set out in the report of its 104th Session. Mr Chairman, the increasingly difficult economic situation that faces many developing countries continues to be a major factor contributing to the number of Member Nations in arrears with the payment of their Assessed Contributions. A further contributing factor is the often-limited resources

of certain Member Nations in convertible currencies. Document C 93/LIM/18 proposes for the Conference to allow a derogation from the existing financial regulation, 5.6, in respect of the currencies of which payment of Assessed Contributions may be made. Such derogation would be subject to a series of very strict conditions which are set out in the document and which are designed to avoid any risk of financial loss to the Organization.

The Secretariat believes that by allowing additional flexibility in this respect the situation of the payment of the arrears can be improved. Mr Chairman, since the issuance of the document and following discussions in the Finance Committee and the Council, it seems to us that if there were more involvement of the governing bodies in the approval process, it may address the concerns of certain delegations and contribute to a consensus on this issue. Consequently, Mr Chairman, the approval process could be that each request received is analysed by the Secretariat to determine that it meets the conditions set out in the document and is then submitted to the Finance Committee for discussion. In this way, Mr Chairman, we hope that the proposal can have the support of the Conference. Thank you, Mr Chairman, and we would be pleased to answer any questions you may have.

Raphaël RABE (Madagascar): La délégation de Madagascar est vivement reconnaissante au Directeur général de la FAO d'avoir bien voulu présenter à la Conférence une proposition fort précieuse à plus d'un titre. Et nous remercions le Secrétariat d'avoir produit un document complet et très transparent. D'après notre délégation, tous les protagonistes devraient en effet pouvoir trouver leur compte dans ces propositions; l'Organisation verra de ce fait sa situation financière grandement améliorée, les Etats Membres en développement pourront enfin faire face à leurs obligations statutaires, tous les autres Etats Membres ne pouvant que bénéficier des services de l'Organisation, de ce fait renforcés et libérés des préoccupations chroniques d'insuffisance de trésorerie.

Le document C 93/LIM/18, bien que concis, traite de tous les aspects de la question. Il ressort clairement au paragraphe 4 que l'Organisation a besoin de monnaies locales, notamment pour le fonctionnement des représentations qui se trouvent dans les pays. Les projets qui sont aussi mis en oeuvre dans ces pays ont bien entendu nécessairement besoin de monnaie locale.

Au paragraphe 7, les conditions d'utilisation de telles monnaies sont bien définies. Les garde-fous mis en place devraient pouvoir empêcher les abus ou les problèmes qui pourraient surgir du fait de l'utilisation de ces monnaies. Ces garde-fous sont même, à notre sens, trop sévères et ils méritent peut-être quelques assouplissements. Dans un premier temps il est cependant nécessaire d'observer certaine rigueur.

Notre délégation aurait des difficultés à comprendre la position de ceux qui, d'une part, veulent assainir la situation financière de l'Organisation et, d'autre part, s'opposer, ou tout au moins se montrer réticents, à des mesures qui ne peuvent qu'améliorer le recouvrement des contributions. Pour notre part, il serait aberrant d'attendre la Conférence de 1995 pour prendre une décision; ce serait une perte de temps et ce ne pourrait qu'être inutile et néfaste pour tous.

C'est la raison pour laquelle notre délégation souhaite vivement qu'on puisse prendre des décisions opérationnelles et qu'on puisse aller de l'avant dans cette affaire.

Dominile LANGENBACHER (Switzerland) : My delegation has read the two documents before us with interest and with care. Regarding C 93/LIM/17, which gives us the picture of the financial situation of the Organization, we have with some concern noted the amounts which have been collected by the year's end over the last five years: in 1992, 10 percent outstanding; the year before, 1991, also about 10 percent. If we go back to five years, we note that there seems to be some improvement, which gives us some encouragement and some hope that maybe 1993 will again be an improvement over the past years.

In this regard, this Commission could appeal or ask the Conference to appeal to members of the Organization to pay their contributions and to pay them early in the year.

Turning to the proposal before us in document C 93/LIM/18, how the collection of contributions could be improved, we note that it is an innovative proposal which is before us. In our country we have a saying which tells us that prudence is the mother of virtue. It is under this aspect that we have looked at the document, Mr Chairman. We have a set of questions which we would put before this Commission. One set of questions relates to how this proposal relates to the Basic Texts of FAO. We think that the proposal should be looked into under this aspect a bit more precisely. The Basic Texts do make reference to, and we are actually proposing an exception from the Basic Texts. A second set of questions, Mr Chairman, relates to the question of how this proposal fits into the UN system of Assessed Contributions. Are there rules governing this system of Assessed Contributions? Have similar exceptions been made by other agencies? What does the UN itself say to these kind of mechanisms? A third set of questions relates to the criteria which are put before us in the document. To whom shall these exceptions apply? In the text, we speak of developing countries. Are these the LDCs? Are these all developing countries? What is a developing country nowadays? Could it also be applied to the newly independent countries in transition? These are questions which still need to be clarified, Mr Chairman.

We then have questions on how it is to be applied. Will it actually help the cash flow situation of the Organization? Does it require that FAO has projects in the countries which can benefit from the system? What happens if the amounts in a project are not as high as the contributions due? Mr Chairman, there are many questions on the technicalities of the application of this proposal. Another question: does it also apply to the arrears which we are also trying to collect from Member Nations? Here again, there are rules which are set out in the Basic Texts of FAO.

Turning to the decision before us, Mr Chairman - and I understand that the Secretariat has made a proposal to slightly alter this text - we actually admit that we have not done all the work which we should have done before we can take a decision by referring, in the decision itself, to paragraphs of the report. Mr Chairman, this is the constitutional Commission of the FAO Conference and, as legislation, I would call this rather fuzzy. I know that this Organization can do better.

Having raised all these questions, I do not expect that this can be dealt with here in this forum. My proposal would thus be that we defer a decision here, that we defer the issue of further discussion to the Finance Committee and authorize the Committee or the Council to take a decision once the whole issue has been looked into to a greater extent.

Per AUGUSTSSON (Sweden): On this agenda item I would like to speak on behalf of the Nordic countries, Denmark, Finland, Norway, and my own, Sweden. The Nordic countries are very much concerned about the payment record of the Organization. As at 26 October 1993, unpaid current Assessed Contributions and Arrears amounted to US\$226 000 000. This is an alarming figure, taking into consideration that the Organization's regular budget for the biennium 1992-93 amounts to US\$625 000 000. The picture is made even darker by the fact that the number of countries with outstanding arrears amounted to 73. The most worrying piece of information is that 86 member countries out of a total of 159 had made no payments at all. This is a picture of an Organization in deep crisis.

The Nordic countries would like to stress the shared responsibility of all Member Nations to pay their assessed contributions in full and on time. It goes without saying that the lack of adequate resources hampers the work of the Organization in many ways. In addition to the improvements in the payment pattern of Member Nations, there is an urgent need to scrutinize all ongoing programmes and agree on top priorities as well as the phasing out or deletion of obsolete programmes and of those with little priority.

Furthermore, we must be firm now on being much more selective in proposing and approving new programmes. Timely contributions and careful programme screening are important ways of addressing this problem. However, more fundamental measures are needed. Such measures should necessarily include due and prompt consideration of the overall capacity of FAO to respond to present and future demands. Priority setting and sharing of responsibilities as regards the Organization's involvement in a number of activities is required.

There is already within FAO an incentive scheme to encourage prompt payment of contributions. With reference to what has just been said about the payment discipline, the incentive scheme might not be the solution to the problem. The Nordic countries would be willing to consider the possibility of charging interest on late payments. We understand that the experiences gained in this respect with IPU and ITU are encouraging. We look forward to receiving the further thoughts of the Director-General on improved payment discipline later in this session.

I would now like to comment on the proposed measures to improve the Collection of Assessed Contributions as presented in document CL 104/LIM/18. Here I would like to adhere to what has already been said in this context by the distinguished representative of Switzerland. As a matter of principle, this important issue should have been considered by the Finance Committee before it was presented to the Council and thereafter to the General Conference. The matter is an important one which may have consequences for other parts of the UN system and therefore deserves thorough preparation. In the view of the Nordic countries, the proposed measures do not address the real problem. The failure to pay is not primarily linked to the lack of freely convertible currencies. Therefore, in principle, the Nordic countries are not in favour of the proposed measures set out in document CL 104/LIM/18. On the other hand if the Director-General can provide us with information that proves that such measures will have real impact and considerably improve the financial situation of the Organization, we would be willing to consider the proposal as a temporary solution on an experimental basis.

To conclude, all Member Nations, small and large, must take their share of the responsibility and pay their assessed contributions in full and on

time. In our view, the time has come for Member Nations to stop making excuses for not paying their assessed contributions. Solving the problem is in its entirety a question of political will.

Robert ANDRIGO (Canada): I would like to thank Mr Mehboob for the introduction that he gave to this subject. I would like initially to make a few comments on the documents C 93/LIM/17 and C 93/LIM/34 respecting the financial situation of the Organization. I find these documents to be somewhat disquieting in terms of the extent to which, as detailed therein, the membership is not meeting its obligation. Indeed, as we see from the statistics for 1993, we are heading towards a further increase in the outstanding contributions in this particular Organization. It also appears that our recovery of current and assessed contributions is stuck in the 90 percent or so range. This clearly is a very serious situation which needs to be addressed aggressively by the Organization.

I would like to comment on the document itself. What we have here is not so much a statement of the financial situation of the Organization as a statement of income, and I think it would be very useful if, in association with the income that is detailed, we could also have a detailing of the utilization and commitments of the Organization during the comparable period. I understand that as a membership we can have this by searching through the documents and the reports of the Finance Committee. Nevertheless, I think it would make the document considerably more useful for the membership if this were to be unified.

I would like to put a question on the development in respect of the accumulated arrears of the Organization. As we have learned in other fora, when this issue has arisen there has been a certain pay-down on this entry, and I would like some detail as to where exactly the accumulated arrears currently stand.

Turning to the proposal that is before us, I can but echo the sentiments that were expressed by the previous two speakers in respect of the obligations of the membership to the Organization. These obligations need to be discharged. Our support for the Organization must take material form; otherwise, the Organization will be precluded from doing its work. We cannot over-emphasize the need for membership to meet its obligations. That said, we have a problem and we have before us a legitimate attempt by the Secretariat to suggest a means of addressing a problem which to date we have been unable to resolve through the incentive scheme and other proposals that have been made.

As regards the proposal itself, other speakers have mentioned the fact that we have not had sufficient time to reflect on these particular proposals. An important element of this is the fact that FAO as part of the UN system cannot conceive of its actions in a vacuum; it must consider them on a system-wide basis. What happens here has precedential values elsewhere in the UN system and, as the delegate of Switzerland very ably pointed out, it is critical that we assess how this particular practice would fit into the general approach to this issue that is taken elsewhere in the UN system. I think that that is a critical issue to address. We need complementarity and uniformity within the UN system. If we are to create new precedents, we need to be fully aware of the potential implication of those precedents, not just for our Organization but also for elsewhere in the UN system.

This is something our capitals insist upon and the amount of time we have had to consider this issue has been insufficient to address the particular issue. I will not go into the many questions that were raised specifically by Switzerland. We had in fact exactly the same questions.

We have some additional issues in respect of this particular proposal. How do we define convertible currencies? For the purposes of this particular proposal, what is convertible, what is non-convertible? We need to define what the potential benefits to the Organization are or might be of entertaining or of approving this particular proposal. That certainly is not made clear. How many countries might be affected by this proposal?

We also need to address the implications for prioritizing and programming of the activities of this Organization. I think this is a matter of significant substance that has not been addressed in the proposal that currently is before us, and there are legions of other questions.

Given that the amount of time available to us to consider it thoroughly and dispassionately as a proposal, I think that it is only appropriate that the matter be referred to the Finance Committee and subsequently to the Council, and if those two bodies agree that the proposal merits a further consideration, indeed if it merits operationalization; then I see no barrier to the Director-General, indeed to the Council, calling for a special session of the Conference in order to give its approval to this particular proposal. But, obviously in order to do that, the proposal must demonstrably have significant benefits to the Organization, and I think that can only be addressed through study and also it must be compatible with activities of a similar nature elsewhere in the UN system.

Mustapha-Menouar SINACBUR (Maroc): Il est vrai que, comme viennent de le dire les délégués qui se sont exprimés avant moi, le Comité financier n'a pas eu l'opportunité d'approfondir la réflexion sur cette question. Mais, compte tenu de la situation qui vient d'être relatée par ces mêmes collègues, situation assez catastrophique en matière de recouvrement des arriérés, nous pensons que par moment il faut faire preuve d'imagination.

Il est clair que certains pays connaissent des difficultés dues à des troubles civils, dues à d'autres facteurs qui font que ces pays-là ne disposent pas de devises. Nous pensons que cela donnerait à ces pays l'occasion de pouvoir respecter leurs engagements vis-à-vis de l'Organisation dans les délais. Notre collègue, M. Langenbacher, Représentant de la Suisse, a posé des questions fort intéressantes et j'attends également les réponses que M. Mehboob y apportera.

J'ai écouté également la déclaration faite au nom des pays nordiques. Bien sûr, nous avons mis en place un plan d'incitation pour le paiement rapide des contributions. Je crois qu'il est un peu tôt pour tirer les conclusions de la première année de fonctionnement de ce système. Il faudra donc attendre un peu pour voir les implications précises d'un tel plan d'incitation.

Mais je crois qu'un tel plan d'incitation seul ne suffit pas. Il faudrait lui associer une mesure du type de celle qui nous est proposée aujourd'hui.

Lorsque l'on a dit tout à l'heure dans une intervention qu'il fallait peut-être penser à mettre en place un système concernant les arriérés comme c'est le cas dans certaines autres organisations, un système d'intérêts sur

les arriérés, on a cité le cas de l'UIT. Je crois que la comparaison est un peu difficile parce que l'UIT est une petite organisation. Je ne connais pas exactement son budget, mais je crois qu'il est de l'ordre de 30, 40 ou 50 millions de dollars. Cela n'a rien à voir avec le budget de l'Organisation. Donc, le montant des arriérés est rapporté au montant du budget et le montant des intérêts lui-même est rapporté au montant des arriérés. Donc, ce sont des sommes modiques. Mais je crois que, sur le principe, le Comité financier lui-même et le Conseil de la FAO ont reconnu que ce type de mesure n'était pas recommandé. Comment pouvez-vous demander à des pays qui ont déjà une certaine somme à régler, à honorer vis-à-vis de l'Organisation, de payer en plus des intérêts?

On aurait pu appliquer des mesures autres que financières: des mesures d'ordre institutionnel (vous verrez que dans le rapport du Comité financier de la dernière session cette idée y figure) qui concerneraient la participation des pays ayant des arriérés vis-à-vis de l'Organisation. La limitation de la représentation au Conseil est déjà prévue par les Textes de base mais on pourrait élargir cela également aux Comités restreints. Notre délégation est prête à discuter de ce type de mesures d'ordre institutionnel. Mais nous ne pensons pas que les mesures de type financier comme les intérêts sur les arriérés nous permettrons d'avancer.

Nous avons également entendu parler d'uniformité, du fait qu'il ne fallait pas que notre Organisation prenne une telle initiative sans concertation avec le reste des organisations. Pour ma part, je ne partage pas tout à fait cet avis et, de toute façon, il est tout à fait contraire à l'avis qui a été exprimé auparavant puisque l'on a bien vu que l'UIT avait mis en place ce système de paiement d'intérêt sur les arriérés sans qu'il y ait eu ni concertation ni coordination. Ce n'est donc pas le but recherché.

Comme je l'ai dit tout à l'heure, je crois qu'il faut faire preuve d'imagination. Quel risque prenons-nous en adoptant une telle mesure? Nous avons beaucoup réfléchi à la question mais nous n'avons pas trouvé la réponse. Nous n'avons pas pu évaluer quel était le risque si la Conférence prenait aujourd'hui une telle décision.

Nous avons un garde-fou. Tout à l'heure, M. Mehboob a dit que cela n'allait pas être l'initiative du Secrétariat seul, que les propositions du Secrétariat allaient passer devant le Comité financier qui est un Comité du Conseil, et que celui-ci prendrait la décision. Nous pensons que cela fait tout à fait partie du mandat du Comité financier et nous estimons qu'un comité restreint de ce type peu prendre ce genre de décision.

On a parlé d'une session spéciale de la Conférence pour éventuellement approuver certaines modalités quant à cette mesure. Je ne vois pas comment on pourrait convoquer une session spéciale de la Conférence. Et à quel prix en rapport avec le but recherché!

Nous pouvons considérer que nous allons entrer dans une période probatoire. Le Secrétariat va faire des propositions plus concrètes en affinant et en approfondissant un peu toutes ces questions de critères: jusqu'à quel niveau? Qu'entend-on par monnaie convertible?

Le Secrétariat ferait donc des propositions au Comité financier à sa session de mai et le Comité financier pourrait prendre une décision soit à la session de mai, soit à la session de septembre, s'il voulait disposer d'un peu plus de temps.

Mais, pour ma part, je ne vois pas pourquoi on reporterait cette question à plus tard. Je pense que nous avons les éléments suffisants pour prendre une décision de ce type.

Je posais tout à l'heure la question du risque d'une telle mesure si on la prenait aujourd'hui. Rien ne nous empêche, au cours du prochain biennium, à la prochaine Conférence de 1995, de tirer les conclusions. Si le système n'est pas opérationnel, on abroge cette résolution; si le système mérite quelques réaménagements, on apporte ces réaménagements; et si le système fonctionne, on continue.

Mais, allons de l'avant et faisons preuve d'imagination.

C. KIEMTORE (Burkina Faso): Je voudrais tout d'abord remercier M. Mehboob pour son introduction très concise. La situation des contributions des pays membres de la FAO est très préoccupante et elle est à la lumière des difficultés que rencontrent de nombreux pays, surtout ceux en voie de développement.

Nous regrettons très sincèrement cette situation qui, à terme, réduirait les capacités de l'Organisation à faire face aux besoins croissants. Nous espérons que la situation économique s'améliorera et que de nombreux pays, dont le mien, acquitteront à temps leur contribution à l'avenir.

Dans ce contexte de difficultés et de récession économique générale, il est du devoir des pays membres d'imaginer toutes les solutions pouvant améliorer la situation financière de l'Organisation eu égard à sa spécificité et sans attendre que des mesures similaires soient prises par d'autres agences.

Le document C 93/LIM/18 aborde de façon concrète et très courageuse cette question, car la mesure proposée n'est pas la solution pour régler globalement les questions des arriérés mais une solution pour augmenter le flux de la trésorerie de la FAO.

Ma délégation approuve donc cette mesure visant à améliorer le recouvrement des contributions ordinaires et souhaite qu'elle soit mise en oeuvre le plus rapidement possible en prenant en compte les différentes questions qui ont été abordées par certaines délégations.

Harald HILDEBRAND (Germany) (Original language German): I should like at the outset to refer to the documents we have, and the quite serious situation of the Organization with regard to payment of the contributions in accordance with the Statutes. My country on various occasions at Council and Conference called attention to the obligations of Member Nations to meet their obligations in terms of payment.

Secondly, like other delegations, we operate on the important principle that one can only spend money that is available or money that one can rely on coming in.

Despite the improvement of the financial situation in the meantime, inasmuch as some countries have paid some of their arrears, my delegation fully shares the concerns expressed here with respect to the latest status of contributions as there are a large number of Member States that have considerable arrears and others that have not yet made any payments in the course of the current year.

After referring to these general principles perhaps I could say something about the proposal of the Secretariat in document C 93/LIM/18, which is set out in a very clear way. My delegation feels that in certain cases and under certain specific conditions contribution payments to FAO could be accepted in non-convertible currencies. I think we would be in favour of this in principle. The proposal has the evident advantage that a large number of countries not in good standing would be enabled to make up some of the arrears. Subsequently, the Organization would not find itself obliged to require contributions in hard currencies which it would later exchange for a soft currency for a particular project.

At the last Council meeting a number of countries referred to the fact that a measure of this kind is of considerable significance and its effect would go beyond FAO and, therefore, should be thoroughly considered within the Finance Committee, including reference to the degree of compliance with FAO's financial regulations. This would be specifically the case with respect to the question of the criteria for acceptance of the proposed measure.

Accordingly, my delegation takes the view that the proposal of the Director-General should be further considered by the Finance Committee. In the view of my delegation it is perfectly conceivable that final approval of a thoroughly reviewed and perhaps amended proposal should not be held over until the next Conference but could be authorized to some degree by this present Conference, and thus come in effect before 1995, subject to review by the Finance Committee as to how far the FAO Council would be authorized to arrive at a determination concerning the proposal and its practical implementation.

Shahid RASHID (Pakistan): My delegation would like to express its full support for the proposed measures to improve the collection of Assessed Contributions. We believe that this is a very timely proposal, perhaps a little overdue, and a sensible one too which to a certain extent could ease the rather grave situation of arrears.

Many of us in developing countries are acutely aware of the economic difficulties being faced due to recession, structural adjustment programmes and unrest. These difficulties have prevented many Member Nations from making full or even partial payments. The proposal to accept a portion of the assessed contributions in non-convertible local currencies appears to us to be a useful device to help alleviate the arrears situation.

We have noted that the Secretariat has proposed certain strict guidelines for acceptance of local currency contributions. These guidelines and conditions are understandable as we accept the need for caution.

These conditions can ensure that proper financial management takes place and the Organization is protected from uncertainties arising from accepting non-convertible currencies. We also particularly note that acceptance of local currencies will be done on a case-by-case basis with full involvement of the Finance Committee in the decision-making in order that the proposed measures can be closely monitored during the initial stages of implementation.

Therefore, we would like to extend our endorsement to the proposal and commend the Resolution for approval at this Session. We are not in favour of deferment of this proposal as it would mean a postponement for two

years, which would inevitably further aggravate the situation. However, we do agree that implementation of these measures must be closely monitored and scrutinized so that it can be fine tuned subsequently in order to ensure that it serves the interests of the Organization and its membership.

Ernst ZIMMERL (Austria) (Original language German): May I offer some considerations concerning document C 93/LIM/17. The table on page 3, "Percentages of Current Assessed Contributions Received", shows that there is a trend to pay later and later. This is more evident if we consider the situation in 1988 and 1987. At the end of June 1987 we have 61 percent of the payments made whereas this year it was 54 percent. Although in 1993 we introduced the early payment incentive scheme, we have to observe that this incentive scheme, at least in the first year of application, has not lived up to expectations.

If we consider the next table on page 3 of the document C 93/LIM/17 and look at 1988 and 1987, then there is a very disturbing picture. The number of Member Nations that have made full payment in the last six years has reduced from 86 to 60 whereas the number of countries that have not made yearly payments has risen by about 70 percent from 47 to 79. The number of arrears has gone from 41 to 52. Over 50 countries currently have arrears representing 200 percent or more of their yearly payments. A couple of years ago it was 41 states. Consequently, we have to observe that the number of countries that are in arrears is growing and, secondly, that the amounts are on the increase.

It would be interesting to know about the payment situation in other international organizations over the last few years. Perhaps the Secretariat could provide similar tables to those that we have in C 93/LIM/17.

I mentioned the fact that the early payment system has not brought any effective results, but that was to be expected because there is a question of interest incentives and so on. It is simply said that the payments should be made within 30 days of notification by the Director-General. Perhaps I might say that my country has always paid its assessed contributions in full at the beginning of the year, but we note from the table on page 3 of C 93/LIM/17 that very few Member Nations have met that statutory provision. At the end of March 1993 not even 30 per cent of the contributions had been paid, which is the lowest level in the last six years.

The Secretariat mentioned in the introduction that the discount scheme had not been a success. In document C 93/LIM/18 we have a fresh proposal that would facilitate matters for the poorest Member Nations. My delegation in principle would be favourable to this if it was helpful to the Member Nations with the greatest problems. I think it is worth attempting but should be limited to the next two years, and in 1995 we could revert to this subject. Switzerland raised the question as to what Member Nations would be affected by this new arrangement. I mentioned that we are positive towards this if we are thinking of the countries with the greatest problems, that is to say, the least developed countries.

There is also the question, what do we do about the arrears? If we look at Appendix D of C 93/LIM/17, we can see that many developing countries, including LDCs, have always met their obligations. Many have even already paid their 1993 contributions. If we look at the countries that have

arrears, if we now enable these to pay in local currency, we are not creating inequities. There is also the question of whether one has the possibility of paying in local currency covering the whole of the contribution or, as mentioned by Pakistan, limiting this to just a part. This and other points raised by Switzerland and other countries ought to be clarified. We should, however - and I think this is important - not lose sight of the time factor. A decision should be reached rapidly, and then we could see how matters develop further. I think that then we could provide an authorization of the Council and Finance Committee so as to provide some solution for the next two years. My delegation would welcome this.

Sra. Ileana DI GIOVAN BATTISTA (Argentina): En beneficio del ahorro de tiempo que usted nos pidió, la delegación argentina no hará comentarios sobre el documento C 93/LIM/17 que ha sido muy bien presentado por la Secretaría y en cambio se asocia a los comentarios ya pronunciados por las Delegaciones de Suiza, Suecia - en nombre de los países nórdicos - y Austria, en los comentarios a ese documento. En cambio con relación a las medidas propuestas para mejorar la recaudación de las cuotas, que nos ofrece el documento C 93/LIM/18, sí deseáramos hacer algunas reflexiones y formular algunas preguntas.

El Apéndice E del documento citado nos recuerda que la Organización realiza actividades en los muchos países en desarrollo por medio de las Oficinas Regionales, las Representaciones, o llevando a cabo proyectos en esos países. En consecuencia, pensamos que la idea de gastar en esos países en moneda nacional, en ciertas condiciones, es una idea que merece ser explorada y que merece ser puesta en práctica. Por eso mi Delegación considera que esta propuesta de recaudar parte de la contribución de algunos estados en desarrollo en moneda nacional, en ciertas condiciones, es una propuesta que puede contribuir eficazmente a solucionar el problema de la recepción de contribuciones por parte de la Organización.

Dicho esto quisiera hacer algunas reflexiones sobre el mismo párrafo 7 del Apéndice E del documento mencionado. La delegación argentina quisiera plantear cuatro puntos :

En primer lugar sería conveniente, como ya lo han anticipado algunas delegaciones, que la Secretaría preparara un escenario sobre cuántos países en desarrollo, cuyas monedas no son libremente convertibles y en los cuales la Organización está realizando actividades, podrían utilizar esta iniciativa y cuáles serían los efectos en las finanzas de la Organización.

En segundo lugar mi Delegación se pregunta qué significado tiene la expresión: "sólo para su utilización durante un tiempo relativamente breve". Sabemos que los países en desarrollo que no tienen monedas libremente convertibles generalmente atraviesan este tipo de situación no por un período breve. Sería difícil determinar que sí se acepta la contribución por un período breve y no en una base más o menos duradera.

En tercer lugar, se nos dice, en el párrafo 7, que en los casos en que el tipo de cambio operacional difiera, se tomará en cuenta el tipo de cambio que la FAO hubiera obtenido. Permítame decirle a la Secretaría, por su intermedio, señor Presidente, que la Argentina, que ha vivido períodos de devaluación constantes y de desequilibrios en su balanza de pagos pronunciados, entiende que es muy difícil determinar el tipo de cambio obtenido y, lamentablemente, se presta a la mayor de las distorsiones y efectos perversos.

Puede sugerirse que en cambio de eso se explore la posibilidad de que se evalúe la contribución al tipo de cambio que resulta de los registros de operaciones del Fondo Monetario Internacional o del Banco Mundial.

Finalmente, el otro punto que quiero señalar es el que restringe la aplicación de esta medida a los países cuyas monedas no tienen riesgo de pérdida de cambio, porque no se aceptaría la propuesta con respecto a países cuyas monedas estuvieran sujetas a una devaluación continua. Aquí, nuevamente, mi Delegación desea señalar que esto es, nuevamente, de aplicación bastante difícil, porque los desequilibrios de balanza de pagos y las previsiones sobre la devaluación de monedas no libremente convertibles, son muy difíciles. Por lo cual, vuelvo a reiterar, mi Delegación reitera, que la propuesta contenida en este documento debe ser analizada a los fines de ser puesta en práctica, pero que evidentemente implica complejidades que deben ser cuidadosamente analizadas por el Comité de Finanzas y por el Consejo antes de ser considerada por esta Conferencia, a fin de evitar que establezcamos un mecanismo inadecuado que introduzca distorsiones o efectos no deseados, o pueda afectar de manera durable la solidez de la Organización que todos queremos ver mantener.

Ray ALLEN (United Kingdom): I would like to strongly support and echo the sentiments expressed by the Swiss delegation. We have really had very little time to consider the implications of these proposals put forward in LIM/18 in any detail nor the possible repercussions. I can generally support the idea behind the proposal, and indeed, I do not think anyone has spoken against them. Clearly, with the number of countries unable to meet their Assessed Contributions - and Mr Mehboob just told us there are 79 Members who have made no payment, and there are 69 Members in arrears - I mean, clearly, something has to be done. We need to consider all the options to relieve the burden on those who cannot pay. We also need to consider the implications of non-payment on the Organization itself. It was for this very reason that we took the position that we did on the budget earlier this week. So what can we do? There are a large number of delegations who have had very little time to consider the proposals. I think it would therefore be wrong to rush into decisions on this. We need to ensure that there are proper safeguards built into the proposals. We have already heard from quite a number of delegations about the type of safeguards that they would like to have. They suggest we be given time to reflect on this and ask for the advice of the Finance Committee. After all, that is what they are there for. I agree with Mr Mehboob's comments in his introduction that it may not really be appropriate to wait a further two years until the next Conference before we reach a decision. I can therefore support the proposal that we put this matter to the Finance Committee in the spring. We could also consider, as the German delegate proposed, that this Conference, as an absolutely exceptional measure, could delegate the authority to the Council to make the final decision on how the matter should be handled and to ensure that all the necessary safeguards that members have spoken about this morning are put into place. There has already been a suggestion made earlier this week that there could be a Council session in the summer so that our new Director-General could consider the budget. So, as the delegate of Switzerland said, let us be prudent. We are, after all, only talking about a six-month postponement. Would it not be more prudent to get it right before we implement it, than to have to live with the problem for the next two years or for however long? So my proposal would be that this Conference authorizes the Council in the summer to make the decision after having received the advice of the Finance Committee, which would meet in the spring.

Shri Vishnu BHAGWAN (India): So there are two issues here, which have been very well defined and explained by Mr Mehboob, and I must thank him for that. When we look into C 93/LIM/34 and C 93/LIM/17, we find a lot of satisfaction because the figures over the years show a lot of improvement in the receipt of assessed contributions by the Organization. From 74.8 percent in 1989, we were 92.28 percent last year in December, and in 1992 we were 90.72 percent. We should be expecting to be around that figure this year as well. So there is a lot to be said by way of satisfaction that the recovery of the assessed contributions has improved. What is, however, unsatisfactory and rather alarming is a very large number of Members not discharging their obligations and, as Mr Mehboob put it, there are about 79 who have not paid their Assessed Contributions for 1993, and 69 Members have not paid their Assessed Contributions for previous years. This is where I feel that we have to stand up and look into the causes of the non-payment of the Assessed Contributions. It is not as if the Organization, the governing bodies, the administration, have not been considering the issues and the ways to improve the Assessed Contributions. The incentive scheme which was introduced from this year onwards has been one of such measures. However, I think it is too early to pass judgement on the incentive scheme. I do not know whether every Member, all the Members of the Organization, are even aware now of the exact details of the scheme. I shall recommend that we make it known to all the Members in detail so that the Member Nations are induced to adopt it. We should also think of other measures, and we can think of other measures once we have identified the causes of non-payment of Assessed Contributions on time. We will have to be not only innovative, but we will have to exercise and contact as many members as possible to identify the causes. I must thank the Secretariat and the Members who have suggested this idea. To my mind, this is an innovative idea, and we should really seriously think about implementing this idea in practice. I have heard the previous speakers on this proposal of the Secretariat to recover a part of the Assessed Contributions in local currency. I do not find that there is a disagreement on this issue. On the other hand, my perception is that everybody in this hall appears to be favourably inclined towards this proposal and adopting it.

What, however, appears to me the objection would be termed, in my opinion, as a word of caution; and I most admire the distinguished delegates of Switzerland, Canada and the United Kingdom who have pointed out that this proposal really needs to be worked out in detail so that everybody can understand the proper import of it and proper meaning of it, so that we have all the details. And I am really looking forward to Mr Mehboob giving an explanation to all the queries that have been raised by these speakers.

I also agree with the distinguished delegates of the United Kingdom, Germany and Austria and with my colleagues from the developing countries like Pakistan and others, who have expressed their agreement and support for this proposal. I also join them, Sir, and I also support this proposal, and I agree with the proposal made by the distinguished delegate of Morocco that we must give it a try and not defer it to the next Conference. The Canadian suggestion would perhaps allow this proposal to wait until the next Conference. I am not in favour of that, Mr Chairman. However, I am willing to go along that we authorize the Finance Committee and this special session of the Council which is scheduled to take place next year to examine all the details and provide for the necessary safeguards and implement this proposal so that we have the information by the next Conference and we are able to get all the information on this matter and

appreciate how far this measure has succeeded in enhancing the recoveries from the Member Nations.

In conclusion, I am, and my delegation is, in favour of implementing this proposal after consideration by the Finance Committee and the Council and providing for the necessary safeguards suggested by other Members.

Ms Faith INNERARITY (Jamaica): The Secretariat must be commended for its initiative in proposals contained in document C 93/LIM/18, "Measures to Improve the Collection of Assessed Contributions". This is a very creative proposal but, of course, the modus operandi has to be fine-tuned.

It could also probably lead to a strengthening of FAO activities in the field and an overall shift in the structure of the budget of the Organization. The proposal should not be treated lightly but should be subjected to further and more careful study so that details such as those mentioned by Switzerland could be worked out.

Clearly there may be difficulties in implementation due to unstable currencies, et cetera. However, the presence of obstacles does not mean that we should abandon a course of action. Instead we should seek solutions to overcome these obstacles.

I do not want to be unduly philosophical but must say that there is an element of risk in whatever we do, whether in our personal lives or in the public sphere. Risk, therefore, should not be something that prevents us from moving forward. There is a proverb from the Bible (Ecclesiastes) which says: "He that observeth the wind shall not sow, and he that watcheth the clouds shall not reap; so in the morning sow your seed and in the evening gather into barns, as you do not know what will come of it whether good or ill."

The Jamaican delegation supports this proposal, being cognisant of the fact that it must be fully studied by the relevant Governing Bodies before implementation. However, we believe that a decision should be made in the earliest time possible.

Jean-Paul RIVAUD (France): Je suis content de voir que M. Mehboob nous a rejoints dans le débat. Je voudrais attirer l'attention de l'ensemble de la Conférence sur le fait qu'elle a adopté un budget particulièrement tendu puisque nous savons très bien, cela a été souligné par de nombreux orateurs, que l'impasse budgétaire qui a été couverte par les effets de trésorerie, couverte par des contributions en retard, risque de se répéter dans les bienniums ultérieurs. Comme je l'ai dit à plusieurs reprises, il est bien évident que cette impasse ne disparaîtrait fondamentalement que si toutes les contributions étaient payées à temps. C'est donc dire qu'il faut que la Conférence fasse preuve de responsabilité en ce qui concerne le paiement des contributions.

Or, nous savons que la situation est préoccupante. Peu de jours avant l'ouverture de cette vingt-septième session, au 3 novembre, le montant total des arriérés s'élevait encore à près de 108 millions de dollars, soit le tiers du montant des contributions courantes dues pour cette année 1993. Sur ce total d'arriérés, 74 pour cent étaient dus par un seul Etat Membre.

Mon Ministre, le Ministre de l'agriculture, M. Puech, disait il y a quelques jours: "N'oublions pas (...) la responsabilité des Etats Membres dans la qualité du travail fait dans les Conseils et les Conférences et leur responsabilité financière, car la FAO ne peut rendre de bons services qu'en s'appuyant sur un budget régulièrement approvisionné. Les Etats qui ne payent pas ou payent avec des retards insupportables leurs cotisations sont responsables d'une partie des insuffisances qu'ils dénoncent par ailleurs. Cette situation n'est pas acceptable."

A l'ouverture de la vingt-septième session de la Conférence et à la veille de l'élection d'un nouveau Directeur général pour notre Organisation, 22 Etats Membres n'avaient pas versé une part suffisante de leur contribution ordinaire pour conserver leur droit de vote à la Conférence.

Le Bureau a proposé à la Conférence, qui l'a accepté, de faire une exception pour permettre à tout le monde de voter. Cette exception, du point de vue de la délégation française, doit être la dernière. Dans d'autres organisations du système des Nations Unies, l'application des sanctions prévues par les Textes est automatique. Il faudrait qu'il en soit de même ici. A la FAO, l'interprétation de l'exception mentionnée à l'Article III.4 de l'Acte constitutif (défaut de paiement dû à des circonstances indépendantes de la volonté de l'Etat Membre concerné) devra, à l'avenir, faire l'objet d'une définition très stricte en ce qui concerne son application, c'est-à-dire les critères permettant de faire jouer cette exception. Il n'y a pas de comparaison possible entre un Etat qui est soumis à la guerre, à des troubles civils ou à une agression extérieure, et des Etats qui fonctionnent normalement, qui disposent de recettes et qui sont parfaitement capables de payer à temps leur contribution. Nous estimons donc qu'il faudrait être plus strict sur l'interprétation de cette exception. De même, les autres incapacités aux sanctions prévues, notamment à l'Article XXII.5 et XXII.7 du RGO s'agissant de l'élection et de la participation au Conseil, doivent être mieux appliquées. Nos positions sont constantes sur ce point.

Nous pensons, sur un plan de politique générale, que notre nouveau Directeur général, précisément parce qu'il va s'inscrire dans des perspectives de trois bienniums, doit bénéficier des paiements à temps par les Etats Membres.

Bien entendu, cette rigueur pourrait avoir deux contreparties pour les pays en difficulté. La première consisterait à favoriser la remise des compteurs à zéro pour les pays se trouvant dans des situations les plus difficiles, comme je l'ai suggéré au cours du 104ème Conseil, en trouvant un système idoine de rattrapage des arriérés, par exemple la réduction du montant à payer en cas de règlement à temps des nouvelles contributions.

La seconde consisterait à envisager la suggestion à première vue séduisante, mais dont il faut examiner tous les effets à long terme, d'un éventuel paiement en monnaie non convertible d'une partie de leur contribution. Cette partie en monnaie non convertible pourrait correspondre aux achats de monnaie local auxquels l'Organisation est obligée de procéder pour réaliser ses activités.

Certes, le paiement en monnaie locale n'est pas forcément la panacée. Les Etats-Unis paient en monnaie locale, mais c'est le seul pays qui paie en monnaie convertible et en monnaie locale.

Plus sérieusement, la question du paiement en monnaie non convertible mérite d'être examinée de façon approfondie, dans toutes ses conséquences, par le Conseil sur la base d'un rapport du Comité financier et, si celui-ci le juge utile, d'une étude du Vérificateur externe des comptes.

Je me rallie, sur ce point de vue en particulier, à ce que les délégués de l'Allemagne et du Royaume-Uni ont dit avant moi pour ce mécanisme qui devrait être mis en oeuvre, quoi qu'on en pense, le plus rapidement possible avant la Conférence de 1995.

Avant de terminer, je souhaiterais interroger le Secrétariat sur une question qui nous préoccupe. La France, qui a réglé sa contribution avant le 31 mars comme chaque année, se trouve remplir les conditions pour bénéficier du plan d'incitation au paiement rapide de contributions. Quelle forme serait susceptible de prendre la ristourne prévue? Déduction du montant des prochaines contributions dues, par exemple? Et à quelle date celle-ci devrait-elle intervenir?

Enfin, je voudrais faire une remarque générale devant la Conférence. Avoir des idées, c'est bien. Proposer des études, c'est encore mieux. Mais ceci ne doit pas conduire à une seule tactique consistant à gagner du temps jusqu'à la prochaine Conférence, c'est-à-dire à nous retrouver devant une situation qui serait la même que celle où nous étions il y a quelques jours, avec un nombre de pays qui ne paient pas leur contribution, un nombre de pays qui s'élargirait au cours de la prochaine Conférence. Cette situation n'est pas acceptable. Ce serait la mort de l'Organisation.

Mme Colette TAQUET (Belgique): Pour suivre votre conseil, je me bornerai à aborder le deuxième sujet soumis à notre examen. Nous avons pris connaissance de la proposition du Directeur général de permettre sous certaines conditions le paiement de contributions en monnaie non convertible. Nos autorités poursuivent l'examen de cette proposition dont elles saluent, d'ores et déjà, l'esprit constructif.

D'autres collègues avant moi ont mis l'accent sur les interrogations que suscite cette proposition qui est, il faut le reconnaître, assez vague dans son état actuel. Il importe, selon nous, que la mesure proposée n'induisse pas de discrimination injuste entre les pays en difficulté de paiement selon leur situation financière et selon le profil des relations de coopération qu'ils ont établies avec la FAO.

Bien sûr, tous les Etats Membres devraient bénéficier en dernière instance de cette mesure dont l'objectif est de favoriser le recouvrement des arriérés. Mais nous devons garder à l'esprit le principe d'égalité de tous face à leurs obligations de membres.

S'agissant des aspects techniques de cette mesure, le document qui nous est soumis ne fournit pas suffisamment d'informations. En conséquence, nous suggérons, comme d'autres l'ont fait avant nous, que le Comité financier soit chargé d'étudier les critères et modalités d'application de cette importante proposition.

Nous pouvons difficilement accepter que l'on confie au Comité financier le soin de se prononcer sur les demandes d'application de cette mesure dont les critères d'application n'ont pas encore été fixés par un organe directeur de cette Organisation. Nous espérons pouvoir approfondir ces

questions dans des délais acceptables pour tous, selon la procédure suggérée par notre collègue allemand et appuyée par le Royaume-Uni.

Mrs Melinda L. KIMBLE (United States of America): I very much appreciate the preliminary remarks made on this subject by Mr Mehboob. The United States favour a postponement of action at least until a full review of the proposal can be undertaken by the Finance Committee and recommendations made by that body. We believe that the cautionary notes voiced by Switzerland, United Kingdom and others should be carefully heeded. We could then, as other speakers have suggested, empower the Council to take action in the interim if the study warrants it, so as not to wait two years.

That said, I have listened carefully to other interventions and the evident and justifiable interest in this scheme. Given these concerns, I would suggest that, if implemented, this proposal be implemented on a trial basis and that reports be made regularly and monitored closely by the Finance Committee. The criteria proposed by the Secretariat should also be regularly reviewed. In this regard, I note particularly that the enforcement of a maintenance of value mechanism has had problems in other agencies and could risk further arrears, something which we clearly want to avoid. Comprehensive recommendations could then be made by the Finance Committee to the next Conference based on our experience during this biennium. It is also important that the Secretariat quickly undertake a report on applications on similar practices in other UN organizations so that we can benefit from these experiences.

In addition to the questions raised by Switzerland, I would also ask what is FAO's exposure - the amount of outstanding contributions and arrears that might be eligible for payment in non-convertible currencies or the total amount of programme activities that FAO undertakes in such currencies? This is an important distinction with potential serious implications for the financial viability of FAO.

Many speakers have discussed the possibility that a portion of assessments be paid in local currency. This is clearly different from the thrust of the Resolution before us and more in line with what is being done in the United Nations as a result of the decision of the 46th General Assembly. In fact, the Draft Resolution speaks of Arrears of Contributions in the preambular paragraphs, and only Assessed Contributions in the operative paragraphs. We need to be clear in our intent about what we are about here. Given the broad sentiment for fine-tuning expressed in this debate by all speakers, we need as a minimum a careful redrafting of this Resolution before we proceed. This redrafting must take into account the concerns expressed and must reflect the need for a trial before we go further in implementing such a proposal on a long-term basis.

A brief note on incentive schemes: a study of this practice in the UN system has proved that countries who can pay on time, for whatever reason, get a slight rebate. Others who pay late, for whatever reason, generally continue to pay late. I believe that the experience to date in FAO is consistent with the review that we have had of this practice in other agencies.

Takafumi KOJIMA (Japan): My comment is very, very brief. First of all, my delegation appreciates Mr Mehboob's introduction. Mr Chairman, my delegation is fully aware that many Member Nations are in arrears because

of their economic difficulties. Unfortunately, this situation has not been improving. My delegation understands that appropriate measures should be taken at an early opportunity in order to overcome this situation. I understand that the proposed measures could be one possible solution. However, before we come to the decision, we need further study on this subject, and especially essential is the study of the Finance Committee from the technical point of view. Unfortunately, we did not have an opportunity at the 104th Session of the Council to discuss the substantial context of the proposed measures. In this context, my delegation supports the proposal from the distinguished delegate of Switzerland to refer the matter to the Finance Committee for further study.

Ato Assefa YILALA (Ethiopia): Even though it is late, I would still like and feel obliged to congratulate you on your election to chair this Commission, the lateness being because this is the only time I have requested the floor under your chairmanship and the first time that I have spoken in Commission III.

We would also like to express our due regard for the introduction that was given by Mr Mehboob on the item under discussion.

Like most speakers who expressed their views earlier, we also believe that all members should respect and fulfil their obligations in respect of assessed contributions to the Organization. However, the economic situation of the developing countries has had unhealthy developments, and this situation was more reflective on causing constraints on hard currencies because of a number of other requirements, particularly payment of debts and debt servicing. When member countries are willing to pay their share of assessed contributions and yet not able today because of shortcomings in hard currencies, this becomes morally unacceptable to most of us, particularly when some possible arrangements for payment in local currency could be made. In effect, this view of not letting member countries pay in local currency is discouraging the member countries from participating in the international forum. We believe that the Organization has some local cost and that this contribution in local currencies could be used for local expenses, thus reducing the transmission of hard currencies from the Organization to the member countries requesting to pay in local currencies.

We therefore would like to express the support of our delegation for approval of the draft resolution that we have before us. It should be understood that the convertibility of the currency, or any currency for that matter, is dependent upon economic strength rather than the unnecessary stigma that is being attached to any given currency. We believe that the multilateral institutions, particularly the UN agencies, should be able to see that all currencies are seen on an equal footing as much as possible. When we know that some incentives have been taken as measures in the past so as to encourage timely payments, and when we are aware that this has not provided encouragement towards timely payments, we think that the proposals which we have before us could be considered as one more step towards encouraging timely payments.

We are therefore in favour of the implementation of the proposal on Collection of Assessed Contributions in local currencies on a case-by-case basis, even though a careful study by the appropriate body could not be resisted, as long as this is made as soon as possible.

P.R. JANUS (Netherlands): First of all, I would like to thank Mr Mehboob for his introduction of this agenda item. I shall be very very brief.

On the subject of the status of contributions, the Netherlands has said on many occasions that we consider prompt and full payment of contributions essential for the Organization in order to enable it to carry out its Programme of Work, and we continue to do so.

Regarding the proposal contained in document C 93/LIM/18, we share the views expressed by Switzerland, Canada and Sweden on behalf of the Nordic countries. My delegation has questions similar to those expressed by Switzerland, for instance concerning practices in other parts of the UN system and the implications of the proposal for the UN system as a whole.

My delegation considers it important that this proposal be thoroughly discussed in the Finance Committee. We understand that this has not yet been done. Therefore, my delegation would support the idea expressed by many delegations to refer this proposal back to the Finance Committee for its consideration. Although my delegation would prefer that the final decision be taken by the next Conference, it could accept Germany's proposal to delegate authority on this matter to the Council.

MA GENG-OU (China) (Original language Chinese): I would like first of all to thank Mr Mehboob for his introduction. Sir, we have noted that, thanks to the combined efforts of the Director-General and Member Nations and in particular, the major donors, FAO's financial situation has shown a certain amount of improvement in 1992-93 as compared to past years. As a Member Nation of the Organization, we are very pleased with this situation because it shows that some progress has been made here. Nevertheless, the fact is that the financial situation of the Organization has not really fundamentally improved, and that is worrying. Indeed, according to the figures contained in document C 93/LIM/17, by 3 November of this year, the total amount of arrears in contributions was still US\$108 million.

Quite a number of Member Nations have very high arrears and some even have arrears due for earlier years. This state of affairs affects the smooth running of the Organization's Programme of Work, and therefore we do express the hope that Member States will make every effort to meet their financial obligations towards the Organization by paying their current assessments on time, and also their arrears for previous years as soon as possible, in order to contribute to a radical improvement in the financial situation of the Organization which, of course, will allow it to carry through its Regular Programme and to work well.

Moreover, we have taken note of the proposal made by the Director-General which was transmitted by Council to Conference in order to resolve the problem of delayed payments and, in particular, to help countries in difficulties by allowing them to pay in local currencies. We have noticed that this is accompanied by some very strict conditions, and we feel that the proposal constitutes one of a number of measures that could help resolve the problem of countries in particular difficulty. We express the hope that these strict conditions can be rigidly applied without affecting or in any way putting the Organization at risk, because this involves the interest of the Organization and consequently the interests of all Member States and the practical difficulties of certain Member Nations, so we have to move cautiously. We have noted at the Council Session, at its 104th Session, that different opinions were expressed by Council members. Some

countries did appreciate the positive nature of the proposal but asked questions, which means that we need to reflect carefully. We support the proposal in principle, and at the same time we hope that in its application the effect and any other problems linked to the application of the measure will be carefully analysed so that the proposal may be applied surely and effectively.

DEPUTY DIRECTOR-GENERAL: While I was not able to listen to all of the debate, I have listened very carefully to that part of it that has taken place and I have been briefed by my colleagues on the other part, and taking all things into account I would like to suggest for the consideration of the Commission that the Conference authorize proceeding on a trial or experimental basis; that the Finance Committee be authorized to approve proposals received by the Director-General and assessed in accord with the criteria approved by this Conference; that the Secretariat be requested to prepare a report for Finance Committee consideration on the experiences of the UN and the other Specialized Agencies; that the Finance Committee report to the November 1994 Council on revised criteria if necessary, and of course that the Secretariat provide any other assistance as required by the Finance Committee or the Council; and finally that the Council, based on the experience of the Finance Committee during the current biennium, report to the Conference containing any necessary amendments to criteria or even, if at that point it believes desirable, to the Basic Texts of the Organization.

In other words it is a plea for this Conference to authorize proceeding on a trial or experimental basis, with all of the necessary conditions, to see that the matter is not in any way distorted or that it is implemented in as fair and reasonable a manner as one could conceive. Fundamental to this, of course, is amending the proposal that is before you to grant approval, not to the Director-General, but to grant approval to the Finance Committee on the matter.

K. MEHBOOB (Assistant Director-General, Administration and Finance Department): Mr Chairman, several delegations expressed concern that the proposal may go against or upset the scheme of things in the whole UN system. Mr Chairman, as we heard today, different organizations are applying different methods with regard to contributions. We heard that the ITU and the UPU were charging interest. We ourselves have a discount scheme in force. The UN accepts 14 currencies so there seems to be not a uniformity as we envisage. So there may not be that much of a risk in going against any common system criteria, but as the Deputy Director-General has said, we would be prepared to provide a report to the Finance Committee on the practices within the UN system for their review at their spring session.

There was a question from the distinguished delegate of Switzerland on how this proposal fitted into or related to the Basic Texts of FAO and that this was an exception. Mr Chairman, Financial Regulation 5.6 inter alia, states that each Member Nation and Associate Member shall pay the remainder of this contribution in lire or in its own currency which, for the purposes of its contribution to the Organization, must be freely convertible into lire, the convertibility being the responsibility of the contributing government.

It is true that what is being put forward in the proposal is a request for a derogation from this financial regulation but, Mr Chairman, this would not be the first time. There are precedents. For example, in 1983, the Conference delegated certain decisions to the Council and the Resolution states "delegates to the Council the authority to decide notwithstanding Financial Regulation 6.1(b)." Similarly, in 1987 again it decided to delegate to the Council notwithstanding the provisions of Financial Regulation 6.1(b). So, Mr Chairman, this would not be the first time that such a derogation is approved.

The distinguished delegate from Switzerland also asked how this would fit into the system of other UN agencies. I believe I have commented in that aspect.

Another question which he raised was which countries would this apply to. The criteria in paragraph 7 of the document, one of the criteria states that the proposal could only be applied in the case of those Member Nations whose currency was not clearly convertible as defined in Financial Regulation 5.6. So it would be the countries whose currency was not freely convertible.

As to how long it will be applied, Mr Chairman, every month we have to procure local currency in various countries for our operations there. It is done through the interest accounting system, so it will be applied through the interest accounting system. Whenever we need local currencies for a particular country, instead of procuring local currency from the banks as it were, we would credit the country and accept local currency and the criteria would specify which rate would be used and how we would go about it.

Another question was: would it apply to the arrears as well, or only current assessment? Mr Chairman, it would apply to both - arrears and current assessments.

The distinguished delegate from Sweden supported the idea on charging interest on delayed payments, and that UPU and ITU were doing this and having encouraging results. Mr Chairman, we submitted a proposal a few years ago on specifically this aspect, whether to apply any punitive measures to those countries who were late in the payment of their contributions, and it was overwhelmingly rejected by the Council who were against any punitive measures on Member Governments.

The distinguished delegate of Sweden also said that if he has evidence that it would improve the arrears situation, Sweden would be prepared to agree to the institution of this measure.

First of all we have had a few requests from some countries which we have turned down, requesting whether they could pay in local currency and, Mr Chairman, it would affect the arrears situation because, like I explained a while ago, we have local currency expenditure in various countries and we do actually convert dollars into local currency to honour that expenditure.

Therefore, it would have a big impact on the arrears situation.

The delegate of Austria requested a table similar to the one in C 93/LIM/18. At the present time we do not have it available but such a table is issued regularly by the CCAQFB, and we could provide this

information to the Finance Committee when it reviews the situation in the spring.

There was a question from the distinguished Ambassador from France about the discounts and how it would be paid. It would be deducted from the next year's assessment.

There were some questions from the delegate of Argentina which I will ask my colleague, the Director of Finance, to respond to. Otherwise, I believe that I have responded to all the questions.

E.S. OWENS (Director, Financial Services Division): The delegate from Argentina requested information on the number of Member States of the Organization that have non-convertible currencies and the number where we have FAO activities.

Currently, 105 Members of the Organization have currencies that are either not freely convertible or conversion is restricted. Out of those 105 Members the Organization has activities in 67 through Regional Office representations or projects.

A question was asked on the definition of the relatively short time as described in paragraph 7 of C 93/LIM/18. By relatively short time it was meant that the currency would be able to be used at the same UN operational rate of exchange. The operational rate of exchange is revised on a monthly basis and, therefore, we are talking about the currencies to be used primarily over a one-month period.

There were also questions raised about the exchange rate to be applied. I think those are described adequately in the paper.

I believe that that responds to the questions posed by the delegate of Argentina.

CHAIRMAN: I would like to restate in slightly different language what the Deputy Director-General has said as to what I feel is the consensus of this meeting with regard to the proposal in document C 93/LIM/18. No doubt the wording can be rephrased by the Legal Counsel: "This Commission recommends to the present Conference that a further study be made of this item by the Finance Committee and the CCLM, if required. They will then submit their proposals to the Council next June, if appropriate, or in November 1994 and the Council will be empowered by the Conference, if they accept the scheme, to implement it for a trial period of either one year or until the next Conference, and they will report on the results of the scheme to the next Conference where a decision will be made whether to continue the scheme or not. "

I feel that this is more or less the consensus of this meeting.

Mouin HAMZE (Liban) (Langue originale arabe): La situation financière actuelle de l'Organisation est directement liée au recouvrement des contributions des Etats Membres. Or cette situation requiert sans doute des mesures pratiques susceptibles de garantir les intérêts de l'Organisation, l'exécution des projets de développement agricole et le renforcement des capacités des pays en voie de développement à les absorber.

La proposition du Directeur général contenue dans l'annexe E du document C 93/LIM/18 autorisant sous certaines conditions, le paiement des contributions en monnaie locale, est une proposition importante et digne d'être expérimentée, de même qu'elle s'adapte à la situation financière et économique d'un grand nombre de pays en voie de développement.

Je m'empresse d'affirmer que la faisabilité de cette proposition, son efficacité et sa capacité à garantir les intérêts de l'Organisation dépendent de sa mise en oeuvre, compte tenu de critères clairs et inéquivoques.

Nous ne pouvons pas garantir le succès de cette proposition tant que les conditions claires de son application ne sont pas réunies.

Pour atteindre l'objectif visé par cette proposition, il faudrait assurer sa mise en oeuvre sur le terrain et en suivre l'évolution, le cas échéant, d'une manière conforme à la situation économique des pays bénéficiaires.

Le Liban a souffert d'une grave situation économique qui a affecté sa contribution dans de nombreux programmes internationaux. Mais cela ne l'a jamais empêché d'honorer ses engagements à l'égard de l'Organisation et de ses projets. Notre appui à la proposition du Directeur général s'inspire de la nécessité de respecter la conjoncture des pays en voie de développement et ne pas aggraver leur isolement économique et le poids de leur dette.

Christian BONAPARTE (Haïti): Je vous remercie vivement d'accorder la parole à la délégation haïtienne, surtout étant donné la synthèse qui a déjà été faite et le fait que vous ayez permis au Secrétariat de s'exprimer avant que tous les membres de la Commission aient pu faire part de leurs interrogations concernant les avis émis par les délégations ici. Nous sommes un peu scrupuleux de prendre la parole à ce niveau des débats. Ce sera peut-être pour clarifier les choses ou permettre à certaines délégations de s'exprimer plus clairement.

Pour sa part, la délégation haïtienne sera très claire et n'interviendra qu'une fois.

Nous n'avons pas d'objection majeure à cette proposition. Nous aimerions également avaliser plusieurs remarques de différentes délégations qui se sont exprimées ici en faveur de la proposition qui nous est soumise, notamment celle faite par la délégation du Maroc concernant la possibilité de payer des intérêts sur les arriérés. C'est à notre avis un non-sens.

Nous voulons aussi appuyer très fortement ce qu'a dit la Jamaïque qui pense que la proposition qui nous est soumise est une proposition très créative. Haïti est en faveur de cette proposition.

Mme Amina BOUDJELTI (Algérie): Je répondrai d'autant plus favorablement à votre appel de brièveté que je vous suis reconnaissante de me donner la parole à ce stade du débat. Je ne reprendrai donc pas l'inquiétude de ma délégation face à la situation financière de notre Organisation, ni non plus les arguments fort pertinents développés par de nombreuses délégations, dont celle du Maroc, de l'Éthiopie ou de l'Inde.

A ce niveau du débat je voudrais donc tout simplement apporter le soutien de ma délégation à la proposition contenue au LIM/18, telle qu'amendée et corrigée ici, c'est-à-dire donnant la possibilité de déléguer au Conseil

l'autorité d'appliquer les mesures qui sont contenues au document C 93/LIM/18.

Juan NUIRY SANCHEZ (Cuba) : En primer lugar, pido disculpas por no haber estado a tiempo en esta importante reunión, pues desde hora temprana estamos en otra del Comité General, razón por la cual no oímos, por tanto, ni la presentación del tema ni algunas importantes intervenciones sobre este amplio tema. Sí queremos dejar sentado, señor Presidente, que estamos totalmente de acuerdo con lo propuesto por el Director General Adjunto Sr. Hjort, pero quisiéramos se nos permitiera unas breves reflexiones y consideraciones pues, como repito, el tema es amplio.

Partimos de un principio: Todo país miembro de la Organización debe pagar sus contribuciones; pero esto, dicho así, no se puede tomar mecánicamente. En este mundo complejo no se puede deliberar en términos generales sin hacer un análisis particular de cada país, de cada caso. Hemos visto que en este Consejo se le ha dado un gran peso a esta situación. Y hemos visto que se han distribuido los nombres de los distintos países llamados en mora. Todos, señor Presidente, son países en vías de desarrollo; todos son países que necesitan totalmente la ayuda alimentaria; todos son países que no vamos a enumerar, porque precisamente en esta sala se han escuchado, la deuda externa, la guerra, bajo la bandera de combatir el hambre; países bloqueados, sin guerra, y se han distribuido los nombres de esos países, inclusive se ha hablado de multas. Nosotros quisiéramos, como ya hemos repetido que estamos de acuerdo en lo que ha planteado el Director General Adjunto, pero que se valorara también el grado de responsabilidad de un país que no paga, a un país que paga parcialmente, solamente para tener derecho al voto. ¿Qué peso tiene ese país, pequeño, chiquito, que tal vez el pago es moral, al lado de un pago parcial de ese país que, sencillamente, mantiene la Organización en opción cero? ¿Ese no va a tener castigo? El pequeño país subdesarrollado, el pequeño país que necesita de la ayuda de todos, es al que se le habla de multas y se le habla de, sencillamente, de que no pueda tener derecho ni aspirar a cargo, ni poder tener derecho a voto, no puede tener derecho a nada. No, no; no quiero con esto decir que esto es un sentido para justificar el pago; de principio dije que no. Pero, señor Presidente, yo quisiera que esto se valorara, se sopesara y se vieran, también, cuáles son las cuestiones de peso que todo esto que estamos diciendo tienen o no tienen. Esto, señor Presidente, son estas reflexiones y estas consideraciones que usted tan amablemente me ha dado la oportunidad de decir.

Mrs Melinda L. KIMBLE (United States of America): I regret wanting to take the floor again, but I wanted to make very clear my support for the conclusions you drew on the consensus of this debate. I thought your summing up was exactly in the right direction. At this stage, we believe it premature for this Conference to take final action on authorizing the trial experiment or to decide on criteria until we have further information that is reviewed in the Finance Committee.

Robert ANDRIGO (Canada): I wanted to make a similar point to that of the United States respecting the need not to take definitive action at this point, but rather to work through the Finance Committee and eventually authorize the Council at a special session in June, or subsequently to actually approve (or otherwise) this particular scheme, and that before that, the matter would continue to be studied by members in capitals and

elsewhere. That brings me to my second point, and indeed to the absence of information that we have in respect to this particular issue. Now perhaps the microphones were not working when I spoke earlier, but I posed a number of questions, none of which were responded to by the Secretariat. One was indirectly addressed in response to a question raised by Argentina. Accordingly, I would still appreciate a response to the very specific questions that I put. These are - and I will repeat them - What is the definition of a convertible or non-convertible currency? What is the benefit to the Organization of this scheme? By that I mean, what is the total amount of money that might or might not be implied as being collected according to the proposal that is put before us? And specifically, as regards the number of countries that are possibilities for use of this particular scheme, to what extent do the assessments and arrears exceed (or otherwise) the costs that are being incurred by the Organization in those countries? Thirdly, the question of the implications for prioritizing and programming the activities of the Organization also has not been addressed, and I think that that is an important issue. Obviously, this may not be possible today, and I will be quite happy for that to be considered subsequently by the Finance Committee before a final decision is taken.

Dominik LANGENBACHER (Switzerland): First a word to our Canadian colleague who was asking himself whether the microphones were working or not. Mine has been working throughout, so all I have to do is remove the cup, and then I can take the floor.

Two points. First, thank you very much for your precise summary which makes it clear that the matter will be referred to the Finance Committee for further study and discussion and later on, authorization of the Council for action. The second point - I made this clear in my first intervention - I did not expect the questions raised by myself and other delegations to be answered here and now. I do hope that the Finance Committee in its discussion, and the Secretariat enhancing those discussions in the Finance Committee, will be led by these questions we have all formulated today here.

Chadli LAROUSSE (Tunisie) (Langue originale arabe): Très rapidement, je voudrais vous parler de l'opinion de mon pays. Je remercie M. Mehboob pour ses éclaircissements ainsi que M. Hjort. Je partage l'incertitude et la perplexité de tous les délégués qui m'ont précédé quant au montant très élevé des arriérés.

A cet égard, je voudrais proposer un simple amendement concernant les arriérés de la Tunisie, c'est-à-dire 7 000 dollars, figurant dans le document: ces 7 000 dollars ont été versés. Je voudrais que ce soit corrigé.

Je suis donc tout à fait perplexe à l'égal des autres délégués. Cependant, je ne suis pas tout à fait d'accord concernant les solutions, car je ne pense pas que la situation puisse se perpétuer. Nous ne pouvons pas rester coi. Il faut que nous puissions trouver des solutions positives et pratiques afin d'éviter tous ces problèmes.

Je suis tout à fait reconnaissant au Secrétariat pour le document C 93/LIM/18, bien que ses solutions ne soient pas tout à fait complètes. De toute façon, je suis tout à fait d'accord avec le résumé que vous avez présenté, M. le Président, quant aux initiatives proposées et pour que nous

puissions tenir compte de toutes les précautions afin de ne pas glisser dans un piège s'agissant de la mise en exécution de ces initiatives. Je pense que nous devrions penser à d'autres initiatives pour ce qui est du recouvrement des contributions, des mesures incitatives. Je pense que des mesures institutionnelles également pourraient être prises, mais d'une façon tout à fait drastique quant à leur mise en oeuvre de sorte que les questions conjoncturelles ou à caractère spécial ne puissent pas s'imposer, comme l'a dit M. le délégué de la France.

Ashraf Mohsen Mohammed M0HSEN (Original language Arabie) (Egypt): The question that concerns us is contributions and arrears, matters, in our view, of paramount importance. We have to be able to guarantee the future of the Organization, and we agree with others who have spoken to the effect that arrears should be paid up. So the proposal we have in C 93/LIM/18, these measures are of vital importance so as to improve the collection of assessed contributions and thus enable all countries to pay their contributions and pay their arrears. We also believe that this could have implications on the financial situation of the Organization. I think that it is for the Finance Committee to look into the matter, and subsequently the Council could then have this document placed before it.

Mrs Elena ASKERSTAM (Estonia): May I thank Mr Mehboob for his introduction. I refer to documents C 93/LIM/4 and C 93/LIM/17. May I say that I am making this statement also on behalf of the two other Baltic countries who find themselves in an identical situation. I note with dismay the continued listing of the scale of contributions for Estonia for 1992-93 at the level of 0.07 percent, and with even greater dismay, an increase for 1994-95 to 0.08 percent. Estonia is very aware of its responsibilities to FAO and its budget. This was stressed in our statement in the Plenary. The situation of the scale of contributions listed in document C 93/LIM/4 is even more disturbing to us, as at the time of our application for FAO membership, we were informed by FAO that the level of contributions for Estonia was established at 0.01 percent. We are, hence, held responsible for an eight-fold increase, apparently on the basis of our past connection with the exchange rate of a currency which is no longer ours. We find it astounding that a country which has for two years struggled with a profound restructuring of its economy and its agriculture is being charged at a rate, or higher than the rate, of many countries with long-established and stable economies. The listing of Estonia as not having paid its obligations for 1992-93 in document C 93/LIM/17 is most embarrassing to us, and we sincerely hope that the negotiations which still continue on this subject in New York will soon give positive results. I wish to stress that we are already now willing - and able - to pay our contribution to FAO at the level originally requested of us.

Herald HILDEBRAND (Germany): I have a very short comment from my delegation regarding Mr Mehboob's answer as to the applicability of the proposed system to arrears. My delegation thinks that a very careful consideration should be given to that specific aspect because we should try to ensure fair treatment to all countries which are in arrears. My delegation thinks that circumstances and conditions are very different, and there are quite poor countries that have made great efforts in paying and in coming up to their obligations and have paid arrears. So this is a delicate issue that should be taken into account.

Waleed A. ELKHEREJI (Saudi Arabia, Kingdom of) (Original language Arabic): Very briefly, at this late hour, I should simply like to say that we are not against the measures proposed by the Director-General. We make no objection to them. Nonetheless, a large number of Member Nations would like to have these measures studied in greater depth; thus the suggestion that this go to the Finance Committee for study is a judicious one, after which the proposal would go to the Council.

E.S. OWENS (Director, Financial Services Division): I would like to apologize to the delegate of Canada for not answering his questions the first time. I believe the first question deals with the definition of what is a convertible or non-convertible currency. A non-convertible currency is a currency where there are restrictions or prohibitions on the movement of that currency outside of its own home country; and currently, as I said earlier, there are 105 Members of the Organization whose currency is not freely convertible, which fall under that definition.

Benefits to the Organization: The Organization currently spends US\$3.2 million a month from all funding sources in non-convertible currencies. We use our US dollars to procure those currencies to cover those expenditures. While the total potential benefit is not US\$3.2 million a month, by the proposal that has been put forward some of those funds could come from the payment of assessed contributions and would not require us to use the dollars out of the dollar accounts to procure those local currencies.

On the programming of activities, I am not sure I understand the question clearly, and I would be glad to discuss that with the delegate at a later time, but I am not sure I can answer that question at this time.

While I have the floor, Mr Chairman, also the US asked the question about exposure, and we failed to answer that question. I believe the answer of US\$3.2 million a month is how much we spend monthly on non-convertible currencies. I hope that responds to the question on exposure. If the delegate needs more information, I will be glad to provide that also.

Robert ANDRIGO (Canada): The Director of Finance just suggested that 3.2 million is your exposure in non-convertible currency. The point of the benefit to the Organization is how much of that US\$3.2 million can be converted into payments under this particular scheme, and the related question to that was what is the stock of Arrears and Current Assessed Contributions which have not been paid, against which this scheme might be imposed.

E.S. OWENS (Director, Financial Services Division): I do not have the answer to the delegate's question immediately available, but we could provide some information later; and also, once we have had some experience on this scheme, we can provide information.

Moomi TE AVELELA SAMBA (Zaire): Le point en discussion en ce moment est d'une importance capitale pour notre Organisation.

D'après la délégation du Zaire, l'accumulation des arriérés que nous déplorons aujourd'hui est due essentiellement à un manque de moyens. Car,

comme d'aucuns le savent, la plupart des pays en développement sont des exportateurs nets de matières premières. C'est la commercialisation de ces matières qui leur rapporte des devises fortes leur permettant d'honorer leurs engagements.

Or, à l'heure actuelle, la baisse des cours et la détérioration des marchés mondiaux sont telles que tout paiement en monnaie forte relève de la gageure pour nos pays.

En conséquence, le Zaïre soutient la proposition du Directeur général relative au paiement des contributions en monnaie locale et se rallie à l'idée de voir cette proposition se concrétiser dans l'intérêt bien compris de la FAO.¹

The meeting rose at 12.50 hours.

La séance est levée à 12 h 50.

Se levanta la sesión a las 12.50 horas.



conference

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

conférence

ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE

conferencia

ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

C

C 93/III/PV/4

Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

FOURTH MEETING
QUATRIEME SEANCE
CUARTA SESION

(19 November 1993)

The Fourth Meeting was opened at 15.15 hours
Mr Algirdas Zemaitis, Chairman of Commission III, presiding

La quatrième séance est ouverte à 15 h 15
sous la présidence de M. Algirdas Zemaitis, Président de la Commission III

Se abre la cuarta sesión a las 15.15 horas
baio la presidencia del Sr. Algirdas Zemaitis, Presidente de la Comisión III

- III. CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)
III. QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)
III. ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

23. Trust Funds/Support Costs Reimbursement
23. Fonds fiduciaires/Remboursement des dépenses d'appui
23. Reembolso de los gastos de apovo/Fondos Fiduciarios

V.J. SHAH (Deputy Director-General, Office of Programme, Budget and Evaluation): This item before you has quite a long history, is an item which has many implications, and is an item which has been progressively considered by our Governing Bodies. The document before you, C 93/17, gives all of this, but I am grateful that you will permit me to introduce the item because I would like to draw attention to certain aspects in a way which I hope will assist your deliberations and also permit you to consider whatever course of action you choose without repeating the points that the Secretariat has drawn to your attention or repeating the concerns that have been expressed by certain Member Nations themselves in the fora of the Council and the Programme and Finance Committees.

The first point is the history of this problem. The history of this problem of support costs reimbursement for our Trust Fund programmes goes back even before the last Conference in 1991. It is a problem which has been repeatedly drawn to the attention of the Finance Committee and the Council as regards the insufficiency of the reimbursements received in relation to the implementation of the Trust Fund Programme and its costs. During 1988 and 1989, there were documents submitted to the Finance Committee on this matter. The matter was finally drawn to the attention of the Conference in 1991, and the Conference at that time concluded that the Director-General should undertake a study of the matter and that the results of the study should be submitted to the FAO Council through the Programme and Finance Committees. The study which was undertaken in response to this directive to the Conference was submitted to the Programme and Finance Committees in September 1992 and to the Council in November 1992. The conclusion at that time was that the Council expressed appreciation for the prompt, thorough and transparent manner in which the study had been conducted and presented. In particular, it agreed with the Director-General's approach and in general with his objectives for any new arrangements. It felt that the study drew the attention of Member Nations to the key issues involved and generally welcomed the proposals of the consultant as a basis upon which new support cost arrangements might be developed. In the light of its debate, the Council invited the Director-General to submit his proposals for the implementation of a new support cost regime for Trust Funds through the Programme and Finance Committee at their May 1993 Session to the Council at its 103rd Session in June. The study was undertaken with the use of an outside consultant. The consultant's report was made available to all these Bodies, as well as a person representing the consultant, in order to answer all the questions that the Programme and Finance Committee and the Council might have on this matter. In response to the Council's directive of November 1992, the Director-General then presented his preliminary proposals for the new arrangement. These again went through the Programme and Finance Committees, and the Director-General deliberately kept them preliminary because he wanted to take into account all concerns expressed, whether of those Member Nations who contribute to Trust Funds or those Member Nations who do not contribute to Trust Funds but, after all, are members of this Organization, and of all Member Nations who benefit from

the Trust Fund Programme. The preliminary proposals of the Director-General to the Council in June resulted in the following conclusions. And I only deal with the conclusions, because the reports of all of these bodies speak for themselves. The Council concluded by indicating its general support for the Director-General's proposals, which would contribute to the revitalization and qualitative enhancement of the Organization's Field Programmes while balancing the financial contributions of the respective sources of funds. It requested the Director-General to review and revise his proposals in the light of the views expressed by the Council and to submit his revised proposals to the 27th Session of the Conference. They are, therefore, before you.

What are the issues and problems? First of all, FAO's role in Technical Assistance.-In order to keep my remarks short rather than repeating the issues and the points, I draw attention to the paragraphs 11 and 12 of the document before you. This really draws attention to what is important about the Field Programme, why importance is attached to it by you, the Member Nations and what are the links between the Regular and the Field Programmes? The second point is that the Field Programmes are essential to the membership of FAO. The Field Programme's links with the Regular Programme are drawn to your attention in paragraph 15 of the document. The third aspect is the aspect of quality, and this is not new also.

In fact, in the review of the FAO which took place in 1988-89, the Group of Experts who studied field operations said in their report that one of the reasons for a lack of good technical support is that insufficient resources are provided by UNDP and the Trust Fund donors.

Let me deal now with the resources problem. The problem of resources for the Field Programme in terms of the adequacy or inadequacy of the reimbursement received is linked to several key factors pertaining to the very nature of the Field Programme. First of all, the Field Programme, as we all realize, over the last few years has become more complex. For those of us who were involved in Technical Cooperation activities, including myself 25 years ago - a project of Technical Assistance at that time very often had a model of a number of experts provided for three or four years, a resident team with a fixed plan of work, and rather basic assistance in whatever field the assistance was required. The Technical Cooperation Projects of today are much more complex. The problems that they are addressing have become more difficult, more interrelated. This results in a different response given through the projects themselves. Secondly, the structure of reimbursement on a percentage basis - 13 percent as a basic rate - has become a problem because this reimbursement then declines when the percentage is applied to a reduced cost base. For example, if you have more national personnel on a project who are obviously going to cost much less than international personnel, the 13 percent applied to them gives the Organization a much lower reimbursement income. The third aspect is that the support costs incurred by the Organization are very specific. They are incurred essentially in Rome, and the inflation factor which applies to them is higher than the average international inflation rate.

Let me give you the same problem expressed in terms of dollars as we see it now. The cost measurement survey which was submitted to the Finance Committee showed that for 1992 the Regular Programme had subsidized the total Field Programme by US\$71.1 million in 1992. Subsequent analysis has shown that out of this US\$71 million, US\$35.4 million is linked to the Trust Funds. Of this amount of US\$35 million, US\$17.7 million was reimbursed by donors, which has left a shortfall of close to US\$18 million

to be funded by the Regular Programme. None of you will be surprised by this because we have talked about this problem not only over the years but also in the recent discussions on programme implementation and on the programme of Work and Budget. You are all aware of how we have had to reduce the establishment of support cost posts by some 300 posts. You are all aware of how the Director-General very reluctantly was obliged to request that a number of posts, essential posts related to the Regular Programme, be shifted from support cost funding to the regular budget. This is all related.

The next issue is that of image. By using a percentage rate of 13 percent, all of you, but particularly those who contribute to Trust Funds, had complained about the lack of transparency. What is the 13 percent used for? We have had concern expressed about accountability. Where and when are the services for this 13 percent delivered? In fact, the Director-General's proposals addressed these concerns head on. I will give you four examples. The publication of the rates from the verifiable cost studies using agreed methodology is the first aspect to increase transparency and accountability. Ex post facto reporting of actual costs - same objective. A clear capacity to enable you to compare FAO's costs with those in the market - same objective. The fourth aspect is a fundamental change which would require us to keep under ongoing review our administrative costs with a view to their reduction.

The proposed arrangements were requested by the Conference two years ago to be developed, taking into account the UNDP successor arrangements and at the same time to meet the needs and concerns of our Organization. Let me point out the similarities with the UNDP successor arrangements. The similarities are, one, that there is a clear distinction between technical support services and administrative and overhead services. The second aspect is that we have used the same consulting firm that the UNDP used, which gave us the benefit of having the same experience, the comparability of knowledge, and, if I may say, credibility. And thirdly, the work measurement surveys: This has provided us and you with consistent data between the studies and between different organizations.

The differences between the UNDP arrangements and the arrangements proposed to you now are that the UNDP arrangements, of course, are based on a basic assumption which you Member Nations laid down, that the UNDP arrangements will not cover the total cost. A part of it has to be borne under the regular budgets of all the organizations concerned. That is one difference. The second one is that the UNDP successor arrangements are only limited to five agencies in Rome, Geneva, New York, and Vienna. And, thirdly, by taking the averages for these different organizations, we are dealing with very different projects. For instance, it is very different to talk about the supply and installation of an industrial plant from talking about a rural development project.

This brings me, Mr Chairman, to what is proposed. Appendix A of the document gives you the details of the arrangements. These have been discussed so often that I will not read them out or comment on them. I will be open for all questions that may arise from the Commission.

Let me now deal, Mr Chairman, with the possible impact of these arrangements on the contributors to the Trust Funds. It can be seen, clearly seen, that there is a certain increase in reimbursement; but I hope it will also be seen that the arrangements deal with the improvement of project quality, cost transparency, accountability, and improved

efficiency. The technical support services are the aspect which deal with the quality of projects, and the key points to bear in mind there are that it is in the common interest of all contributors to Trust Funds, beneficiaries from trust funds, and the Secretariat, which is responsible for executing these projects, to constantly improve the quality, the technical quality of these services of these projects.

In terms of adequacy of quality, let me give some indication of what we see and where we are. The technical support services as a percentage of project inputs, was measured in the 1991 survey for UNDP at 12.7 percent. This was the result of the UNDP survey. This figure was confirmed at 12.56 percent in our recently completed 1992 survey. All of this is not charged or proposed to be charged to contributors to Trust Funds. Out of this amount, of 12.56 percent, the items which will not be charged to donors, to contributors, are the costs of project identification, which is equivalent to 1.6 percent of the above figure, and an estimate of general monitoring and backstopping, which is about 2 percent. This leaves just over 9 percent of project inputs as being chargeable. But in fact, Mr Chairman, a survey of TSS among FAO units has shown that over half of the support services are already being provided by project budgets. So, again, it is not a question of charging 9 percent additional. Half of it has already been provided by project budgets. It would be about 4 percent.

On the whole issue of technical support services, there is no aspect of imposition in the arrangements proposed. There is no imposition. What technical services you desire in the particular project are really a matter for the contributors to say as to what they would like to include in the project. It is for the recipient governments and countries to say whether they want these services and whether they accept them and, of course, the FAO Secretariat would be in an advisory capacity in this issue. When it comes to the administrative and operation of support costs, Mr Chairman, we have reported earlier, and I confirm today, that the impact on donors is fairly straight-forward, and we have admitted that there is a certain increase involved here. The analysis of 140 projects totalling a value of US\$352 million shows that the average AOS rate of reimbursement should be 16.26 percent. However, it must be emphasized that this is only likely to be the average rate for the following reasons: Firstly, the exposure of our costs, the fact that we show our costs openly, puts us under an obligation to reduce them. This has already been demonstrated, for example, in procurement services when we noticed that our costs of procurement for projects were higher than those of other comparable agencies. We took action.

We asked the same consultant, "You who have done those cost studies, you who know these other organization, what is different in what we are doing? Where are we going wrong?" And he pointed out, in fact, that the procedures that we use and have used for procurement were much more detailed, involved much more consultation between many more units, and his advice was, "Is it really necessary in all projects?"

And we accepted that advice, and the result is that instead of there being procurement officers in every operations unit, we have centralized the procurement staff in the procurement unit in AFS, limited it, and we could reduce the number of staff by eight.

This is an example in the way of which the transparency in costs gives you the leverage on the Secretariat to say "Ah, this is where you should make

an effort and achieve something", and I am firmly convinced that we can show we can be responsive.

The next aspect is that in view of the arrangements proposed the costs, the administrative costs, will vary with the nature of the project. The average is 16 percent, but for certain projects it will be much more; for certain projects it will be much less. But this is, I think, good for all of us because it will show us what the true costs of projects are. Which are the projects that FAO can execute much more economically than others, where its competitive advantage comes much more into play? And the third point, Mr Chairman, while I have talked about 16.6 percent, this figure of 16.6 percent was based on our analysis, as I said, and it was based on the costs related to the delivery in 1990-91. As we have taken the delivery of the last full year, 1992, into account, we have found that the average comes down already from 16.6 to 15.4. 15.4 is a step in the right direction, but one which we must all constantly work on to reduce further while maintaining and increasing the work of the programme.

Now what is the impact on the Organization of all these proposals? An accurate estimate of the impact is difficult to give. However, using the 1992 survey, I submit the following conclusions: of the total 1992 cost of US\$35.4 million related to these Trust Fund Programmes, the new arrangements, if accepted, would result in a reimbursement of some US\$28 million, leaving a balance of just under US\$8 million to be absorbed by the Regular Programme instead of US\$18 million as is the case now.

Mr Chairman, this may not satisfy everyone because we have heard from previous debates that some contributors to trust funds would prefer not to pay more but prefer the Regular Programme to bear the same share of costs as it does; and, on the other hand, we have also heard Member Nations who are concerned about the extent of the share borne by the Regular Programme. Well, these facts show you, Mr Chairman, that Trust Fund contributors are being invited to consider paying more, but at the same time they have the assurance that not everything is being charged to them. The Regular Programme will still take its appropriate share.

What is an appropriate share? There is no one answer I can give, Mr Chairman, but to give you an example, the proposals before you do not propose that the whole cost of Mr Mehboob's department be charged to the Trust Fund Programme as it relates to the Trust Fund Programme by no means. All that it proposes is that the costs of the procurement staff who deal with the Trust Fund Programme should be borne by the Trust Fund Programme as also the part of the Financial Services Division, which has a trust fund budget unit that should be borne directly under these arrangements.

This brings me to the point of the issues which were raised in the Council because the Council said to the Director-General, "Submit your final proposals to the Conference, taking into account the concerns that have been expressed in the Council". First of all the level of charges.

On this I will not repeat what I have just said. I hope it gives you an indication on how we have taken account of the concerns. Secondly, the complexity: Indeed, when we explained in the earlier submissions how project budgets would be developed, I can understand the reactions of those who say, "All this is very complex; how will it work in practice?".

Mr Chairman, the basic complexity of the system has been eliminated by suggesting that there be a fixed percentage. There would be a fixed

percentage of the project for the life of the project. This is the same system as far as the billing is concerned.

The structure of rates is maintained for the budgetary process, allowing the costs to be recognized and giving the necessary information to donors to justify the resulting percentage, but neither contributors nor beneficiaries need to be bothered in doing any complex calculations. In fact, for ourselves as well, for the Secretariat in developing project budgets, we have developed a prototype budget preparation system which would allow all this to be done on a normal personal computer. This kind of programme, a diskette, would be made freely available to all Member Nations, whether contributors to Trust Funds or beneficiaries, so that they can see how a project budget has been worked out.

The second concern which was raised was about cost efficiency and effectiveness. The concern over cost efficiency is recognized, as I have already pointed out. Here, Mr Chairman, let me briefly refer to a lot of discussion which took place in Commission II on the Programme Evaluation Report, because there was, I believe, unanimity in Commission II that the lessons of the Programme Evaluation Report as regards the Field Programme needed to be addressed. I said in my response to that debate that I would come back to it now, because what has been proposed under the item now is a direct response to what Member Nations want the Secretariat to do. I refer to paragraph 54 on page 96 of the English text of the Programme Evaluation Report. I will not read the whole paragraph. It says: "the conclusions we must work towards are a more multidisciplinary approach to project planning, design and implementation to enhance the coherence and cost effectiveness of response"; and that is addressed in the proposals before you. Secondly, "upgrading the skills of staff and consultants for project analysis, design, management" etc., is also addressed. Thirdly, "further improvement in procedures and process for programming, formulation, implementation and monitoring" is addressed. Fourthly, "greater selectivity in identifying, formulating and implementing projects in line with FAO's comparative advantage and with the existing technical and operational capacity of the Organization" has also been commented on. The fourth concern which was expressed in all the previous debates was about harmonization within the UN System. We should all work together, we should not be out of line, and we have heeded those concerns and your directives. First, let me point out that the degree of harmonization cannot be identical in all organizations because, as I explained, projects are different, costs are different, structures of the Organization are different, but also because of the nature of projects. The work of WFP would mean that in looking at the cost of projects and their implementation, one would look at the cost per ton shipped or the cost per ton air-lifted. Our projects, as you know, are so very different. Even the UNDP successor arrangements do not represent true harmonization as they affect only the five agencies who are concerned by these arrangements. However, the important thing is that we have worked and continue to work with our sister-agencies and organizations. The CCAQ, which is an inter-secretariat body dealing with administrative questions, concluded in its recent discussion that differences in costs incurred and in services provided make identical rates and rate structures impractical. It was thus particularly important for the costing methodology to be consistently applied. That, Mr Chairman, is what is important.

Where do other agencies stand? Many other agencies are working on the same proposals for support cost reimbursement. The International Telecommunication Union is the furthest advanced and has proposed a

structure which is essentially what we are proposing to you. UNIDO has a study underway and is in favour of the lump sum approach - the same aspects that we have used of the lump sum approach. ILO, Unesco and others have requested studies on the subject. UNDP, the Office for Project Services, which is about to be moved to the UN itself, has re-evaluated its management services agreements using the same costing methodology and, incidentally, the same accounting firm that we have used for our studies. The list could go on, but I think this gives you some feel of how much in harmony we are working with others.

I am almost at the end. I appreciate very much your patience. Other than the concerns of the Council, we have also taken particular care to hear the concerns of contributors to trust funds. We did this earlier on in June 1992. We had a first meeting to brief the representatives about what was being developed, and to listen to them and take their concerns into account. Since these documents to the Council in June were prepared, the Secretariat has shown itself open to them all to say, "if any of you want to come and discuss, please do, we are available", and we have had meetings with those who requested them.

One concern which has again come up in these latest discussions is that FAO might not appear competitive. We recognize the seriousness of the concern, but here I would point out two things: first, that when one looks at the actual costs of other organizations - and I have given information in earlier debates, information not generated by us but provided to us by our consultant about what the costs are in other organizations in a national context, whether in universities or in research institutions who undertake similar projects - those costs in a national context are considerably higher than those that we have displayed to you.

The second aspect is that when you look at competitiveness in terms of the reimbursement rate requested, it is rather dangerous to look only at a percentage figure because we all know that practices vary. For example, a consulting firm may add 80 percent as the reimbursement of the services they provide; they will build the costs into the cost of experts, the cost of equipment and the cost of training activities, with the result that you will never know what the real costs are. Similarly if an organization says "we will only charge 5 percent", I would very much challenge that figure and ask whether it is really 5 percent or whether the costs have been included in the project budget elsewhere.

The second concern which has been expressed - and I have never stopped listening to all concerns, whatever their source - is that all this is very well so far but perhaps we are not ready and we should take more time. In fact, Mr Chairman, I considered very seriously a suggestion made in recent days that the Director-General may wish to withdraw his proposals; Mr Chairman, that is not the case, and I say this with all respect and with all sobriety.

I hope that what I have said shows how carefully the problem has been studied, how carefully the proposals have been developed, how reasonably we have tried to put them to you, how open we have been in trying to respond to your concerns. I can accept and the Director-General can accept that when a proposal means requesting a contributor to a Trust Fund to pay more, nobody likes to pay more. Some may accept and some may find it difficult to accept.

On the issue of delay, Mr Chairman, let me just make these few points at this stage. Surely we all recognize that the problems are. Surely we all recognize that something needs to be done. We have been discussing this issue for over two years and I have explained all the care and the objectivity of the matter. What will more talking yield? The harmonization in the UN System is something which is being observed and developed. The cost is a calculated figure. We have given you the figures that we show, but I have also indicated that these costs can and will be reduced. The complexity issue has been largely taken out of the process, so this is where in all seriousness I put the matter to you.

The Director-General will be very interested in the response of your Commission to this debate, and I will try to respond in as constructive a way as I can, not only in answering questions but in providing, I hope, a response to the debates that you will have.

CHAIRMAN: Thank you, Mr Shah for a very lucid and, as usual, good presentation. As the delegates realize, this proposal has been under consideration for about two years. I hope that the speakers have studied all the previous documents, not just the documents presented here, and that their remarks will as much as possible be limited to practical suggestions or how this present document and the proposal of the Secretariat should be improved.

P.R. JANUS (Netherlands): I would like to start by saying that my delegation is grateful to Mr Shah for his long but useful introduction. As a major donor to the FAO Trust Funds, the Netherlands has taken a keen interest in the subject of the support cost arrangements for FAO Trust Fund programmes. In 1992 the Netherlands contributed US\$52.4 million on a voluntary basis. For 1993, our contribution might be even more substantial.

We have studied with great care the proposals contained in document C 93/17 and have come to the conclusion that the present proposals do not differ much from those presented earlier. On several previous occasions the Netherlands has expressed its concerns regarding those proposals. We did so, for instance, during the 103rd Session of the FAO Council last June.

Now the Secretariat proposes that the new support costs arrangements for trust funds take effect on 1 January 1994 and would apply to all new projects implemented after that date, including new phases of on-going projects.

It is in the opinion of the Netherlands delegation regrettable that prior to the formal submission of the document under consideration, no further consultations with most interested parties have taken place.

Although we acknowledge the merit of the proposed arrangements as an internal management tool, the Netherlands continues to have serious reservations concerning the new arrangements for support costs. Let me once again mention them in brief.

First of all, the newly proposed arrangements are too complex. Their acceptance would render donor appraisal and monitoring of projects more labour-intensive and time consuming regardless of the form of presentation to each donor.

Secondly, previous experiences with systems which include different percentage rates show that often they give cause to lengthy discussions and confusion because of differences in interpretation with regard to the required percentages.

Furthermore, during the execution of a project, adaptations in the project set-up may be required, which could further complicate matters.

Finally, and above all, the Netherlands advocates harmonization of procedures within the UN System. We would be very much in favour of one single arrangement applicable to all specialized UN Agencies. The introduction of an arrangement for FAO, which stands on its own, is from a managerial point of view undesirable.

As indicated, the Netherlands has serious reservations concerning the introduction of the proposals submitted by the Secretariat. It is our conviction that if the new proposed arrangement with regard to the Trust Fund Programme will be introduced without the support of major extra budgetary contributors, this will have a definite negative effect on the future availability of funds for the Trust Fund Programme and will jeopardize to a large extent the Trust Fund projects. To avoid such a dangerous development, a general consensus on this subject is essential. Suggestions and recommendations made during earlier consultations and during the June meeting of the Council do deserve fuller consideration and reflection before decisions are reached. Therefore the Netherlands would strongly suggest at least the postponement of a final decision concerning the introduction of a new arrangement in order to allow for further consultations among interested parties.

Lothar CAVIEZEL (Suisse): C'est avec intérêt que nous avons écouté les propositions que vous nous avez soumises. C'est également avec intérêt que nous avons examiné le rapport sur les fonds fiduciaires et le remboursement des dépenses d'appui.

En 1992, la contribution volontaire de la Suisse au Fonds fiduciaire de la FAO s'est élevée à 6,5 millions de dollars, ce qui place la Suisse parmi les dix plus importants donateurs de ce programme de terrain.

Dans ce rapport, le Secrétariat nous soumet un tout nouveau système d'imputation des dépenses d'appui. Rappelons ici que le programme des Nations Unies pour le développement a lui-même introduit un nouveau système applicable aux grandes agences d'exécution en 1991. Le système est à l'essai pour une période de trois ans. C'est en 1994 qu'une évaluation approfondie du nouveau régime sera réalisée. Il est vrai que le remboursement des dépenses d'appui est un sujet qui a déjà fait couler beaucoup d'encre au cours des dernières années. Mais il est aussi vrai que la communauté internationale, après plusieurs années de négociations, a finalement réussi à se mettre d'accord au Conseil d'administration du PNUD sur une nouvelle formule remplaçant celle des 13 pour cent.

Mon pays attend avec beaucoup d'intérêt les résultats de l'évaluation envisagée qui devrait permettre des simplifications de la méthodologie. Nous souhaiterions par conséquent que la FAO attende elle aussi les recommandations de cette évaluation. La FAO risque en effet de mettre en œuvre à elle seule un nouvel arrangement alors que d'autres organismes continueraient à opérer avec le nouveau système du PNUD.

Ma délégation est d'avis que le système des Nations Unies devrait se munir, autant que possible, d'un système unique de remboursement des dépenses d'appui et non pas laisser chacune des institutions développer son propre système. L'introduction d'un nouveau système pour la FAO nous paraît donc prématurée à l'heure actuelle. Il nous importe en outre que tout nouveau système contribue à améliorer la transparence, qu'il soit aussi simple que possible, et renforce la cohésion du système et la qualité des interventions de celui-ci.

Pour ce qui est des propositions du Secrétariat, je me permettrai de faire les remarques suivantes à ce stade.

L'arrangement proposé risque, à notre avis, de couper les activités financées par le budget ordinaire de celles financées par les fonds extrabudgétaires, alors que l'examen de la FAO fait il y a six ans déjà avait attaché un très grand prix à la symbiose nécessaire entre le Programme ordinaire et les activités de terrain de notre institution. Nous nous posons la question de savoir s'il est réaliste de résoudre les problèmes budgétaires impliqués par le seul biais du remboursement des frais d'appui dans le cadre des fonds fiduciaires.

Les démarches entreprises par la FAO en vue d'aboutir à la proposition du Secrétariat ont déjà permis d'obtenir les premières réductions de frais d'appui. À notre avis, il y a encore moyen de rationaliser les procédures administratives et opérationnelles et d'obtenir ainsi des réductions substantielles. Nous encourageons fortement le Secrétariat à continuer ses efforts dans ce sens.

Dans le cadre de la coopération suisse au développement, les décisions de financement de projets au fonds fiduciaire de la FAO sont prises par nos collègues qui s'occupent de projets bilatéraux. Une imputation substantielle des frais d'appui aux projets découragerait vraisemblablement nos collègues pour financer de tels projets, en particulier lorsque ceci est réalisé avec un système plus lourd et plus cher que dans les autres agences d'exécution du système des Nations Unies. Ceci pourrait ainsi réduire le nombre de projets et, par conséquent, pénaliser des pays bénéficiaires.

Nous sommes d'avis que la proposition de Secrétariat a encore besoin d'être revue et qu'elle devrait ainsi être repoussée à plus tard. Ceci permettrait alors au nouveau Directeur général, Jacques Diouf, d'en prendre connaissance et d'y apporter les modifications en vue d'obtenir un consensus parmi les membres de notre Organisation.

Enfin, nous aimerions savoir si ce nouveau système devrait également s'appliquer au Programme de coopération technique de la FAO.

Bo WILÉN (Sweden): Sweden gives its support to the Secretariat's proposal as formulated in the document C 93/17 on a new system for Support Costs Reimbursement for FAO Trust Funds.

I fear I will be a little repetitive in the following as Sweden, since the introduction of the issue two years ago, has been in favour of the bearing ideas and of the methodology chosen of the proposed system for support costs reimbursement.

Thus Sweden is in agreement with the principles of the system, that is:-that the costs of support services will to a reasonable degree be borne by

the Trust Funds themselves, meaning that the subsidies from the Regular Budget be minimized; that the remaining Regular Programme support for the Field Programme will only concern indirect central support services. According to my delegation this is a fair approach, keeping in mind that the Regular Programme benefits from the activities carried out within the framework of the Field Programme.

Furthermore, the present proposal is in line with the spirit of the UNDP support costs arrangement. Moreover, it is built up in such a way that it will promote cost efficiency, transparency and accountability, and will hopefully also result in more accurate budgeting of the Trust Fund Programmes.

Mr Chairman; the principle that the costs of support services primarily will be borne by the Trust Funds themselves is important for my delegation. We have difficulty in accepting the arguments for the present system's justification, that is that all Member Nations contribute in a way to the payment of costs which could be considered as a sort of consultancy fees for FAO's participation in activities, and very often pure bilateral arrangements concerning which Member Nations have no say in whatsoever. Sweden thinks that also in the future FAO will have a role to play as consultant in development cooperation. But the different services should in principle be offered to their real values only keeping in mind, as already said, the interaction between the Regular and the Field Programme.

It is the belief of my delegation that the proposed system will contribute not only to the revitalization of the Field Programme but also to the development of it in order to meet tomorrow's demands and challenges. The introduction of the separate facilities for technical support and for administrative and operational support are welcomed, as well as the in-built components to enhance the quality of the provided services.

In the document before us the Secretariat has tried to address the concerns raised by Member States during the Council debate in June. Some changes of the proposed new system have also been introduced which my delegation, with some reluctance, could accept. However, with reference, for example, to paras 59 and 61 of the document, it must be absolutely clear that the modifications suggested therein do by no means imply the reintroduction of "percentage thinking" in the support costs system.

From a technical point of view the present proposal may appear complicated, especially if compared with today's reimbursements at basic rate of an "undefined" 13 percent. However, the many advantages of the new proposal make it worthwhile to be introduced, as proposed by the Director-General. But, according to my delegation, it is important to keep an eye on the system at different control stations, as proposed by the Director-General, in order to rectify eventual unwanted consequences and to further streamline the model.

Amin ABDEL-MALEK (Liban) (Langue originale arabe): Monsieur le Président, pour commencer je voudrais remercier M. Shah de son introduction au document.

Le programme de terrain est un aspect essentiel du travail de l'Organisation au service de ses Etats Membres non seulement à travers la fourniture d'assistance technique aux pays en voie de développement, mais aussi parce qu'il permet d'appliquer aux réalités concrètes de chaque pays

les résultats des analyses et de l'approfondissement des concepts menés par le programme ordinaire.

Le problème, tel que nous le voyons, est que la qualité des activités de terrain, et donc les bénéfices directs qu'en retirent les Etats Membres, et aussi la qualité du programme ordinaire, sont gravement menacés par le manque de ressources adéquates pour recouvrir le coût réel des opérations et des services d'appui technique.

Le coût du programme de terrain a été mesuré par des consultants indépendants de réputation internationale, d'une part au titre des nouveaux arrangements du PNUD et, plus récemment, grâce à des études spécifiques demandées par la Conférence. Les faits sont clairs. Le coût total de l'appui technique, administratif et opérationnel dépasse 30 pour cent, alors que les remboursements pour frais de soutien et les provisions pour services techniques inscrites au budget ordinaire, ne représentent que la moitié.

Nous ne pouvons pas faire semblant d'ignorer cette anomalie. Ce faisant, nous nuisons aux programmes de terrain. Un niveau insuffisant de ressources ne peut que réduire la qualité et allonger les délais en cours d'exécution. Le choix est soit d'allouer une proportion plus grande des ressources du budget ordinaire à ce titre, soit d'augmenter les frais de soutien facturés aux projets.

Nous appuyons donc les propositions du Directeur général, simplement parce qu'il n'y a aucune alternative valable. Le programme de terrain est essentiel au succès de la FAO et la proposition en cours d'examen est une des clés pour maintenir la viabilité de ce programme.

Lars-Henrik WORSOE (Denmark): I have listened with great interest to the previous interventions, and Denmark shares many of the points raised in that statement.

Last year Denmark's voluntary contribution to the FAO Trust Fund and Field Projects amounted to US\$13.1 million, which placed Denmark as the third largest donor to the programme. Our contribution this year will be at the same level and we have, therefore, naturally taken a keen interest in the proposed new arrangement put forward by the Director-General.

Like others we have studied the proposal intensively, and our conclusion is that the document before us does not differ in any substantial way from the documents submitted previously by the Director-General on this matter.

During the 26th Session of the FAO Conference in November 1991 we stated in a comment on the Director-General's first proposal for a new support cost arrangement that it was essential to Denmark that the burden-sharing between the donors and the FAO remain unchanged. We added that we would be unable to accept any arrangement whereby reimbursement for support services would exceed 13 percent on average for executed Trust Fund projects.

We have also stated on several occasions that a new arrangement for FAO in our view must be more in line with the new UNDP arrangement. Otherwise we shall soon see proposals from other special agencies, each claiming specific needs and requirements, in an area where we as donors seek transparency.

The proposed new approach claims to follow the general outline of the UNDP successor arrangements, but at the same time it is maintained that the specifics of FAO's Trust Fund activities and organizational structure must be taken into consideration, thereby necessitating a number of special measures. This, in Denmark's view, leads to a very complex proposal that in fact bears only marginal resemblance to the UNDP arrangement.

Furthermore, if the present proposal is accepted, the reimbursement rates we shall be asked to pay in the future may well be close to double the rates we pay today. A calculation of reimbursement rates, if the proposed new system were to be applied to ongoing projects financed by Denmark, shows that the new system will lead to reimbursement rates varying between 16 and 27 percent. These figures have been confirmed last month by the FAO.

If such figures are seen in the context of the Danish comments during the 26th Conference, which I have just mentioned, it will be clear that a proposal as the one we are discussing today will not be acceptable to Denmark. Accordingly, Denmark has informed the FAO that should this proposal be approved by the 27th FAO Conference, it will most likely mean that Denmark would have to terminate all future Trust Fund cooperation with FAO.

One of the main reasons for executing field programmes, whether financed by the Regular Programme or by Trust Funds, must be that it is one of the ways of consolidating the Organization's comparative advantage. This goes for the FAO as well as for any other UN special agency.

When approving the UNDP successor arrangements donors generally agreed that the new system should motivate the special agencies to concentrate on projects in the areas of their comparative advantage and to stop competing for financing of an ever-growing number of projects. We fear that this proposal will work contrary to the intentions behind the UNDP decision and not lead to a concentration on projects in the areas of FAO's comparative advantage.

We have informed the FAO previously that we recognize the financial problems the Organization, along with other agencies, is facing. These problems, however, should not be solved through the support cost arrangement for the Trust Fund programme.

Individual arrangements for specific United Nations agencies is contrary to the entire spirit of the UN reform process. In our view there must be common criteria for all agencies. Denmark therefore suggests that the proposal before us be withdrawn or, as a minimum, that a decision is deferred.

It would then be possible to start a new consultation process with a view to establishing a system based on common criteria for all special agencies of the UN system.

Such consultations, in our view, should take place in New York, and Denmark would be an active participant in the process.

Pekka HUKKA (Finland): Finland gives support to the proposals as they are formulated in the document under discussion.

My delegation wants to endorse the principle for Support Cost Reimbursement along the lines stated earlier in the intervention made by Sweden. That is that the true costs for delivering technical assistance must be identified, budgeted and reimbursed within the framework of the Field Programme. Finland shares the principle that, in FAO as well as in other UN agencies, the Trust Funds have to bear these costs themselves.

We want to emphasize that the true administrative cost of any Trust Fund operation should be identified in order to have a realistic picture of total administrative costs of the whole organization.

My delegation feels that the new system should not be implemented strictly following a step-by-step formula, but in close collaboration and consultation with the recipient countries comparing the expected costs against the expected benefits and also appraising alternatives that could be used in underlining the national execution of development activities.

We expect this reimbursement modality to contribute considerably to improving transparency and accountability, cost awareness and ultimately to the overall impact of the activities financed through Trust Fund arrangements.

In conclusion my delegation wants to highlight the importance of a careful follow-up in order to streamline the new model or to make modifications if they are deemed necessary, also taking into account the views of the new administration.

Takafumi KOJIMA (Japan): My delegation wishes to express our appreciation to Mr Shah for his lucid introduction, as usual.

Japan has been greatly interested in this agenda item since the Director-General submitted the proposal of the revised regime, and we have studied it carefully.

We understand that the FAO Field Programme has a significant role as a means to implement FAO Headquarters policy and plans, which have been established based on the consensus of Member Nations, through providing technical support to developing countries. On the other hand, the accumulated data and information in the field projects support the Regular Programme and make policy extended by FAO Headquarters more practical, wealthy and constructive.

In this regard, paragraph 15 of the document C 93/17, which described clearly and briefly the close relationship between the Regular and Field Programme, is critical.

In this context, Japan has increased its voluntary contribution to the FAO Trust Fund Programme. We are convinced that some degree of cost sharing is reasonable and acceptable in view of the benefits to the Regular Programme activities from Trust Fund projects and programmes concerned.

Regarding the proposed arrangement, Japan as one of the Trust Fund donor countries, is seriously concerned that the proposed arrangement would discourage donors' voluntary contributions against their will, and thus activities of this Organization would be negatively affected notwithstanding that it should tackle important issues.

Consequently, my delegation would like to express our view that the proposed measures should be reconsidered.

Therefore, we support the proposal made by the delegate of Netherlands.

Roland PARFONRY (Belgique): Le problème qui nous concerne aujourd'hui est d'une importance fondamentale pour le programme de terrain. Dans sa collaboration avec la FAO, la Belgique attribue à ce programme un rôle catalytique de première importance. De ce fait, elle a mis sur pied un programme de coopération substantiel financé par des fonds fiduciaires. Vous comprendrez dès lors, Monsieur le Président, que le projet qui nous est soumis a mobilisé toute l'attention de nos autorités.

Lors de la cent troisième session du Conseil, il avait été décidé d'aménager la précédente proposition de manière à tenir compte des vues de certains pays membres. Nous regrettons vivement de ne pas avoir été consultés lorsque de nouvelles modifications ont été mises en oeuvre. Bien sûr, nous avons été sensibles aux efforts entrepris par le Secrétariat pour répondre aux objections avancées lors de cette cent troisième session du Conseil. Malheureusement, nous devons constater que certaines de ces réserves formulées restent entières.

Notre position se basait sur le fait que le système proposé était, selon nous, terriblement complexe.

Bien sûr, on propose de fixer un taux par projet mais, si nous avons bien compris les informations fournies par le document et par M. Shah, ce taux serait le résultat moyen de différents taux appliqués à divers types de services fournis pour la conception, la mise en oeuvre et le suivi de ce projet. De plus, son application nécessiterait le besoin simultané d'une amélioration de la capacité de formulation de l'Organisation et d'une adaptation significative à cette nouvelle méthode de gestion comptable. Aucune assurance n'est fournie à ce sujet par la FAO sur l'engrenage administratif que risque de produire la proposition que nous examinons.

La fixation d'un taux unique par projet pour toute sa durée nous semble constituer un progrès réel par rapport à la version précédente de la proposition pour autant qu'il soit établi sur la base de standards convenus avec les donateurs.

Dans le document C 93/LIM/17, on reconnaît à certains endroits (les paragraphes 53, 57, 58 et 103) que l'introduction de ce système exigerait, de la part de la FAO comme des pays donateurs, une révision des méthodes de travail. A ce stade, aucun signe ne laisse croire que l'échéance du 1er janvier 1994 - date prévue pour l'entrée en vigueur du nouveau système - puisse être respectée. En aucune manière, la Belgique n'est opposée à une augmentation des remboursements des dépenses d'appui, mais nous voudrions avoir la garantie que cette augmentation contribuera à l'amélioration de la qualité des services à fournir. Or le nouveau document n'apporte que peu d'apaisements à cet égard. Le Secrétariat pourrait-il peut-être nous préciser comment les dispositions contenues au paragraphe 59 sur le fonctionnement des dépenses d'appui (ce qu'on appelle le taux SAO), s'intègrent au tableau de l'annexe A qui se trouve en fin du document.

Le paragraphe 37, qui avance l'idée que la réforme envisagée devrait améliorer la capacité de formulation des projets, ne nous a pas convaincus. Il nous semble au contraire que ce système, lié à une logique de

comptabilité, pourrait exercer des effets négatifs sur la qualité des projets et de leur formulation.

Nous comprenons qu'un ajustement de ces remboursements soit nécessaire afin que le programme d'activité générale et les activités financées par des fonds fiduciaires puissent se développer. Si une augmentation de ces remboursements devait intervenir, nous voudrions avoir la certitude que cette augmentation contribue à l'amélioration de la qualité des services à fournir.

Nous souhaiterions également rappeler que l'objectif de la révision du système de remboursement des dépenses d'appui était d'instaurer un système unique pour le remboursement de ces dépenses, valable pour tous les projets de développement au sein du système des Nations Unies. La Belgique reste attachée à cet objectif. Il n'est pas sûr que les choix opérés actuellement par la FAO garantissent ce résultat.

Il serait en outre regrettable qu'une compétition s'instaure entre les diverses agences sur ce terrain spécifique du remboursement des dépenses d'appui, alors que l'on s'accorde de manière unanime à recommander une meilleure coordination et une complémentarité des agences dans le respect de leur mandat.

En ce qui concerne les petits projets, la philosophie développée aux paragraphes 70 à 72 n'emporte pas notre accord. Même si nous voyons des avantages à recourir à de l'expertise locale, il serait dommage de priver ces types de projet d'une consultation extérieure en raison de son coût prohibitif.

Nous sommes très attachés aux activités opérationnelles de la FAO, qu'il s'agisse du PCT ou des fonds fiduciaires. L'apport de la Belgique à ces fonds fiduciaires s'élève actuellement à un montant équivalent à celui de sa contribution ordinaire.

Nous regrettons de ne pas pouvoir marquer notre accord à cette proposition dans son état actuel, et nous serions d'avis de reporter toute décision définitive sur ce sujet à un examen ultérieur, après que les parties les plus intéressées à ces fonds fiduciaires aient été dûment consultées.

Inge NORDANG (Norway): The issue of a new support cost arrangement is regarded as a very important matter by Norway. It is an issue with far-reaching implications for the UN system and Bilateral Trust Fund financing of projects and programmes in developing countries. For our part, we have expressed concern about the present proposal all the time, since the publication of the consultancy report which analysed the situation in FAO, and whose recommendations are at the basis of the proposal before us.

We do not feel that the proposal made is answering the concerns that we and other major Trust Fund donors have raised, and Norway shares the main points already made in other interventions, in particular those of the Netherlands and Denmark. Hence, I shall not repeat many of the points already raised. However, I would like to make a few additional comments.

The document refers to UNDP's Support Costs arrangement, and I share the view of my Danish colleague that the present proposal bears only marginal resemblance to the UNDP arrangement. The process leading to the establishment of the UNDP arrangement was also completely different. In

UNDP, the governing bodies of the Organization had a very close and active part in the whole process, including the establishment of expert groups to guide the governing bodies' continuous discussions on the issue over a considerable period. Such a collective process involving all concerned members of the Organization was important in order to reach a consensus decision. Such a collective process would also have been beneficial in order to reach consensus on a new Support Costs arrangement in FAO. The proposal before us cannot be looked at as a specific concern only for FAO. All UN special agencies face similar problems and challenges of sound financial arrangement, as a presently valid 13 percent support cost arrangement is based on a system by decision and modification of the arrangement. A modification of the arrangement is also a system-wide concern. In order to achieve a viable solution, a process involving broad participation of members will be required, probably under the auspices of ECOSOC, not the administrative machineries of the UN system. I feel that it is necessary to state some obvious observations on the purpose of Trust Funds. The basic objective is to support development objectives of developing countries; hence, as much as possible of such appropriations should benefit the developing countries themselves. An allowance for reasonable and realistic coverage of administrative costs is of course required, but we need a continuous assessment of what is reasonable and realistic. When up to more than one-quarter of a given allocation to certain types of projects under the proposed FAO arrangement will be used to cover administrative costs, this is neither reasonable nor realistic. It means that only 75 percent of the allocation will be used for the direct benefit of developing countries themselves. To make a comparison, the World Bank will charge an administrative fee of 10 percent for Technical Assistance projects, leaving 90 percent of the allocation for the direct benefit of developing countries. It is my duty to inform you of the practical implications of the proposed decision as concerns Norway's Trust Fund cooperation with FAO. If the proposal is adopted, we shall not be able to enter into any new commitment, not because we do not want to maintain cooperation with FAO, but because the conditions are not in accordance with our present agreement with FAO. The Norwegian Parliament has ratified this agreement, and the Parliament will have to consider any new arrangement before any further commitment can be entered into. In conclusion, therefore, I would urge Members to consider a further collective discussion among Members in order to reach a consensus before a decision on the proposal for a new support cost arrangement is made. I am certain that it will be possible to reach a consensus. I am convinced that a postponement will be in the best interests of FAO as well as for the beneficiaries of Trust Fund financing and the UN system at large.

Christian BERGER (France): Le document qui nous a été soumis sur le remboursement des dépenses d'appui est intéressant car il permet à la Conférence de mieux cerner les types de dépenses encourus par la FAO pour la mise en oeuvre de son programme de terrain et de mesurer les conséquences pour le budget ordinaire de la "subvention" indirecte en faveur des opérations financées par des fonds fiduciaires.

L'analyse qui sous-tend ce document repose sur deux principes essentiels auxquels la délégation française adhère sans réserve, ainsi qu'elle l'a déjà indiqué à plusieurs reprises:

Il s'agit tout d'abord de la transparence qui conduit à un système de remboursement basé sur des paramètres issus d'une identification plus précise des coûts réels.

Le mécanisme proposé relève d'une approche budgétaire de la situation actuelle et offre incontestablement davantage de transparence; il permet, de ce fait, une appréciation plus fine de la "subvention" du programme ordinaire vers le programme de terrain. Enfin, cette transparence est indispensable pour adapter les procédures internes de l'Organisation, dans l'optique de contenir les coûts de ses prestations.

Nous sommes heureux que M. Shah ait insisté sur ce point dans son exposé introductif.

Le deuxième principe est celui selon lequel tout service doit être payé à un juste prix. Ce principe est garant d'une politique de qualité.

Celle-ci doit toutefois s'appliquer à l'ensemble des activités que mène la FAO, tant sur le terrain qu'au Siège. Comme la grande majorité des membres de cette Organisation, la délégation française considère que le programme de terrain fait partie de la substance même de la FAO et qu'il est essentiel à son action. C'est pourquoi la "subvention", que j'évoquais à l'instant, ne nous paraît pas anormale. Toutefois, son montant ne doit pas être accru, car cela conduit à une réduction du programme ordinaire et des grands programmes (Agriculture, Forêt, Pêche...) de l'Organisation. On devrait même, selon nous, chercher à en réduire l'importance.

Permettez-moi, Monsieur le Président, de m'attarder un instant sur ce dernier point car l'avenir du programme de terrain est aussi un peu l'enjeu de notre discussion.

Sans celui-ci, la FAO serait en quelque sorte unijambiste et nous voulons une Organisation qui marche sur deux jambes!

Mais on doit se garder de deux écueils:

- d'une part, que le programme de terrain prenne un poids exagéré par rapport au programme ordinaire. Notre sentiment est qu'on a actuellement atteint la limite qu'il ne faudrait pas dépasser;
- d'autre part, et c'est le second écueil, il faut éviter que les orientations du programme de terrain soient par trop décidées par les donateurs.

Notre crainte, de ce point de vue, est qu'une Organisation, dont nous savons qu'elle est à la recherche de financements, soit conduite à accepter de mener des actions en dehors de ses priorités essentielles.

La FAO doit donc maîtriser ces deux dangers, faute de quoi, comme la délégation française l'a souvent indiqué, elle deviendra une agence fonctionnant "à la carte", et cela n'est pas souhaitable.

Le Secrétariat se souviendra qu'à l'avant-dernière session du Conseil, au mois de juin dernier, nous avons émis un grand nombre de réserves quant aux modalités d'application de la réforme proposée du calcul des coûts d'appui et à ses conséquences. Nous avons, en outre, expressément demandé un dialogue avec le Secrétariat avant la parution du document pour tenter de lever ces réserves.

Sans doute avons-nous été victimes d'un oubli puisque le document C 93/17 évoque à plusieurs reprises les discussions qui ont eu lieu avec les

donateurs. Mais d'autres donateurs semblent également regretter ce manque de consultation et cela, je le crains, ne peut suffire à nous rassurer.

Au-delà d'une certaine frustration, cela explique aussi que la délégation française maintienne certaines réserves quant aux modalités d'application des principes qui ont dirigé cette étude. Le système qui nous est proposé, bien que légèrement simplifié par rapport à celui que l'on a déjà eu l'occasion d'examiner lors de deux réunions du Conseil reste encore trop éloigné de nos préoccupations opérationnelles et conduira à de nombreuses difficultés de mise en oeuvre: les difficultés de sa gestion par le système FINSYS actuel, les risques de contestation, le risque de provoquer la disparition de très nombreux petits projets, notamment, nous conduisent à ne pas nous prononcer en sa faveur.

Si nous apprécions la méthodologie générale, il reste que certains paramètres doivent être reconsidérés, comme ceux, par exemple, qui aboutissent à des coûts prohibitifs pour les actions de formation où pour le recrutement de consultants: qui acceptera de payer 12 700 dollars de "frais de dossier" avant tout recrutement, même de courte durée!

Ces considérations, ainsi que les propos tenus par plusieurs délégations qui se sont exprimées avant moi, doivent nous conduire, Monsieur le Président, à la plus grande prudence. En effet, il ne faut en aucun cas mettre en place un système de remboursement qui risquerait de mettre en péril le programme de terrain, s'il conduisait d'importants donateurs à s'en détourner. Or, il faut que chacun en soit conscient, cela est bien l'enjeu d'aujourd'hui.

A ces aspects purement opérationnels s'ajoutent des préoccupations humaines. Monsieur le Président, les représentants du personnel nous ont dit hier, à cette même tribune, combien ils étaient inquiets des décisions que nous pourrions prendre sur ce point de l'ordre du jour. Plusieurs pages du bulletin de l'association du personnel de terrain y ont été consacrées. De ce côté-là aussi, il faudra communiquer davantage.

Il nous paraît donc nécessaire de se hâter lentement et de poursuivre la réflexion sur les variables identifiées. Et, plutôt que de pousser à tout prix le choix d'un système propre à la seule FAO, pourquoi ne pas commencer par chercher à faire valoir l'intérêt de réformes identiques dans plusieurs organisations, voire dans l'ensemble du système des Nations Unies?

Poursuivons la réflexion sur ce sujet en attendant, notamment, les résultats de l'examen que fera le PNUD, en 1995, du système de remboursement des coûts qu'il a récemment mis en place, ainsi qu'en sollicitant l'avis d'une session conjointe du Comité financier et du Comité du Programme.

Miss Fatimah HASAN J. HAYAT (Kuwait) (Original language Arabic): I am very grateful to Mr Shah and the Secretariat for the lucid document which has given us a clear view of the problem faced by FAO. Mr Chairman, we are fully aware and appreciative of the difficulties faced by FAO with regard to extending valid technical assistance expected of it due to the insufficient funds extended by the UNDP and other donors feeding the Secretariat funds. There is no doubt that further control resulting from increased costs and new structures and arrangements increase the difficulties which impede the improved quality for technical support. Yet, I regret to say that I cannot possibly digest the proposed arrangements

which state that all direct costs, all direct additional costs borne by the Organization, should be financed by fees and allocations imposed on the required projects. In all honesty, Sir, I feel rather worried and sceptical, although I may not be one of the major or even minor donor countries. And yet, I feel concerned and preoccupied, since these burdens which may weigh on the shoulders of the donor countries may lead to increasingly limited donations on their part; and this concerns me and worries me since this would indeed lead to impeding the activities of the Organization in this respect. Despite the fact that we wholeheartedly support field programmes and technical projects for the developing countries, yet we believe that burdens should be equally shared by donor countries on the basis of special arrangement. This does not mean that such an arrangement should be at the expense of the ordinary programme of the Organization or should lead to depriving the priorities we allotted to the ordinary programme or its projects at any cost. Here, justice should be their criterion, both for the donor countries and for the beneficiaries. We should guarantee the technical quality of the programmes; and, at the same time, we should well use the resources and allocations and guarantee the agreement between FAO and the donor parties in order to guarantee the liquidity of the incoming funds, and the arrangements engendered by FAO should be in keeping with those of other agencies in order that they may be in harmony with the objectives desired.

We are certain that your appreciable efforts within FAO are well capable of arriving at arrangements which would be satisfactory to both beneficiaries and donors and, at the same time, would not lead to draining the available resources for the ordinary programme. I fully support the distinguished Representative of Sweden in suggesting that the problem should be examined in the light of the requirements of each project and in agreement with both the donors and beneficiaries and not in a way that would affect the efficiency of application.

I hope that we may not be made to be understood that we do not support the policy adopted by FAO in this respect, but we do not wish to arrive at any solutions that would not be beneficial to the beneficiary countries, namely, the developing countries for whom we always speak. We believe that the fact that two years have lapsed in the examination of the matter; and, after having listened to the previous speakers, maybe two more years would lapse or this would affect the benefit and efficiency of the programme, and this is not in the interest of any party.

In conclusion, I should like to address a question to the Secretariat. What will happen during the period of transition, namely, during the time when satisfactory solutions for everyone would have to be re-examined and reconsidered? I shall limit myself to this, Mr Chairman, and I should like to stop here.

Suliman KARBUJ (Syria) (Original language Arabic): I should like to refer, briefly, that the new proposed system to reimburse Support Costs for the projects financed by the Trust Funds and the idea of the increase in the implemented projects of developing countries should seek to benefit fully from these projects to the least possible increase, but this increase would negatively reflect on the successful implementation of projects in the case where there is a certain percentage of increase of those costs. We fully appreciate the fact that there are certain financial burdens borne by the Organization, but what we aim for is that these arrangements and procedures

be adopted following consultation between the organs concerned and that this be decided in the forthcoming summer session.

Paolo Vincenzo MASSA (Italy) : With the contribution of over US\$80 million in the biennium 1992-93, Italy is at present the second largest donor in the Trust Fund Programmes. It is therefore quite understandable that this matter is of the utmost interest for us and we are following it very closely. Indeed, when the matter came under discussion at the June Session of the Council, we stated that the proposal deserved to be examined with interest and that we were fully aware that the existing system of Support Costs Reimbursement, which is based on a fixed 13 percent rate, does not reflect the real costs as they are now, and we declared that we were disposed to look into new arrangements, even if they implied an overall increase on our part, provided there was a parallel effort from the part of the FAO to achieve two main objectives which are, one, simplify the system of calculation of the support costs, which in the first draft of the proposal was indeed very complex and would have posed very serious difficulties for donors; and, two, reduce as much as possible administrative costs in order to obtain the most favourable cost-efficiency ratio.

In subsequent meetings with the FAO Secretariat, we have been presented with the updated version of the proposal which now stands in front of us in document C 93/17. We have noted with satisfaction that some of our observations have been taken into account and that in many areas a substantial improvement has been made, namely, on the mechanism for the calculation of support costs on a project-by-project basis and the reduction of the list of items.

We also appreciated the fact that in certain fields the exercise of cutting down costs appeared to be successful, but we still found that some other costs remained too high. As an example for all, I will cite recruitment while, in our opinion, there was room for further reduction through rationalization and streamlining of administrative procedures. Mr Chairman, without going too much into detail, our position was then, and it is now, that while in line of principle we can be favourable to the new proposal, it still needs some refinement before it can meet our final approval.

We would like, therefore, to join other delegations in asking a postponement of the decision with a firm commitment to keep on working together in order to achieve a final result which could be most satisfactory to the Organization, to the donors, and to the recipient countries.

In substance, Mr Chairman, we do not say: "Give us more time to examine and decide whether we like the proposal or not", but, rather, "Let's take a bit more time to work together and make the new proposed system as efficient and productive as possible".

There are times, like the ones we are experiencing now, when "fairly good" is not good enough. In hard times a quest for excellence becomes a must. Being faced with a serious financial situation, most donor countries, and mine for sure, will find difficult not only to increase but even to maintain the present level of their contributions to development.

In this situation, we all must strive in order to optimize the results within the limits of available resources, that is to say that the less the

costs are, the more we will be able to actually convey in the field to help all those who need it so badly. All we want is to work together to achieve this goal.

Harald HILDEBRAND (Germany) (Original language German): Mr Chairman, I would first like to thank Mr Shah for giving us, as usual, a very detailed and instructive introduction to this certainly complex subject. In particular, I would like to say to him that we are very impressed by the patience and the hard labour with which for two years now he has been trying to get the thing sorted out and explained to us, and knowing also how to use personal computers!

On this subject, I think there is no doubt that the new arrangements that are being proposed do take into account the interests of all those involved - donors, beneficiaries and FAO. We certainly must take into account all those three groups of interest and we must find a compromise. Therefore, the focus of our thinking must be still to see to what extent the regular budget should bear costs which are not otherwise refunded to the Organization from the Trust Fund projects in question.

The second point that we must all clarify and bear in mind is whether under the new arrangements FAO would continue to be competitive as compared with other institutions, that is to say, whether the costs to be reimbursed or subject to reimbursement are really justified by the quality of the delivery.

This revised proposal from the Secretariat that we now have before us in document C 93/17 does try to take into account a number of issues raised in the report of the 103rd Session of the Council. There were a number of comments and reservations formulated by Member States at that time. They are taken into account in this proposal and this proposal goes into them. It also proposes that the new arrangements should start operating from 1 January 1994. The German delegation find in paragraph 50 and following paragraphs a number of issues that are responded to and that we raised in June at the 103rd Session of the Council. We find that there is indeed a response to those issues.

These refer to the practical application, without additional costs, of transparency and identification of individual costs or groups of costs. We welcome the clear intention, in spite of existing differences between FAO and other specialized agencies of the United Nations as regards a few programmes, to achieve as broad a degree of harmonization as possible in relation to the reimbursement of administrative and operational support costs.

Nevertheless, in the view of my delegation there are still some questions that are still open in the present proposal. For instance, if you turn to paragraph 3(a) our question there would be, could we have a bit more of an explanation as regards the rate to be applied to the cost of contracting and procurement? In paragraph 39(b) my comment is that for local staff, if we look at Appendix A we see that the rate is 19.3 percent of delivery. This seems to be a very high proportion. Could this proportion not be reduced if your Headquarters were to delegate to country offices the contracting of local staff?

To go on with paragraph 39(f) our comment there is that normally in-service training is carried out within the framework of a project by the project

staff themselves and is to be regarded as a matter of course as a component of the project. This being the case, why do we need a separate line to cover the cost of this, as is being proposed there? In our view, we think that any costs arising in this connection could be covered by technical support services.

Mr Chairman, my delegation would like to express recognition to the Secretariat for the efforts that have clearly been made to really face up to this problem of Support Costs Reimbursement for Trust Funds with new arrangements which would reduce the burden on the Regular Programme of the Organization resulting from the costs of administrative and operational support. We are, however, also aware of the implications that this has for donor countries. We wonder whether the introduction of the new arrangements can take place on 1 January 1994. It seems to us a little bit doubtful, also because of what we have been hearing in today's debate here. A whole lot of reservations from a number of countries have been formulated here today and in particular also because there will be need for technical arrangements to be made for the new system both on the part of the donors and on the part of the FAO Secretariat.

My delegation in any case would propose that these new arrangements should be the subject of a reassessment after a period of two years at which time, and as required, adjustments could be introduced into them and those adjustments could then perhaps also move further in the direction of having a uniform system for the reimbursement of support costs throughout the United Nations System, so that we would have the best possible harmonization, which is what we would have preferred in any case.

Nedilson RICARDO JORGE (Brazil): I have heard with great interest the preliminary remarks made by Dr Shah and I thank him for his clear explanation. I have also listened with great interest to previous interventions.

The document presented to us is certainly welcomed by my country. I must commend the FAO Secretariat for the initiative taken in studying this important subject and preparing a comprehensive document like C 93/17 which contains a review of the situation, including current practices and requests made by donor and recipient countries, as well as a whole new set of proposed arrangements for Support Costs Reimbursement of Trust Funds.

FAO has again proved its leading role in tackling the crucial question of international technical cooperation, as the first specialized agency to propose the application of modern mechanisms of support cost reimbursements in Technical Cooperation Projects. I am sure that FAO's initiative will also lead international specialized agencies in preparing similar proposals.

Having said that, however, I would like now to proceed to an analysis of some specific points of the document, bearing in mind two main concerns, namely unilateral trusts funds and national execution.

First, I will refer to the administrative and operational support services that begins in paragraph 39 on page 9 on the document. Brazil thinks that there should be an explicit mention of a reduction of costs in projects that are nationally executed. For instance, costs of contracting, costs of local general services personnel and national consultants and experts can be borne and executed through the national administration and therefore be

excluded from FAO's administrative and operational support costs. This procedure may also increase FAO's competitiveness in regard to other agencies providing similar activities.

In paragraph 44, the methodology for calculation of support costs budget rates is, in our opinion, in agreement with UNDP guidelines. The methodology, however, is rather complex and we will have specific comments on it only after seeing it used in practice. Therefore, I reserve the final position of my country for future FAO Conferences.

Paragraph 47 makes reference to two circumstances under which rates can be subject to a reduction: (1) where a donor directly reimburses certain expenses, and (2) when specific cost reduction exercises have been undertaken and implemented since the budget was developed. Here I would like to suggest that a third circumstance be included in the form of an explicit reference to specific situations where there are unilateral trust funds under national execution, with corresponding reduction in administrative costs.

In regard to paragraphs 74-79, which refer to unilateral trust funds, we would prefer to avoid sentences containing confusing concepts like "where such countries are amongst the poorest nations", in paragraph 74, and "some of which are relative wealthy" in paragraph 75. The concept of wealthy and poor countries is not easily defined in the document and must be treated with great care in order to avoid sterile discussions on it. We think that all unilateral trust funds of developing countries should receive a preferential treatment of cost sharing. It may also be useful in this regard to verify the position of other Agencies.

In any case, I again insist on this important issue: Brazil thinks that either in this part of the document, or in paragraph 47, there should be an explicit reference to the special conditions of unilateral trust funds under national execution, with concessional rates to be defined, at least as a result of the decrease in administrative costs.

Paragraphs 83-85 refer to national execution. We take note of the Director-General's confidence that the new arrangements will support the gradual assumption of national execution responsibility by national governments. However, there are many unclear situations, such as Trust Funds financed by multilateral institutions through loan agreements. Paragraph 84 in that regard mentions that "the introduction of the new arrangement would not alter the Organization's policy concerning national execution, bearing in mind that Trust Funds Programmes channelled through multilateral institutions usually emphasize the use of international expertise and inputs, while projects for national execution tend to be funded bilaterally." We are not in total agreement with the last point of this paragraph. The resources from such loan agreements are payable by the national governments and not by FAO. It is possible then to have national execution, depending on the activities established in the loan agreement and in the project, as well as the national capacity and national technology. Therefore we think that this possibility should have been considered and mentioned in this section of the document.

Now I turn to paragraphs 86-89, under the heading "Competitiveness, Quality and Quantity of the Field Programme" and to paragraphs 90-97 under the heading "Harmonization of Support, Cost Arrangements in the UN System." My government supports those paragraphs and FAO's concerns regarding the improvement of the quality of projects and the harmonization of procedures.

Brazil shares FAO's concerns. FAO is certainly taking a pioneering initiative in proposing these new arrangements but, at the same time, FAO must be careful not to lose competitiveness in regard to other Agencies, particularly at the regional level.

Concerning Section VIII, "Procedures for implementation" in paras 98-106, Brazil would like to hear a careful critical analysis from FAO Secretariat concerning the real possibility of implementing such arrangements from 1 January 1994, particularly the ability of FAO to execute its own internal adjustments necessary for these new arrangements.

In general, the document reflects some major concerns such as national execution (although insufficiently), improvement of the quality of projects and country-programme approach, in order to enhance international cooperation. The concrete proposal presented to this Conference can become a milestone in harmonizing procedures within the UN system. However, we have found the proposed arrangements and methodology quite complex and difficult to evaluate at this stage, and to know how they will affect projects in the next biennium. For instance it is unclear whether this methodology will cause a loss of competitiveness for our Organization. In this regard, Brazil believes that national execution is exactly the best way to attain a reduction of costs that will allow the achievement of a significant comparative advantage to FAO. However, we are aware of the fact that nowadays few countries are able to nationally execute projects. Instead of dismay, this fact should bring an even stronger promotion of national execution as it is the best means to improve international technical cooperation.

In sum, due to the uncertainty of the results of the new arrangements and the comments I have just made, Brazil is not a position to fully endorse the Director-General's proposal in the present Conference. On the other hand, Brazil supports the general principles of the proposal, and we will be therefore prepared to support the application of the proposed arrangements on an experimental basis, in the next biennium, followed by a report to be presented to the next Conference in 1995, containing the practical effects occurred and a critical evaluation of these arrangements.

J.C. MACHIN (United Kingdom): I have to say frankly that before this debate started I had not really seen the need to make a long intervention. The UK views on this subject have been set out very clearly, particularly at the 102nd and 103rd Council Sessions, but I have listened to the debate extremely carefully and particularly the self-evidently strong reservations of the Trust Fund donors to the proposals before us.

What I was going to say was that the views set out by my delegation at previous meetings, the statements in part made by our Swedish and Italian colleagues about the substantial improvements in the new proposals - the proposals are clearly by no means perfect - but I agree with Italy they are a substantial improvement on what we have seen before. They have resulted in cost reductions, or they will we hope, although having said that I do agree that there is room for further improvement and we would like to see more cost reductions.

The principles of the new arrangements were very well adduced by the Swedish delegate in terms of minimizing subsidies from the Regular Budget, an equitable approach, the benefits to the Regular Programme from Field

Programme activities, transparency, harmonization and so on. These are basic elements of the proposals with which I think we all agree.

Like many people in the room, I too am very concerned by the comments made by the Trust Fund donors who have spoken about what could be - how shall I say - a bleak resource climate if the proposals before us are not modified in a way that satisfies their governments on the basis of consensus. It is obviously for sovereign governments perfectly up to them to decide where they are going to put their money into the UN system and the arrangements on which their resources are used. As far as the British governments is concerned, the Trust Fund arrangements we want to see are those which are sound, which benefit both the recipients and the Organization, and cost competitiveness is an issue that we have mentioned before and which has arisen consistently in our discussion this afternoon.

On that basis we have been ready to acquiesce in these proposals. They do not go far enough. As you know my delegation has consistently argued for full cost reimbursement and that is the objective which we will continue to seek. We also accept, as I have just said, the need for refinement and to do more, particularly in terms of cost reduction, and I could not agree more with my Brazilian colleague who absolutely rightly referred to the fact that national execution is evidently the best way to reduce costs, and certainly to improve international technical cooperation. As he also said, we are not there yet, not all countries have the capacity to do that, and therefore we need some of the arrangements which have been discussed this afternoon.

I am not entirely sure where we go from here. We can acquiesce in these proposals provided - provided - and I think it is an initiative process, we want to see them improve, we want to get experience of how they work in practice provided they are considered and considered fairly quickly. A lot of time and effort have gone into these proposals as the German delegate said. More time is clearly going to be required for the main interested parties to discuss them and to find a way forward. If that is to be done in the context of a budget review next year, that is fine by my delegation. What I think is not fine is to suggest that our debate in FAO should somehow be extended to New York or ECOSOC. I do not think that is the way forward. I think harmonization is clearly something we have to take on board, and when UNDP publishes its review in 1995, the results of that evaluation will clearly be important to FAO and to all United Nations Agencies.

Meanwhile I do express the plea that FAO and its membership, particularly those who provide these funds, can please come to some early agreement.

Ms Teresa D. HOBGOOD (United States of America): Like other delegations we express appreciation to Mr Shah for his helpful introduction.

The United States has carefully reviewed the information contained in document C 93/17. We appreciate FAO's efforts to respond to numerous issues raised at the 103rd Session of the FAO Council with regard to the operational effects of the proposed Trust Fund support arrangements.

The United States is facing a dilemma. On the one hand, we have sought full recovery of all overhead costs, including indirect administrative expenses, incurred by Trust Fund donors. In this respect, we note that according to para. 3.58 of CL 104/4, though not all overhead costs will be fully

recovered under the new arrangements, the ratio of support cost resources as a percentage of delivery is expected to increase from 19 cents for each US\$1 dollar of delivery to approximately 33 cents.

This would alleviate some, though not all of the inexorable demands placed on Regular Budget resources to subsidize extra-budgetary activities.

On the other hand, the proposed new arrangements represent a step in the right direction. Transparency, cost-efficiency and improvements in the quality of services are all laudable goals to achieve in any new support cost management. In the absence of new arrangements, the overall subsidy from the regular budget for technical backstopping of Field Programmes funded from Trust Fund donors is likely to increase.

Thus, we see scope for changing the current arrangements along the lines proposed in document C 93/17 at this Conference.

With regard to the issue of harmonization, we listened with great interest to Mr Shah's remarks regarding the proposals for consideration in other UN System Agencies. In our view, harmonizing support cost arrangements for Trust Fund donors should occur when practicable and feasible to do so to avoid costly mistakes, and workable arrangements could ultimately harm intended beneficiaries.

Ultimately, harmonizing support cost arrangements among Un agencies will remove many of the distortions currently affecting the system and its capacity to deliver quality development assistance.

Chrysanthos LOIZIDES (Cyprus): Allow me to thank Mr Shah for the very useful introduction to the subject and the Secretariat for the documentation in front of us.

My delegation, cannot speak on this issue, neither as a donor nor as a recipient country. However, we are strongly in favour for maintaining a strong Field Programme, and this applies I think to the majority of the Member Nations.

The issue of support cost reimbursement is not a new one. It has been widely considered even recently by the previous Conference and, later on, by the Programme and Finance Committees as well as the 102nd and 103rd Sessions of the FAO Council.

We do agree that the validity of the current arrangements for support cost reimbursement needs to be examined in the light of the fact that the nature of the services that are being sought from FAO has changed very significantly as stated in para. 21.

For this reason, we believe that the proposed arrangements described under Chapter VI are reasonable and should be carefully examined with the spirit of goodwill and necessity, especially by the countries contributing to the Trust Funds, and taking into consideration the need for maintaining a strong Field programme as well as the role of FAO for technical assistance and the need for increased efficiency and competitiveness of FAO.

However, we also believe that all efforts should be waged in order to reach a consensus decision on this issue.

Soumaila ISSAKA (Niger): Je voudrais remercier M. Shah pour la présentation du point qu'il a faite, comme à son habitude, de façon très claire et très pondérée.

En tant que pays bénéficiaire des activités du fonds fiduciaire, je voudrais aborder la question sous cet angle. Nous avons non seulement examiné le document dont la Conférence est actuellement saisie, mais également suivi tout le processus qui l'a précédé, les discussions entre les Etats Membres. Nous voudrions donc souligner deux aspects positifs de tout le processus et des propositions qui nous sont soumises pour examen.

L'un des aspects est l'utilité des propositions et de la méthodologie comme outil de gestion des opérations financées à partir du fonds fiduciaire, en ce sens que-la méthodologie et les propositions apportent une certaine clarté, une transparence (cela a déjà été dit) ainsi qu'une meilleure programmation, une meilleure planification des projets et un meilleur suivi de la part de l'Organisation.

Le deuxième aspect positif que nous voyons à ces propositions et à toute la méthodologie proposée, c'est que cela nous montre la nécessité d'un ajustement des remboursements des dépenses d'appui. Nous sommes en faveur de ce réajustement dans la mesure où cela contribuerait à une meilleure performance des opérations financées à partir de ces fonds-là.

Mais nous sommes attachés à ce que l'appui que nous donnons au principe de réajustement fasse l'objet d'un large consensus entre les Etats Membres, aussi bien les contributeurs aux fonds fiduciaires que les pays bénéficiaires. Ceci est un principe important pour nous et nous le soulignons particulièrement.

Nous soulignons donc que toute nouvelle proposition doit être largement partagée par les Etats Membres. A cet égard nous suivons avec intérêt le débat qui se déroule actuellement et qui se poursuivra certainement; et nous souhaitons pour notre part que l'accent soit mis sur un certain nombre d'éléments dans l'évolution ultérieure de cette question. En effet, nous avons l'impression que les propositions qui sont faites n'accordent pas une place assez centrale à certains aspects de la question. Nous pensons notamment que la question des avantages que trouve l'Organisation en termes de savoir, d'expérience et de compétence dans les opérations financées par les services d'appui ne sont pas entièrement repris en compte dans l'étude de cette question. Nous pensons que ce capital de savoir que l'Organisation acquiert au travers de la mise en oeuvre de ses opérations de terrain doit être mieux reflété dans l'approche de la question du remboursement des dépenses d'appui.

L'autre élément qui ne nous semble pas tout à fait pris en compte est le facteur d'accélération de l'exécution nationale au niveau des opérations financées par ces fonds fiduciaires. Sur ce plan nous apprécions tout particulièrement les commentaires de la délégation du Brésil et nous pensons que cette nécessité d'accélération de la capacité d'exécution nationale, à laquelle tous les systèmes des Nations Unies poussent et à laquelle les pays bénéficiaires attachent de l'importance, doit être mieux intégrée dans les facteurs d'analyse d'une meilleure approche des taux de remboursement.

Enfin, un troisième point ne nous semble pas suffisamment être pris en compte, car nous avons le sentiment que l'équilibre à rechercher entre les coûts des dépenses, les coûts des services d'appui et les remboursements

n'est pas assez étudié sous l'angle unique d'un accroissement des taux de remboursement, et nous pensons qu'il fallait également pousser l'analyse dans le sens d'une meilleure performance de l'appui que la FAO apporte dans l'exécution de ses opérations. A cet égard, nous pensons qu'une meilleure consultation avec les pays bénéficiaires, pour planifier les appuis fournis par la FAO à l'occasion d'opérations précises, devrait être mieux prise en compte afin de minimiser les coûts que cela entraînerait pour l'Organisation. Et nous pensons sur ce plan qu'il est effectivement possible d'améliorer les choses.

Voilà les quelques points que nous voulions indiquer en ce qui nous concerne, et nous souhaitons que la réflexion qui va se poursuivre sur ce sujet puisse mieux prendre en compte ces quelques éléments.

Si je synthétise ce qui se dégage de tout ce que nous avons écouté avec un grand intérêt, je pense qu'il faudrait certainement envisager la poursuite de cette réflexion afin d'arriver à une décision plus à même de rallier l'ensemble de tous les pays membres de l'Organisation.

Iain MacGILLIVRAY (Canada): We have a comprehensive and important document before us and I would like to commend the Secretariat and Mr Shah for its preparation and introduction. It is indeed clear that the issue of Support Cost Reimbursement has been developed and debated for a number of years, with considerable detail provided in each successive iteration, and it is appropriate that we give recognition to FAO for the work it has done on this important subject.

My delegation is pleased to provide comments on the revised proposal submitted to Conference to implement new reimbursement arrangements on Trust Fund projects. Our views will confirm those expressed by Canada on previous occasions in the Programme and Finance Committees, and more recently at the 103rd Council Session of June.

Canada has been a long-standing advocate within the FAO of the principle of full cost recovery from extra-budgetary Trust Fund field project activities. We have consistently been concerned, as has this Organization, with the continuous erosion of Regular Programme funds through their substantial use as a subsidy to cover Field Programme costs. Indeed, we have learned that in this biennium the subsidy jumped by another US\$11 million in respect of Support Cost posts, and is now to be institutionalized as an annual subsidy beginning at US\$9 million in the upcoming biennium.

Might I add, that we have also in a tireless fashion reiterated our concerns for a strategically directed nexus between these Trust funded activities of the Field Programme and the priorities of the Regular Programme, which as Members we so conscientiously reviewed and approved at this very Conference.

In essence, there has been growing dependence on the Organization's Regular Programme resources to enable the proper functioning of Field Programme operations. Without any doubt, field-project-driven activities have been eroding the very core of this Organization, the assessed contributions it requires to function and to carry out its mandate.

It is within this context that we are supportive of the Secretariat's efforts of bringing to the attention of its Members that change is required

in the application of extra-budgetary contributions from donor Members. We believe this will strengthen, not weaken, the excellence of the world's leader on food and agriculture.

We recognize, in reaffirming the principle of full cost recovery, that the measures proposed fall short of this aim. We nonetheless signal our general agreement and recognize the importance of these new arrangements to accrue maximum cost recovery of Regular Programme expenditures.

We also recognize, in recalling the debate at the last Council and from recent discussions with some delegates, that the proposed arrangements imply an acceptance by extra-budgetary donors to compensate more fully a share of the costs - and I would emphasize that they are not asked to compensate total costs - for services this Organization is being asked to provide. In so doing, this can only enhance the credibility of FAO and its competitiveness by choice. We suggest that FAO and its Members deserve this image. But it is disconcerting to hear, as appears to have been articulated today by many delegations, that donors are not prepared to pay a fair share of costs and that they indeed can only continue to consider using this Organization if we are prepared to provide a high subsidy for services rendered. Mr Chairman, we are not aware of competitive offers for free lunches being offered anywhere.

As we stated at the 103rd Council, we believe that these new measures are a step in the right direction. Of equal importance, they could make a useful contribution to the management of funds, improve project quality, provide transparency and disclosure of costs, and allow for more appropriate burden sharing. Through these arrangements more comprehensive service rates to equate more closely actual costs will be borne by the funding source. We continue to support these measures.

We trust that the initial inevitable complexity brought on by these arrangements - in most part a result of the variety of projects and the diversity of donor administrative requirements - can still permit their smooth implementation, given the organizational and procedural changes required.

In closing, we support the special consideration given to unilateral Trust Fund projects whereby developing countries finance their own technical assistance activities, and the Associate Professional Officers scheme. In the case of unilateral Trust Funds, we continue to posit that further thought could be given to the development of criteria to grant priority favour to the most disadvantaged developing countries, as is done in other organizations. As to APOs, we fully identify with the valuable net input of human resources they provide to this Organization and its Members.

V.J. SHAH (Deputy Director-General, Office of Programme, Budget and Evaluation) :

Recognizing the importance of the debate that your Commission has had and also the manner in which you conducted the proceedings in terms of discipline and time, I will offer to give my response basically in two parts. The first part of my response will attempt to deal with what I have heard and where we could go from here. I have some suggestions to offer. The second part of my response will deal with specific questions that have been raised. The summing up, of course, I leave to you, Mr Chairman, in terms of weighing, measuring the outcome. Having heard not only the 20 distinguished members, but having heard all the nuances, all the shades of opinion which they expressed, I would begin my overall response by saying

that surely you seem to recognize and to agree that the problems relating to Trust Fund Support Cost Reimbursement call for an urgent solution. The problems are real; they have been explained to you. You have considered them over a number of years. You are well aware of them, of their magnitude, of their scope and of their implications. It also seems to me that in general you and the speakers who addressed these issues have recognized that the proposals of the Director-General have been prudently developed over a period of two years. That is a fact, if I may say. It has been accepted that these problems are addressed by the proposals he has put forward in terms of aiming at an improvement of the quality of the Trust Fund Programme, making more equitable the relationships between Trust Fund contributions and the relevant related contributions of the Regular Programme, and enhancing the transparency. Nobody has questioned that, achieving improved accountability and making an impact on the reduction of administrative costs while at the same time aiming at a greater efficiency. At the same time, neither you nor we in the Secretariat can ignore the concerns expressed by a number of contributors to the Trust Fund Programme relating to the difficulties they have in accepting the proposals as submitted. At the same time, it seems to me that these contributors have accepted the need for corrective action to be taken but requested that more time be given to work out acceptable solutions. In all the interventions, there has been a recognition of the principles of these proposals and general support for them, the proposals as regards the methodology and the principles underlying them. However, in the light of the views expressed -and this is my response to your debate which I would request you to consider - in response to the views expressed, I can agree on behalf of the Director-General that the implementation of the proposals should not take effect from 1 January 1994.

I hope those who have expressed concerns will recognize the import of this statement. In response to your debate, the Director-General - and now we are talking, of course, in terms of the Director-General, but in practice it will be the Director-General who takes office from 1 January 1994 - the Director-General could be requested by you to pursue consultations with those who have expressed their concerns with a view to arriving at an overall solution which maintains the principles of the proposals but takes account of the difficulties indicated. You might consider requesting the Director-General to report on the outcome of these consultations with the consequential amendments to the proposals to the Council no later than November 1994. I say no later than November 1994 because although it is under consideration by the Conference, and the Plenary will pronounce on the matter in due course, that there will be an additional session of the Council in 1994 - in view of the nature of the concerns expressed and the nature of the further adaptations which may be required, the matter could go as you decide, but from the Secretariat's point of view, I use the term "no later than November 1994". And if you so recommend, if that is your wish and decision, you might then consider authorizing the Council to take the final decision on the matter on your behalf, on behalf of the Conference. This is the first part of my response.

Turning now to the second part, and that is the specific questions raised, let me start off by saying that when individual Member Nations have very different positions that you clearly explained, we in the Secretariat, of course, take note of these positions, but then it becomes very much a matter among Member Nations. To take one issue, on the one hand we hear some Member Nations say 13 percent is the limit. We will not accept anything over that. Fine. That is their firm position. On the other hand, another Member Nation has a representative who says we would aim at full

cost recovery. At the same time, those representatives who have referred to their aim of full cost recovery have also indicated with varying nuances their readiness to consider that this is a process which evolves, which may take time if it is ever to reach their objective, and in the meantime they are prepared to work with a varying balance. I think this is the first precise reply I would give, that when you start and when you maintain such different and precise positions, if any solution is going to be reached it will need a great measure of mutual understanding and a determination to come to a common solution which may not be satisfactory to every individual member but which may be accepted in your common interest. Related to that is the precise question about arriving at a solution in harmonization, and where. We have not worked on these proposals in isolation, as I said at the beginning, and I would re-emphasize. We continue to work, and we will strengthen our coordination, our efforts at coordination with our sister agencies, to work in harmony at arriving at a solution for each organization vis-à-vis their Governing Bodies which is acceptable to all Member Nations. But these arrangements on Trust Fund programmes are not identical to the UNDP successor arrangements, as you well know. In 1981 when the UNDP governing council decided to lower the rate of support cost reimbursement from 14 percent to 13 percent, at that time the UNDP governing council recommended that that same base rate be applied by each organization to their Trust Fund Programme. You member Nations made that decision, and that decision of the UNDP governing council was then accepted by the United Nations General assembly, was accepted in our case by you, the FAO Conference. The situation now is radically different. When the successor arrangements of the UNDP were decided upon by the Governing Council, they specifically excluded any impact on Trust Fund arrangements. They said this is a matter between Member Nations in the different organizations. I think this was a very important clarification which I want to emphasize. Certainly, you seek harmonization, and we respond to that wish. But it is not a matter which can be left to New York, as somebody suggested.

Let me now turn to the question from the distinguished representative from Switzerland about whether the proposed arrangements apply to the TCP. Now the TCP at the moment does not have the same arrangements as for Trust Funds because the TCP, after all, being legally a part of the Regular Programme, being a part of the Regular Programme of Work and Budget, it is a question of activities under the Technical Cooperation Programme, funded by the Regular Budget and then the Regular Budget being used to siphon off to different parts of the Organization the cost involved. So it is an entirely different matter. In fact, the cost of implementing TCP projects, direct operating costs, are identified and are included in project budgets, and this amount goes only to the operating units involved. But I have taken the question in the most positive way, and certainly this is a matter which we would keep in mind to see how these arrangements could be applied to the TCP, even though in that case we are talking only about the Regular Budget.

Then there was a question from the distinguished representative of Norway about administrative costs and operational costs and how they compare with rates elsewhere. The information which we have obtained from external consultants is that when you take the FAO rates and compare them to the rates elsewhere, in private research institutions in the United States of America, the figure we were given is 59.26 percent.

In Public University Research Institutions, it is 47.49 percent. In the US Federal Department of Agriculture, 33.3 percent. In regional sectoral organizations and non-governmental organizations, 28.5 percent. This is for

full services, technical elements. And, when you come to the US Department of Agriculture at the State level, the administrative and operational services is 17.6 percent.

The distinguished representative of Germany asked about, in relation to paragraph 39(a), what was included in "procurement and contracts". The rate, Mr Chairman, as shown in Appendix A is 11.9 percent, as you see, but this is the rate based on the 1991 delivery; and with the improvements we have made that rate will come down.

His second question was in relation to the costs of General Service Personnel. "Why is the rate as high as 19.3 percent?" Mr Chairman, the rate is related to the cost of the delivery, and as the cost of local delivery is, of course, much lower, the 19.3 would be on that much lower delivery cost; so in dollar terms it is not at all as high as the international rates involved.

His third question was about the costs of group and in-service training and why they appeared so high. Based on our analyses, the costs we incur can be broken down as follows: 56 percent for the technical units who arrange the training activities - this is for the technical content. Thirty-nine percent for the FAO Representative Offices because they are involved in the handling of the trainees, and 5 percent in the case of the Regional Offices where these training activities involve their participation.

A question has been raised by the distinguished representative of Brazil: whether implementation of these proposals would not be hard. In fact, as I said, the development of the budget - we have already undertaken the budget module; we have the capacity. Accounting and billing uses the existing capacity which is already in place. There is no change in the system. I do note the difficulties raised by the Distinguished Delegates of Norway and the Netherlands regarding their agreements. This is a separate matter, I must admit.

Finally, the distinguished representative of Canada referred to the post transfer to the Regular Programme. These posts would not be included in the cost of supporting the Field Programme because they relate to the Regular Programme, and that is why they were transferred; but I take careful note of his concerns on the issue as a whole.

There were a number of specific questions about how the system would operate in practice. With your permission, since, if I am right, the sense of the debate is not to implement the system immediately, I will take the liberty of not responding to these questions now. All right? We will come back to those Distinguished Delegates and certainly provide the clarifications they seek.

So, Mr Chairman, I thank you for your patience and for giving me the floor, and I hope that the first part of my response may be helpful to the Commission in arriving at the conclusion to this very sensitive debate.

Mrs Elena ASKERSTAM (Estonia): Mr Chairman, Estonia's is the voice of a recipient country which at the same time is not classified as a developing country; and, as such, we have not yet succeeded in benefiting from an FAO Trust Fund project. Estonia has listened with concern to some of the views of the major donors.

The Organization is at this time at a point where there is frequent reference to the need for locating additional funds for its increased family of members, this in order not to reduce the funding devoted to its present programmes and receiving countries. There is also constant reference and, hopefully, support of the pressing needs of the countries in transition for the mostly relatively short period which is needed to bring these countries to a level where they are able to join the community of donor countries. I am not in a position to suggest solutions. I should just like to express our concern and to urge the greatest caution before deciding on actions which may lead to results which will lead the Organization in the opposite direction from what it is claiming to try to achieve. Also, at this point in time, Estonia requests that FAO's incoming Direction should be given the possibility to review this most important question.

Ato Assafa YILALA (Ethiopia): I would have to request to you, following your indulgence, because I will have to go into some length because of some of the concerns that were expressed by some of the countries in my group and in my region. First of all, I would like to thank Mr Shah for the introduction that was just made for the Secretariat for the document on the support cost reimbursement in relation to the Trust Fund. I would also like to recall the decision of the Conference on the need of revised regime for reimbursement of support clause in respect to the Trust Fund projects. This present document and its contents are outcome responses to the decisions of the governments of this Organization and direct response for the needs that were realised earlier.

Without going into great detail let me voice my agreement on the need for change, and "the present proposals that we have before us are in line with a change that could be desired and accepted by our delegation. This change will, however, require a consultation with all those who are either directly or indirectly affected because we do feel that such a change could only be brought out through mutual understanding and consensus. Even though the issue of consultations was pointed out in the document, we have heard a number of the representatives of the Trust Fund donor countries voicing the inadequacy of the consultations that were made so far. On the other hand, we do not consider it to be appropriate to postpone a decision on this matter just because of this reason, even though we fully share the concern of having to consult with the authorities of the countries concerned before making commitments. In a situation such as this the need of balancing the concerns of the donor countries with that of the Organization becomes essential.

It is in this context that I would like to pursue the matter further. It is clear that any postponement, whether small or large, would create a gap in the flow of resources, hence affecting Trust Fund-operated projects by diminishing them or causing interruptions. The affect of this is felt more in the developing countries where projects are being implemented, and the projects are established for the benefit of those developing countries which are going to be affected. Even though the need for further consultation could be a matter for acceptance, it is important to note that the time required for such consultation should be brought to a minimum so as to minimize the gap which is or could be apparent during the process. Furthermore, we are faced with the transitional situation in which the incoming Director-General will have to face this situation of a gap, thus reduce resources. None of us would like to place in such a situation and,

therefore, would not like to place the new Director-General in such a situation.

Considering all of the above, we would like to propose the following, which is very much in line with the proposal which was just indicated in the first part of Mr Shah's recommendation. In forwarding this proposal we are faced with the constraints of time to make adequate consultations and also going into length, and we are not going to go into the details and, therefore, go directly into the proposal. One, we are fully convinced of the need of adequate consultation between donors, recipients, and the Secretariat in a very clear and transparent manner. Therefore, steps should be taken toward satisfying those needs of consultations. Two, to avoid interruptions of gaps in the implementation of Trust Fund projects, the need of continuing with a slightly increased support cost arrangement could be ideal because the need for change has already been realized by the Conference almost four years back. Failure to realize this awareness might force this august body to continue as in the past, in which case decisiveness could emerge. Three, the need of making decisions as soon as possible so as to minimize the gap in project implementations should be seen and considered very urgently. In this connection I would like the Director-General to propose a recommendation after consulting with all those concerned. We feel that the recommendation of the Director-General could be presented to the special Session of the Council, the special Council Session that was already recommended in the Plenary in connection with the Programme of Work and Budget restructuring at the beginning of this week. This matter of support costs could also be combined and the Council, a special Council, could be mandated to make decisions on this matter. Four, in the interim between now and the time when decisions are being made, we would like to see flexibility and facilitation of the required study and preparation being made with utmost urgency. Five, we would also like to request the Trust Fund donors to speed up the decision-making process and realign linkages of harmonization with other UN Agencies because we have no authority over the work of other agencies, even though the idea of harmonization could not be objected.

In this connection, we understand that the further study being undertaken will be remitted to those itineraries which are being questioned rather than the whole area, so as to save time and resources. This screening in the area of study is required because of the fact that there is a general acceptance of most of the contents of the study that we have before us.

In talking about support cost arrangements, it is important to note that some of the projects implemented are also funded by the developing countries themselves, which are referred to as UTF or unilateral Trust Fund projects. The increase in support cost arrangements on such projects might discourage developing countries from using the accumulated know-how of the Organization. We therefore feel that the examination should also include this aspect of the Trust Fund, and we would like to see a concluding study with regard to the sense of the message that is relayed in paragraphs 74 and 75 and earlier referred to by the delegation of Brazil.

Michael KIMA TABONG (Cameroon): I will be very brief, for two reasons: first of all, because the interpreters who have done so well for us want to be away, secondly, because I too want to be away because I am getting chilled here. The House is becoming colder than outside.

That said, Mr Chairman, the Cameroon delegation appreciates the very comprehensive introduction earlier on by Mr Shah of this very important topic and his very able response to issues that have been raised by the distinguished delegates of this Commission.

We would say straight away that this is a very crucial issue, since we cannot imagine the FAO without Field Programmes financed by the Trust Funds. Mr Chairman, we have taken very careful note, and with great interest, of the constraints of document C 93/17 on the Reimbursement of the Trust Fund Support Costs, and we have also listened very attentively to the views very clearly expressed by delegations of the major donor countries towards the trust funds. In our view, this document partially answers some of the requests raised by many Member countries for more transparency and accountability of FAO activities. The Cameroon delegation appreciates all the positive impact of these new arrangements by the Secretariat, the donor community and the beneficiaries of the Trust Fund activities which have been highlighted by Mr Shah in his introduction.

However, we note also that these arrangements will have some negative impact on some of the activities - for instance, training and some small projects. Mr Chairman, my delegation supports the partnership principle by which the Regular Budget should bear a certain level of Support Costs resulting from the Trust Fund activities. However, Mr Chairman, the bottom line of all these discussions is that we are entering a new era with a new Director-General who will have to review the projects of the Trust Funds and who will find it absolutely necessary to consult with the major donors, without whom, as we have said earlier on, most of the Field Programmes will remain on paper.

The Cameroon delegation therefore favours postponement. What we may ask now is for how long such postponement should be - one year, two years? The importance and the priority of some of the projects should be taken into consideration. Mr Shah has suggested that it should be no later than November 1994. We leave that open too.

CHAIRMAN: After I have made my brief statement, I will give a word later on to the Secretary about the arrangements for the next meeting. Since I am the Chairman, not a delegate, I have to set a good example about brevity. I am going to be very brief.

The first point is that we have this paper which we have been working on for two years, but it is obvious that it has not been worked on long enough. In particular, the donor countries are unhappy with some points of it. My suggestion therefore is - and this will be in our draft final report - that the Secretariat take into consideration the comments made by all the 23 speakers, where appropriate, and prepare a new document as soon as possible, distribute the draft document to the representative of the countries here in Rome who can then pass it on to their governments for comment; their comments will then be consolidated in another paper and hopefully some consensus will be reached. That paper, if appropriate, will then be presented to the Programme and Finance Committees and, if necessary, to CCLM, and then presented to the Council, which as far as I know is now going to take place in May, for consideration and, if found appropriate, for approval for a trial period until the next Conference.

Richard M. STEIN (Secretary Commission III): I shall be very short, I promise you. First, as the representative of Cameroon, I have also been feeling very cold in this room and I wish to inform you that before lunch I asked that something be done to increase the temperature a bit, because when one walks out of the door it is just like summer out there. They did some work over the lunch hour, but I think it was only partially successful, and I shall renew the request again this evening.

There are two very important things which will interest all of you or other members of your delegations. The first is concerning Commission II. The next meeting of Commission II will take place on Monday next at 15.00 hours for the approval of their report. Subsequently - I hope not over optimistically, but I am assured that I am not being over optimistic - this Commission, -Commission III, will meet immediately thereafter and it is scheduled for 17.00 hours on Monday next for the approval of our report. Thank you, and I wish you a very pleasant weekend.

The meeting rose at 18.30 hours.

La séance est levée à 18 h 30.

Se levanta la sesión a las 18.30 horas.



conference

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

conférence

ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE

conferencia

ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

C

C 93/III/PV/5

Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

FIFTH MEETING
CINQUIEME SEANCE
QUINTA SESION

(22 November 1993)

The Fifth Meeting was opened at 18.00 hours

Mr Algirdas Zemaitis, Chairman of Commission III, presiding

La cinquième seance est ouverte à 18 heures

Sous la présidence de M. Algirdas, zemaitis président de la commission III

Se abre la quinta sesión a las 18.00 horas

bajo la presidencia del Sr. Algirdas Zemaitis, Presidente de la Comisión III

CHAIRMAN: I declare the fifth meeting of Commission III in session. As you can see from today's agenda, we have to adopt Reports C 93/III/REP/1, C 93/III/REP/2 and C 93/III/REP/3. I suggest, unless delegates object, that instead of going through these reports paragraph by paragraph we go through them item by item.

ADOPTION OF REPORT
ADOPTION DU RAPPORT
APROBACION DEL INFORME

DRAFT REPORT OF COMMISSION III - PART I
PROJET DE RAPPORT DE LA COMMISSION III - PREMIERE PARTIE
PROYECTO DE INFORME DE LA COMISION III - PARTE I

Paragraphs 1 to 4 approved
Les paragraphes 1 à 4 sont approuvés
Los párrafos 1 a 4 son aprobados

Paragraphs 5 to 8 approved
Les paragraphes 5 a 8 sont approuvés
Los párrafos 5 a 8 son aprobados

Paragraphs 9 to 12 approved
Les paragraphes 9 á 12 sont approuvés
Los párrafos 9 a 12 son aprobados

Draft Report of Commission III. Part I, was adopted
Le projet de rapport de la Commission III, premiere partie, est adopté
El proyecto de informe de la Comision III, Parte I. es aprobado

DRAFT REPORT OF COMMISSION III - PART II
PROJET DE RAPPORT DE LA COMMISSION III - DEUXIÉME PARTIE
PROYECTO DE INFORME DE LA COMISION III - PARTE II

Paragraphs 1 to 2, including resolution, approved
Les paragraphes 1 à 2, v compris la resolution, sont approuvés
Los párrafos 1 a 2 incluida la resolución son aprobados

PARAGRAPHS 3 TO 13, INCLUDING APPENDIX
PARAGRAPHES 3 A 13, Y COMPRIS L' ANNEXE
LOS PARRAFOS 3 A 13, INCLUIDO EL APENDICE

Paul Neville ROSS (Australia): I have basically three comments to make. The first is a minor point with regard to paragraph 3. The second sentence of paragraph 3 on page 6 refers to the "UNCED Conference". I think it should just be "UNCED" as that acronym includes "Conference".

I have a more substantive comment to make with regard to paragraph 10 on page 9. It is the fourth sentence, beginning at the end of the tenth line. It begins "Whilst some delegates". I am not sure if this sentence accurately reflects what was said in the debate. It refers to some delegates deferring to the consensus on this matter. In Australia's statement, we indicated we were prepared to go along with the majority view on this matter. So I would like to suggest some amendments to this sentence.

Firstly, after the phrase, "Whilst some delegates considered that" the words "it might have been preferable to convene" be deleted. So that it would now read "Whilst some delegates considered that the", and insert "meeting of the group of experts", and then insert "should be convened".

The sentence would then continue "after the March session of the United Nations Conference, they were prepared to", and then replace the words "defer to the consensus" with "accept the majority view on this matter".

Therefore, the proposed changed sentence would read: "Whilst some delegates considered that the meeting of the group of experts should be convened after the March session of the United Nations Conference, they were prepared to accept the majority view on this matter."

My final comments relate to paragraph 11. Again this is a relatively minor point. There is a reference at the end of the second line to the Hundred and Sixth Session of the Council occurring in November 1994.

Given the prospect that there will be an Extraordinary Session of the Council in May 1994, that session would be the Hundred and Sixth. So there could be some confusion. I would propose that we delete the words "Hundred and Sixth" and just refer to the Session of the Council in November 1994.

CHAIRMAN: Your comments are accepted and will be incorporated in the final report.

Luis DELGADO SANCHO (EEC): Our first proposal concerns paragraph 5, paragraph (a) : in the fourth line from the bottom, we propose to delete the word "national". So the sentence will read, "which is a matter wholly within the competence of fisheries authorities."

I have another modification to paragraph 10. I would point out that in the French version of paragraph 10 on page 9, in the second line, it says in French "d'une vingtaine d'experts nommés par des Etats Membres de la FAO". On the contrary, in the Spanish version the wording used is "Membros de la FAO" and the English "Members". It is only a matter of translation.

Then we propose - and I continue with the English version - at the end of paragraph 10 to add the following sentence: "This provides an opportunity for an eventual informal consultation on the basis of the draft."

CHAIRMAN: Could you repeat the last additional sentence to paragraph 10?

Luis DELGADO SANCHO (EEC): At the end of paragraph 10, the sentence would read: "This provides an opportunity for an eventual informal consultation on the basis of the draft."

Then we propose to insert after paragraph 10 and before paragraph 11 a new paragraph that reads as follows: "The Conference notes that the Secretariat will submit a revised text of the Draft Agreement to members of the Committee on Fisheries in early spring 1994 for review and written comments by the end of August 1994. The same draft would also be made available at the 3rd substantive session of the United Nations Conference scheduled for August 1994".

Before repeating, if that is your wish, I want to say that we have taken the statement made by Mr Krone on the schedule of the Code of Conduct.

CHAIRMAN: I do not see any objections to your additional comments. Your comments will be incorporated in their entirety in the text.

Frank D. BUCHHOLZ (United States of America): Of course, we are looking very quickly at this additional paragraph. I know that it reads, "The Conference notes that the Secretariat will also need a revised text of the Draft Agreement". I am not sure of the exact term that will eventually be used or the exact type of document that will come out of this. I think, rather than "agreement", we should revert back to what was said at the beginning of the paragraph which is "of the draft general principles".

CHAIRMAN: I ask the delegate of the United States to repeat his comments for the benefit of the Secretariat.

Frank D. BUCHHOLZ (United States of America): Basically in this additional paragraph we use the term "draft agreement" as proposed by the EC. I think it would be preferable to use the term "draft general principles" inasmuch as the exact nature of this document has not yet been determined.

CHAIRMAN: I can see the EEC is in agreement with that.

Gerald MOORE (LEGAL COUNSEL): I would certainly agree with that particular clarification. I am wondering if, where it says that we should submit a revised text of the draft principles to members of COFI in early spring, we should not perhaps say "to FAO Members" because there will be a new COFI and we will not yet know who the members are. We will probably only have about ten or by the spring of 1994 because usually people make known their membership or desire to be members of COFI just before the COFI session. I wonder whether it might not be better then to say "to make it available to FAO Members in early spring 1994".

CHAIRMAN: I can see the EEC is in agreement with your suggestion.

Julio Cesar LUPINACCI (Uruguay): Quería referirme al Proyecto de Resolución que aprueba el Acuerdo para Promover el Cumplimiento de las Medidas

Internacionales de Conservación y Ordenación por los Buques Pesqueros que Pescan en Alta Mar, que figura en las páginas 10 y 11 del texto español. Con respecto a él, el numeral tercero de la parte decisoria quería proponer un cambio, donde dice: "Toma nota de que el Acuerdo formará parte integrante del Código Internacional de Conducta para la Pesca Responsable" cambiar estas expresiones de "Tomar nota" por "Reafirma que el Acuerdo formará parte integrante del Código Internacional de Conducta para la Pesca Responsable". Creemos que tiene más fuerza decirlo así y además, no es que la Conferencia toma nota de algo que la propia Conferencia decidió, de manera que es una reafirmación de lo que ya había decidido. Por lo tanto, propongo este cambio, señor Presidente, la palabra "toma nota" por "reafirma".

CHAIRMAN: Thank you very much, Uruguay. Your proposal is accepted.

Ms C. BOGLE (New Zealand): I was going to make the same intervention as the United States made a little while ago so I will not make it now.

CHAIRMAN: I see that the suggestion is acceptable.

Robert ANDRIGO (Canada): I have a change to propose on paragraph 11. If it would be allowed I would like to propose a change to the first line, to remove the phrase that begins with "might well be completed by September 1994 and the text..." and to replace it with "would be". The reason for that is that in a sense it prejudices that by the time that this piece of paper or these draft principles get to COFI there will be nothing for COFI to do. I do not think that is necessarily what we intend, it would be more consistent with what we say further down about these various elements of the Code being an advanced form of preparation, not to say that this "might well be completed by September 1994"

CHAIRMAN: Your comments are accepted and will be incorporated in the Report.

Paragraphs 3 to 13, including Appendix, as amended, approved
Les paragraphes 3 à 13, y compris l'annexe, ainsi amendés, sont approuvés
Los párrafos 3 a 13, incluido el Apéndice, así enmendados, son aprobados
Paragraphs 14 to 18, including Appendix, approved
Les paragraphes 14 à 18, y compris l'annexe, sont approuvés
Los párrafos 14 a 18, incluido el Apéndice, son aprobados

PARAGRAPHS 19 TO 28, INCLUDING APPENDIX
PARAGRAPHES 19 A 28, Y COMPRIS L'ANNEXE
LOS PÁRRAFOS 19 A 28, INCLUIDO EL APÉNDICE

G.N.M. PELPOLA (Sri Lanka) : My intervention is not on any substantive matter concerning the draft Agreement, but I would specifically wish to draw the attention of this Conference to the location for the eventual

establishment of the Tuna Commission. Sri Lanka has taken a special interest in the exploitation of tuna in our region. We are happy to report that since the inception Sri Lanka has provided host facilities for the Indian Ocean Tuna Programme; the required institutional support has constantly been given by Sri Lanka; and the Programme is effectively being serviced by us.

Sri Lanka offered to host this proposed Tuna Commission as far back as 1988. Given its central location in the Indian Ocean, and also considering the fact that Sri Lanka continues to service the ITPT - which in fact can be considered a forerunner to the Indian Ocean Tuna Commission - my delegation reiterates the offer it has already made and expresses its keenness to host the Indian Ocean Tuna Commission in Sri Lanka.

Richard M. STEIN (Secretary, Commission III): As the distinguished delegate of Sri Lanka has just said, it is quite true that their government has made this offer on several occasions in the past.

We could, in paragraph 27, make a very small change and say "the Conference noted that the Governments of India and of Sri Lanka had offered to serve...". If that would be sufficient it puts them on the same level, whilst one had offered it perhaps earlier, and I think that that ought to satisfy everyone

CHAIRMAN: I see that the suggestion is acceptable to Sri Lanka.

D. CANGY (Mauritius): With regard to paragraph 21 and paragraph 22 of the Report, my government would like the following statement to be added: "My delegation is pleased to inform the FAO Conference that sufficient progress has been made in the discussions between Mauritius and the United Kingdom regarding fisheries and other resources in the waters around the Chagos Archipelago. Following these discussions, Mauritius and the United Kingdom authorities have agreed to issue a joint statement on cooperation on fisheries and other resources in the waters around the Chagos Archipelago soon. " A copy of that joint statement will be deposited with FAO in due course.

In the circumstances, my delegation wishes to announce that Mauritius is now ready to give its formal approval to the setting up of the Indian Ocean Tuna Commission on the basis of the draft Agreement before Conference.

Richard M. STEIN (Secretary, Commission III): May I say to the delegate of Mauritius, with your permission, Mr Chairman, that the extremely important statement which you have made will, of course, appear in the Verbatim Records. Would you allow us, for the purposes of the Report, simply to state what has happened and then have the complete statement in the Verbatim Records? What you have said is important but would you allow us to do as I have suggested and not reproduce the entire statement in the Report? Normally we do not; we take the essence of it and then the entire statement appears in the Records. Is that agreeable?

CHAIRMAN: I see that this suggestion is acceptable.

Draft Report of Commission III, Part 2, as amended, was adopted
Le projet de rapport de la Commission III, deuxième partie, ainsi amendé,
est adopté
El proyecto de informe de la Comisión III, parte 2, así enmendado, es
Aprobado

DRAFT REPORT OF COMMISSION III - PART 3

PROJET DE RAPPORT DE LA COMMISSION III – TROISIEME PARTIE

PROYECTO DE INFORME DE LA COMISION III - PARTE 3

Paragraphs 1 to 4, including Resolution, adopted
Les paragraphes 1 à 4, y compris la résolution, sont adoptés
Los párrafos 1 a 4, incluida la Resolución, son aprobados

Paragraphs 5 and 6, including Appendix, approved
Les paragraphes 5 et 6, y compris l'annexe, sont approuvés
Los párrafos 5 y 6, incluido el Apéndice, son aprobados

PARAGRAPHS 7 TO 11, INCLUDING APPENDIX
PARAGRAPHERS 7 A 11, Y COMPRIS L'ANNEXE
LOS PARRAFOS 7 A 11, INCLUIDO EL APENDICE

Dominik LANGENBACHER (Switzerland) : Mr Chairman, through you I would thank our Rapporteur for having presented us under this Item with a very short, concise and operative conclusion to our debate.

Having said this, I would present three small amendments. In paragraph 7 it is indeed the Conference which noted the concern about the financial situation. The Conference was informed, yes, but then it noted the concern. Therefore, I would propose replacing "The Conference was informed" by "The Conference noted".

Then in paragraph 8 in the third line where we speak of the "in-depth review", according to my recollection we recommended that the in-depth review would be of the proposal and its implications in the light of the questions raised in the debate. Therefore, line three would then read "that an in-depth review of the proposal and its implications in the light of the questions raised in the debate be performed by..."

My last amendment relates to paragraph 9 where it was the sentiments of the Commission that the matter be resubmitted to the next Conference. Therefore, at the very end of that paragraph I would submit we add the words "until the next Conference".

CHAIRMAN: I am in complete agreement with your valuable contribution.

Jean-Paul RIVAUD (France): J'aurais un très léger amendement à apporter au paragraphe 9 qui, dans sa version actuelle, sous-entend un peu que nous préjugeons du résultat de l'étude. Je préférerais que l'on mette: "En outre, afin de permettre aux Etats Membres de profiter éventuellement de

cette facilité le plus tôt possible, la Conférence est convenue..." - le reste inchangé. Il s'agit simplement d'ajouter le mot "éventuellement"

Paragraphs 7 to 11, including Appendix, as amended, approved

Les paragraphes 7 à 11, y compris l'annexe, ainsi amendés, sont approuvés

Los párrafos 7 a 11, incluido el Apéndice, así enmendados, son aprobados

Draft Report of Commission III, Part 3, as amended, was adopted

Le projet de rapport de la Commission III, troisième partie, ainsi amendé, est adopté

El proyecto de informe de la Comisión III, parte 3, así enmendado, es Aprobado

The meeting rose at 18.45 hours.

La séance est levée à 18 h 45.

Se levanta la sesión a las 18.45 horas.



conference

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

conférence

ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE

conferencia

ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION

C

C 93/III/PV/6

Twenty-seventh Session
COMMISSION III

Vingt-septième session
COMMISSION III

27° período de sesiones
COMISION III

SIXTH MEETING
SIXIEME SEANCE
SEXTA SESION

(23 November 1993)

The Sixth Meeting was opened at 15.15 hours
Mr Algirdas Zemaitis, Chairman of Commission III, presiding

La sixième séance est ouverte à 15 h 15
sous la présidence de M. Algirdas Zemaitis, Président de la Commission III

Se abre la sexta sesión a las 15.15 horas
baio la presidencia del Sr. Algirdas Zemaitis, Presidente de la Comisión III

CHAIRMAN: I declare the sixth and, I hope, final meeting of Commission III in session. Before we start, I should like to remind delegates that time is money. Please make your speeches as short as possible. During this Conference I have listened to many speeches. All of us are worried about the starving masses. If we could have converted the time spent on speeches into money, I am sure we could have fed a lot of people.

ADOPTION OF REPORT (continued)

ADOPTION DU RAPPORT (suite)

APROBACION DEL INFORME (continuación)

DRAFT REPORT OF COMMISSION III - PART 4

PROJET DE RAPPORT DE LA COMMISSION III - QUATRIEME PARTIE

PROYECTO DE INFORME DE LA COMISION III - PARTE 4

Paragraphs 1 to 7 approved

Les paragraphes 1 à 7 sont approuvés

Los párrafos 1 a 7 son aprobados

PARAGRAPHS 8 to 9

PARAGRAPHES 8 á 9

PARRAFOS 8 a 9

Ernst ZIMMERL (Austria) (Original language German): In paragraph 9 we are given important information on the Commissary at WFP. You will remember that I asked a number of questions of the Secretariat. Nothing is said in this paragraph in answer to those questions. I would therefore ask that a sentence be included in the Report reflecting what I asked. I would suggest that the sentence should read as follows:

"Questions were raised relating to the Commissary accounts, like amount and utilization of surplus, rent for Commissary space paid to the Organization, personnel paid by the Commissary and working for other purposes and rent paid by the Organization for external storing".

CHAIRMAN: Where would you like to have this included?

Ernst ZIMMERL (Austria) (Original language German): I think perhaps we could have a new paragraph immediately after paragraph 9, 9 bis, as it were.

CHAIRMAN: We find that quite acceptable. Would you give the text in writing to the Secretariat, please.

Paragraphs 8 to 9, as amended, approved

Les paragraphes 8 á 9, ainsi amendés, sont approuvés

Los párrafos 8 a 9, así enmendados, son aprobados

Paragraphs 10 to 13 approved
Les paragraphes 10 à 13 sont approuvés
Los párrafos 10 a 13 son aprobados

Paragraphs 14 to 22 approved
Les paragraphes 14 à 22 sont approuvés
Los párrafos 14 a 22 son aprobados

Draft Report of Commission III, Part 4, as amended, was adopted
Le projet de rapport de la Commission III, quatrième partie, ainsi amendé,
est adopté
El proyecto-de informe de la Comisión III, parte 4, así enmendado, es
aprobado

DRAFT REPORT OF COMMISSION III - PART 5
PROJET DE RAPPORT DE LA COMMISSION III - CINQUIEME PARTIE
PROYECTO DE INFORME DE LA COMISION III - PARTE 5

PARAGRAPHS 1 to 19
PARAGRAPHES 1 à 19
PARRAFOS 1 a 19

CHAIRMAN: On document C 93/III/REP/5, I have been in previous consultation with the interested parties - that is, the delegates who spoke on this matter last week - and I have already introduced in the paper certain amendments which I shall read out to you.

It has been suggested to me by the interested parties and various delegates that paragraphs 1, 2, 3, 4, 5 and 6 should remain as they are. Some suggestions were made that they should be deleted, but this is basically background information, and members of the Conference who were not involved in Commission III might benefit from knowing what went on before.

Paragraphs 7, 8,9, 10, 11, 12, 13, 14, and 15 are to be deleted because these are matters you will find in the verbatim reports. I would suggest to delegates that, on this particular item, you very seriously check and double check the Verbatim Records to see that they reflect what you have said.

We now come to paragraph 16. It has been suggested that the second sentence should read, "The Conference recognized", instead of "agreed": that is, "The Conference recognized that the proposals of the Director-General..." and so on.

Then at the end of the paragraph it has been suggested that the last word of paragraph 16 should be changed from "effectiveness" to "efficiency".

Paragraph 17: there have been some more substantial changes in this paragraph and I shall read it very slowly so that you can make a note on your own papers. "At the same time the Conference took note of the concerns expressed by many of contributors to the Trust Fund Programme well as recipient countries and the difficulties they had in accepting the proposals as submitted. The Conference noted that these members stated the

need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties which also reflect the need of having a unified approach on this matter in the United Nations system."

I will also read out amendments and suggestions made for the other paragraphs and then I shall open the floor for discussion.

Paragraph 18: "The Conference generally endorsed the approach and the principles embodied in the proposals, but did not accept their implementation to take effect from 1 January 1994. It requested the Director-General to pursue consultations with all interested parties who had expressed concern, with a view to arriving at an overall consensus solution which would reconcile the various points of view expressed."

Paragraph 19: "The Conference requested the Director-General to report on the outcome of these consultations through the Programme and Finance Committees to the Council at its additional session in May 1994. If found acceptable, it authorized the Council to endorse eventual newly-proposed arrangements for implementation on a trial basis until the Twenty-eighth Session of the Conference in November 1995."

I open the floor for discussion. Are there any comments on paragraph 19 as it stands and with the amendments?

Robert ANDRIGO (Canada): Mr Chairman, I think you have given us a complete re-write of this paper and I feel we require more than a couple of minutes in order to absorb what is you are suggesting. Therefore, if could please have a few moments in which to reflect on this, we could come back with some recommendations or comments.

Pause

Pause

Pausa

Robert ANDRIGO (Canada): I should like to backtrack for a moment. I do not think we have necessarily agreed that the interim paragraphs up to 16 ought to be deleted. What we have in paragraphs 1 to 6 is a summary of past history. There is no reflection in this particular report, of the debate which actually occurred and of the differences of opinion which were expressed and which are referred to in the concluding paragraph. I think it is only appropriate to maintain the systematic recording, as we have throughout the Conference, of views as they actually were expressed, and even of differences of opinion as they were expressed. I really do not understand why, on this particular occasion, this rather important background information for all capitals should not be included in the Report. I would appreciate an explanation.

Igor MARINCEK (Switzerland): I certainly understand the question raised by my colleague, the delegate from Canada. When we looked at this Report we were surprised because we did not really find what we recalled of the debate we had on this item. This puts us in quite a difficult situation: either we have to go into a very, very long drafting exercise or we have to send back the report, asking the Rapporteur to re-draft it in line with the

verbatim, because we think that what we have here recalling the debate is not actually what took place.

In order not to have this very time-consuming approach and on the basis that, anyway, what is most important is the conclusion and the conclusion we have already reached at the end of the debate and the main conclusion is obviously that we are here in a process which was applauded by most of those who spoke, we were of the opinion that this process has not reached a state where we should finalize it. There are still some questions which are open and some improvements to be made.

It is in this spirit that we think what is most important to be retained in the report is the conclusion and some explanation on how the whole question has been raised prior to the debate at this Conference. This we have in paragraphs 1-7.

My delegation very much thanks the Chairman for his support for the idea of having a short report, to concentrate on conclusions which we have and to have a process-oriented conclusion for our Conference.

I can go along with this proposal. I have just one suggestion concerning paragraph 18. In paragraph 18 my delegation would prefer to have the following sentence as the first sentence: "The Conference generally endorsed the objectives embodied in the proposals" - and delete the second part of the sentence. We think by using these rather general terms we avoid prejudging the future debate in the Programme and Finance Committee and in the Council.

My delegation would very much welcome and thank the Chairman on his initiative to report on this quite tricky issue to concentrate on conclusions.

Atto Assefa YILALA (Ethiopia): I requested the floor on a point of order but this was not observed. We were in a disadvantageous position. The Chairman was not able to see our flag raised on any point. We apologize for having delayed the discussion on this item. At the time when I raised my flag, however, I was requesting a further extension of two or three minutes for us to have adequate consultations between ourselves. We have not had that time. I have been requested by my group to indicate a point of order. Since the discussion has proceeded, even though we have not had a chance to listen to what is going on in the discussion because we were having consultations, we have been able to conclude these discussions and there is no need for us to take the floor.

CHAIRMAN: I apologize for not recognizing Ethiopia.

P.R. JANUS (Netherlands): I would like to support the proposal made at the beginning of this session on this part of the report. I would also like to support everything that has been said by the delegate from Switzerland.

I understand the question raised by the delegate from Canada, that he would like to seek clarification. I hope the Swiss delegation has given this clarification.

In addition, may I mention that during the discussions which have taken place concerning the form that reports of FAO should take, many delegations have expressed the view that reports should be short and focus on conclusions and decisions. For that reason your proposal is an excellent one.

I would like to make a few small remarks concerning amendments read out on paragraphs 16 to 19. I think the amendments on paragraph 16 are excellent. I have no comment on them.

On paragraph 17 you mentioned that in the second line the words "a number of" should be replaced by "many". I thought it might be preferable, after reflection on the debate, that we should replace "many" with "most" because that, in my-view, is actually what happened. I have not been able to reread this in the verbatim report as it is not yet ready, as I understand it.

On paragraph 18 I support the proposal that was made by Switzerland to use the word "objectives" rather than "approach" as you read out and also delete the second part of the sentence and suppress the words "the principles".

On paragraph 19, I would appreciate it if you could read out the end of that paragraph or possibly the whole paragraph to make sure we have that right. I would like to reserve the right to comment further on paragraph 19.

CHAIRMAN: I shall read out paragraph 19. "The Conference requested the Director-General to report on the outcome of these consultations, through the Programme and Finance Committees, to the Council at its additional session in May 1994. They found acceptable" - and here I mean 'found acceptable by the Council' - "and authorized the Council to endorse the eventual newly-proposed arrangements for implementation on a trial basis until the 28th session of the Conference in November 1995".

I would like to say that I deleted on purpose "no later than at its session in November 1994" because I have found that human nature being what it is, if you give them all that time, they will take more time. The Secretariat said that they might not be ready by the May session. If they are not ready by then, they should report back to the Council. I am sure the Council in the May session would then postpone it to November. If I had given until November, the thing would not have been ready for November. I am saying this in the verbatim record but I will not put it in the report.

Ms Turid KONGSVIK (Norway): My delegation, like others, appreciates the efforts made to shorten reports. This was a concern of ours in general. We should have short and to the point decisions in the report. We thank you in that regard.

We understand Commission II, when it discussed the report on WFP, shortened considerably the draft from the Secretariat of the Drafting Committee. That is good.

Of course, we would be willing, if Canada and others had particular issues with which they were concerned which were not covered well enough, to cover them in a few sentences. Perhaps that is the solution.

Page six, of course, with the conclusions is the most important. Here basically I can agree with the Swiss proposal, particularly on paragraph 18, which is the most important one as we see it, that we should endorse the objectives. Here I would open a parenthesis and perhaps like to focus on the rapprochement which we have arrived at in Conference. I think we have some common ground on which to work further. We are not starting from scratch. We have objectives on which we can all agree. I am sure, with constructive efforts and in a collective framework with those interested, we can work speedily because we are all interested in getting a solution which maintains field programmes, the soul and blood of this Organization which I am sure is the foundation for a continued interest from donors and recipients alike.

I shall not continue in that philosophical vein. I confirm that we are eager to play a constructive role and build upon these objectives. That is why we think it is of paramount importance this is stated in paragraph 18. Let us stick to the objectives and not talk about implementation here. We come to it in paragraph 19. Here, although we are a member of Council, I understand those parties concerned who are not would like to be consulted and be sure that the proposal put to Council has been agreed in its broad outline with them before it is taken further.

Bo WILÉN (Sweden): I will limit my intervention to the last page concerning the conclusions. I go directly to paragraph 17. I can live with "many of the contributions on the Trust Fund Programme", but I am not prepared to accept "most of the contributors".

Coming on to paragraph 18, we have different opinions about this which we have seen during this interesting discussion which, unfortunately, will not be seen on the paper. We have different views. Several members have expressed the view that they endorsed the methodology and the principles of the present proposals and that should appear in the text. For example, saying, "The Conference generally endorsed the approach or the objectives embodied in the proposals", and then later on "several members further endorsed the methodology and the principles of it", or something like that.

Further on in paragraph 18 you proposed there "with all interested parties who had expressed concerns". I think we could leave that out because all we are interested in is this issue and now, especially when we have different views coming. We will try to find a definitive and final solution. All parties should be involved in this discussion.

For example, we were not involved in the discussions now before this meeting to come up with ideas on how this conclusion could be formulated, so I think we should leave that out.

As far as the rest is concerned, I think I can live with it.

CHAIRMAN: I would tend to agree with you that in paragraph 17 we should leave "many contributors". It is an all-embracing phrase. We never took a water-net - how many for this - it was a long discussion. We cannot say "most". Some people say "more", some people say "many". "Many" is all-embracing.

Your suggestion to delete "expressed concern" leads me to say that there were some parties who did not express concern, and this can easily be

gleaned from the Verbatim Record of our meeting on Friday. Therefore, I would feel inclined, unless the meeting has a different opinion, to leave "expressed concern".

Ray ALLEN (United Kingdom): I take the floor with some degree of trepidation. We could well be into a minefield here. I do, however, sympathize with the points made by the delegate of Canada. I also appreciate the comments made by the Swiss delegate. If we leave in paragraphs 7 to 15 we could be here all night, so I would go along with the suggestion that we take those out. However, what we have in the Conclusions is not really a balanced record of the actual debate. I would suggest that we concentrate on these few paragraphs to try and get the balance right by just altering one or two words perhaps.

Could I suggest one or two very minor amendments at the start of paragraph 17 that could perhaps take in the concerns of Canada. Shall I read out the first couple of lines of my suggestion? "At the same time, the Conference took note of the concerns expressed by" and I think we should put in here "major contributors" since it is not all contributors that had concerns, "to the Trust Fund Programme, who favoured full cost recovery as well as recipient countries, and the difficulties in accepting the proposals as submitted".

P.R. JANUS (Netherlands): I would like to go to paragraph 19 because I asked you to read out that paragraph again and I am grateful that you did. Then I would also like to make a small remark on paragraph 17.

I do not quite understand the last sentence as it was read out by you. You started the sentence with, "If found acceptable by the Council it authorized..." etc. That is my understanding. In our view, particularly because we are not in the Council, we would like to make sure that any proposal that comes out of the consultation process has the agreement of all interested parties, so that a proposal that goes to the Council is one that has already received consensus from the interested parties. Only on that condition would my delegation be prepared to delegate authority from the Conference to the Council to decide on this matter.

You will appreciate that we would like to insist on this point. In this connection, I would propose keeping the last sentence as it was with an amendment, one that you read out and another one that I would like to read out to you now. The sentence I propose, and that is the last sentence of paragraph 19, could then read as follows: "It authorized the Council to endorse eventual newly proposed arrangements on which consensus had been reached among all interested parties for implementation..." etc., as it stands. In that way, the sentence, in my view, would reflect the idea that it only makes sense to ask the Council to express itself on proposals at the moment that agreement has been reached by interested parties on these proposals, otherwise we would simply get a repetition of the discussions that we have had in this Conference and I do not think that that would lead us anywhere.

Then on paragraph 17, the question of "many" or "most", I still would prefer "most" or "a majority of" because, if you read the verbatim record of the meeting we had last week, you will find that there was a majority and that it was most of the contributors to the Trust Fund Programme who expressed themselves in this way. Therefore, in my view it would be a

better reflection. I am flexible. I would also accept other wording if it were acceptable to other members, for instance the wording suggested by the United Kingdom.

Those are my comments. I am still thinking about the amendment suggested by the United Kingdom delegation and maybe later on I will come back to those.

CHAIRMAN: The reason I did not repeat the consensus at the end of paragraph 19 was because we have that already at the end of paragraph 18 where it says, "arriving at an overall consensus solution", and this is a summary of all our discussions. If you remember, it will be stated in the verbatim record how this process should take place and for those of you who were not here I would like to repeat that there is the present paper presented by the Secretariat and it should be revised in accordance with the comments made by delegates last Friday which are stated in the verbatim records. That is why I stressed that delegates, once the verbatim record comes out, should check it very carefully. Once that paper is revised, then my suggestion was that this new paper be given to the representatives of the concerned countries here in Rome so that they can forward it to their governments for any additional comments, conclusions, amendments, and so on. These would then be incorporated into a new paper and this new paper would then be submitted to the Programme and Finance Committee for finalization.

Then it would be submitted to the Council in May, or possibly in November, - this is for the verbatim note -, for approval, for a trial period until the next Conference. That is why I am saying to the delegate from the Netherlands that I did not put "consensus" again. I see no difficulty in putting it in.

I am now going to give the floor to Canada on the point raised where Canada wishes us to keep paragraphs 7 to 15 which we have deleted.

Robert ANDRIGO (Canada): I seem to have been put in the uncomfortable position of arguing against motherhood, motherhood being the cause of brevity, the principle of brevity as described here today. I think I would have been more convinced if that motherhood principle had been espoused from the outset of this Conference rather than at the end.

Nonetheless, there appears to be no general consensus to retain paragraphs 7 to 15. Consequently, I suppose I shall have to beat a retreat with those comments firmly on the record.

In respect of the suggestion that you are making, I think it is important -as outlined by the delegates of both Sweden and the United Kingdom - that what we are left with on 16, including "particularly" in the reformulation, is a very partial view of what has occurred. I think we need to redress that somewhat. I think the formulation suggested by the United Kingdom is an important addition that should be accepted. I think we need to insert the fact that there were some who did feel very strongly that there ought to be full cost recovery as a major objective of this particular activity.

I am also a little concerned by the argument over "many", "the majority", "most" or "some". I think that "many" is about as far as we can or should go in respect of acknowledging those who had a different view on this particular issue.

In respect of paragraph 17 and the end phrase where we talk about "which also reflect the need for having a unified approach on this matter in the "UN system", I think we are reflecting the conclusion of a debate that we did not have. I do know that many delegates raised this particular issue. I am not aware that we consensually set out to debate it and to come to a conclusion. Therefore, I would propose that that particular phrase might perhaps be amended somewhat along the following lines, "which also reflect the need to consider the implications of this proposal for similar arrangements elsewhere in the UN system". I thought that was the concern in the sense that what we do here does have implications elsewhere, or we might wish to do it the other way round. I did not think that we came to a conclusion that harmonization is the overall goal. Perhaps we will get to it if we debate the point.

On the next paragraph 18, I think it is limiting to say "all interested parties... who had expressed concern". I think that the entire membership has a concern here. I detect in the formulation "all interested parties... who had expressed concern" almost an exclusionary approach to not involving in any eventual negotiations those parties who take, for example, the approach favouring full cost recovery. I think it is important that all interested parties, all sides of the fence, have their views reflected in whatever solution is eventually reflected to the Programme and Finance Committee. It is important either to capture that or to take out "who had expressed concern" because I think that is very limiting.

I will stop there and come back perhaps when we have a clear idea of what actual formulations we are working with.

CHAIRMAN: Before I give the floor to Mr Shah, I want to say that the way I interpreted it "all interested parties" were the delegates who were at our Friday meeting, who expressed their views and whose views were placed on the verbatim record.

V.J. SHAH (Deputy Director-General, Office of Programme, Budget and Evaluation): First of all, my apologies for appearing late in the Commission. Just in case there is any misunderstanding about my respect for the Commission and distinguished members, I want to make it absolutely clear that I was detained in the General Committee.

Mr Chairman, I have tried very quickly to follow the debate you had in my absence and what has happened since. May I firstly make a point of clarification which will help, I trust, the Commission in arriving at an agreeable text of the report and then offer some suggestions.

The point I want to make is that, of course, you are not reopening the debate. You are capturing what happened in the debate on Friday. Everything you have said we have noted and is in the verbatim records, but I do not recall anything in the debate or the verbatim records to the effect that what the Director-General must review and submit must be acceptable to all the parties consulted. This is a very important point. I am taking the wording as I took it down - I hope I have it right; the wording suggested by the delegate of the Netherlands was "newly proposed arrangements on which consensus has been reached".

This is not just a debate. You are placing the Director-General, whom you expect to take action on this matter, in an impossible situation. It is one

thing to expect him to consult all of you whether you are in favour, whether you are against, whether you have concerns or do not have concerns. But it is another thing to put him in a situation where you say, "you can only put forward revised proposals if we have all agreed".

But as we know from the debate, it is possible that there will not be agreement. What if one or more Member Nations say "we cannot agree to what you are proposing"? Does this mean the Director-General cannot put forward proposals? This is against the Basic Texts, against the basic duties and responsibilities of the Director-General, and I cannot believe that that would be your intention.

Whatever text you decide to adopt I would ask you to bear in mind that you are urging the Director-General to consult all those concerned - fine! That can be expressed in any way you wish. But this cannot lead to preventing the Director-General from putting forward proposals which in his judgement would constitute a responsive to those consultations, and a course of action he would recommend to Member Nations through the Programme and Finance Committees and the Council.

If we may bear that in mind, may I now come to specific texts proposed to these paragraphs. If you will bear with me - my vision is not so good but my mind is not clouded, I hope. Paragraph 17 could read - and I am trying to absorb all suggestions so I will not mention names of delegations - "At the same time the Conference took note".

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

Igor MARINCEK (Switzerland): I think we should first try to find a solution among the membership. If we are really stuck in a situation where we cannot find a solution we may address ourselves to the Secretariat, but with your indulgence, Mr Chairman, I think we should not now invite the Secretariat to give its own formulation. The debate we had last Friday, the part we want to reflect in this Report, was a debate amongst the Members: it was not necessarily also the part in which information and so on was given by the Secretariat. One could give that in a special paragraph - why not? I think the whole thing here first is for the membership to trust us, so I suggest we continue among the Members to try to find a consensus on the text and if we do not reach such a consensus, the Secretariat might then propose its help in this endeavour.

CHAIRMAN: Thank you, delegate of Switzerland; the point is well taken. The only reason I gave the floor to Mr Shah is that he has already listened to a number of delegates and he was formulating some sort of conclusion. After he had had his say, I would have reopened the discussion - the delegations of the Netherlands, Ethiopia and Cameroon have indicated their wish to speak - but Mr Shah has listened and formulated this. Having heard a number of delegations, he was proposing a solution which might or might not be acceptable to them.

Igor MARINCEK (Switzerland): We are much nearer to a solution. I think after what Mr Shah has said we are pretty near. First of all, dealing with

the point raised by the delegate of Canada with respect to shortening the Report, we have a precedent - the Conference in 1989 when Conference decided to have a very short Report on the outcome of the Review, because we found this a difficult thing. So I think there is precedence, and it is a good thing anyway to have a short Report.

On the suggested modifications, the delegate of the United Kingdom put forward a very good one regarding full cost recovery. Other delegations - I think particularly those of the United Kingdom and Canada - have spoken to this before. The proposal made by the delegate of Sweden that several members further endorsed the methodology and the principles - that is also a point which we could easily integrate into this Report. I also find feasible what the Netherlands delegate has said with respect to the end of paragraph 19, so my proposal would be that as there is not much difficulty any more with this text, we put down paragraphs 16 to 19 with these amendments, if that is acceptable, and we could then most probably reach a consensus on this Report. I invite you to do that, and then we shall be very near to the solution of the problem.

Thomas YANGA (Cameroon): There is broad consensus on the paragraphs which deal with the conclusion. In this respect my delegation proposes taking into consideration the many amendments which have been made so far by various delegations, which we do not all have written down, and that we proceed paragraph by paragraph which would give enough time for delegations to reflect on inputs to each paragraph. Then we could adopt the paragraph and move forward. Now we are moving from one paragraph to another, backwards and forwards, and we do not know what these paragraphs look like. I formally propose we move forward paragraph by paragraph and that we limit ourselves to these four which make up the conclusion of the Report.

P.R. JANUS (Netherlands): First of all, I would like to say that I agree with the delegate of Switzerland that we may be closer to a solution than some of you think. I believe we can proceed on the basis of trying to get agreement on the text already proposed.

I support the proposal made by the delegate of Cameroon that we should go paragraph by paragraph in an orderly manner, but I will put forward a reaction to Mr Shah concerning our proposal for paragraph 19. All along it has been my understanding that we have agreed to the following, although this has maybe not come out clearly enough in the debate but we have agreed to the following.

So far we have not reached agreement on the proposal. We need somewhat more time to get to an agreement. In my understanding, the idea was that once we got to this agreement - and that intention is expressed at the end of paragraph 18 with a view to arriving at an overall consensus solution - that once we have arrived at that point we can go to the Council and Council can make its decision. I think what we agreed last week was that we could delegate authority from the Conference to the Council on condition that we had reached this consensus. If not, it would be very difficult for the membership as a whole to delegate such an important decision to a Council in which many interested parties are not even represented. The acceptance of the fact of delegation to the Council was intended to be helpful in this situation in order to avoid unnecessary delays in the decision-making process here. But if the Report now would state that there was also a non-consensus solution, or if the Report still reflected

different views among the major interested parties in it - if such a Report went to the Council for decision my delegation would not be prepared to authorize the Conference to delegate this decision to the Council and in that case, we would like to take a decision in the 1995 Conference.

Carlos ARANDA MARTIN (España): Quería, señor Presidente, intervenir muy brevemente para hacer dos puntualizaciones. En primer lugar, estoy de acuerdo con Camerún en el sentido de que debemos actuar ordenadamente para llegar a una conclusión. También deseo adherirme a la propuesta del Reino Unido al párrafo 17, por entender que refleja bastante bien el debate que mantuvimos la semana pasada sobre este asunto, en el sentido de que fueron los principales contribuyentes al Programa de Fondos Fiduciarios los que expresaron las inquietudes.

En segundo lugar, señor Presidente, quisiera manifestar mi preocupación sobre la interpretación que el Presidente ha hecho sobre quiénes son las partes interesadas a las que se consultará, ya que me ha parecido entender que él interpreta que exclusivamente las partes interesadas son aquellos países que la semana pasada intervinieron en el debate.

Únicamente quiero manifestar, en nombre de España, que, lógicamente, nosotros tenemos un vivo interés en este asunto, aunque no manifestáramos ninguna opinión expresa. No siempre hay que manifestarlas ya que el Presidente repite constantemente que no hay que estar diciendo lo mismo que ha dicho el país anterior, ya que alargariamos enormemente estos debates. Por consiguiente, quiero decir que España, como importante contribuyente, no a los Fondos Fiduciarios pero sí al Programa de la FAO, quiere dejar de manifiesto el interés por este asunto y que, lógicamente, en un proceso de consultas, sea también parte consultada porque tenemos un vivo interés.

CHAIRMAN: Later on maybe you can elucidate to me who would be the interested parties. Is the Secretariat supposed to consult with all the 159 parties again? I tried to make it more simple. They were at the meeting; they were interested so they spoke, or if they did not speak, as you have said, they agreed with the others. We will come back to that point later.

Ato Assefa YILALA (Ethiopia): I am sorry, Mr Chairman, because I heard you call my name to speak and then all of a sudden, that was changed to another name when I started talking. I wanted to start talking but I was not fast enough to take the floor before you gave it to someone else and now you have given me the floor, may I express my views.

I have some views to express on paragraphs 17, 18 and 19. A request was made earlier by my colleague from Cameroon that we should proceed paragraph by paragraph. I did not hear your guidance on which way to go. If I know we are going in one of the directions you guide us to I shall be willing to go along that line. Before I make my points on any of these three paragraphs I should like to hear your reactions to the proposal made by my colleague of Cameroon so that I can proceed accordingly.

CHAIRMAN: We shall go paragraph by paragraph in adopting them. At the moment I am soliciting the views of the various delegations and their proposals. When they have made their proposals, the Secretariat will try to

rephrase paragraphs 17, 18 and 19 according to the various suggestions, and then for the adoption we will go paragraph by paragraph. Is that agreeable?

Ato Assefa YILALA (Ethiopia): Thank you, Mr Chairman, I agree with that and will include my insertion on paragraph 17. I understand that you have included a new phrase at the end of paragraph 17, which states, "Which also reflect the need of having a unified approach in the UN system". The phrase as it is indicates that we shall have to coordinate the activities of other UN agencies, which might be difficult. I would suggest that the word "eventually" be added between the word "of" and the word "having", so that the phrase would read, "which also reflect the need of eventually having a unified approach in the UN system."

Ms Teresa D. HOBGOOD (United States of America): My brief comment relates specifically to paragraph 17 and the proposals made by the delegate from the United Kingdom. Like the United Kingdom and Canada, my delegation favours a full cost recovery. Thus we whole-heartedly support the proposals made by our colleague from the United Kingdom. We believe it is important that the paragraph accurately reflect the debate on this issue.

Soumaila ISSAKA (Niger): Monsieur le Président, nous voudrions en tout cas partager les propositions d'amendements que vous avez communiquées à l'assistance avant l'ouverture des débats; parce que cela nous fait nous concentrer sur la partie des conclusions et cela a le mérite de ne pas donner l'impression (comme cela semble apparaître dans le texte initial) qu'il s'agit simplement d'un problème entre donateurs et donc l'organisme de soutien. Et effectivement le fait que, dans les amendements, aussi bien les pays donateurs que les pays bénéficiaires soient partie prenante de la continuation de ce processus, mérite d'être souligné et donc d'être tout à fait inclus dans les aspects principaux des contributions.

Nous sommes également d'accord avec la proposition faite par le Cameroun de pouvoir procéder paragraphe par paragraphe afin d'apporter, au moment précis, les amendements que chacun souhaiterait.

Nous avons écouté avec attention le fait que certaines délégations estiment (notamment ceux qui pensent que le principe de la récupération intégrale des coûts devrait ne pas être perdu de vue) que cette opinion peut également être reflétée. Mais nous voyons davantage cela dans la partie Débats que dans la Conclusion qui, comme nous l'avons dit, doit se concentrer sur un certain nombre de dispositifs pour l'avenir.

Donc voilà ce que nous voulons dire sur l'aspect général de tout ce qui a été dit jusque-là. Et nous pensons donc que, au fur et à mesure que nous procéderons à l'examen paragraphe par paragraphe, nous prendrons certainement la parole, si cela est nécessaire, afin de mieux faire valoir nos points de vue que nous venons d'exprimer ici de façon très générale. Merci.

Thomas YANGA (Cameroon): I think we are now moving towards adopting this part of the Report paragraph by paragraph. In this respect, I presume that paragraph 16 does not pose any problem, with the amendments proposed so far. I would like to ask that the Secretariat should read out what they

have taken down for paragraph 17 so that we know from where we are starting and can make our recommendations.

CHAIRMAN: The Secretary will do his best to read out the paragraph, taking account of the proposals made by delegates.

Richard M. STEIN (Secretary, Commission III): It is right to say that I shall do my best, but I cannot guarantee that I shall get it right. Several suggestions have been made. There was one in particular by the United Kingdom, supported by the United States, and one by Canada, and a few smaller ones. I will read the whole thing and if I have gone wrong I will start again: "At the same time, the Conference took note of the concerns expressed by many contributors to the Trust Fund Programme as well as recipient countries and those who favoured full cost recoveries and the difficulties of accepting the proposals as submitted. The Conference noted that these members stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties and to consider the implications of these proposals (or solutions) for similar arrangements elsewhere in the UN system."

Igor MARINCEK (Switzerland): The Canadian amendment on the last part of this paragraph, "and to consider the implications of these proposals for similar arrangements elsewhere in the UN system", was supported by just one delegation. My delegation very much prefers the previous wording, as amended by Ethiopia by the inclusion of the word "eventually", which would read, "which also reflect the need of eventually having a unified approach on this matter in the UN system". If we followed the Canadian proposal, we should not be considering the need of changing something in the direction of a unified approach in the UN system. We would ask the question, "What do we have as a result of such an approach?". We are not just wondering whether we shall have problems or not. I think we have to give some directives. We have to say that, in general, those who deal with the question of giving funds to this, that or the other organization for field programmes or for trust funds are dealing with arrangements which are similar from one organization to the other, and this is expressed very well in the first version as amended by Ethiopia. I would propose that we return to that version.

P.R. JANUS (Netherlands): I would ask the Secretary to read out the last sentence of this paragraph again.

Richard M. STEIN (Secretary, Commission III): I was asked to take account of the proposals which were made without prejudice to what you decide. I have incorporated all the suggestions. On paragraph 17 the last sentence reads: "The Conference noted that these Members stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties and the need to consider the implications of these solutions for similar arrangements elsewhere in the UN system."

Robert ANDRIGO (Canada): I cannot agree with my Swiss colleague on the formulation that he has proposed relating to the need of eventually having

a unified approach. As I said earlier, we did not set out, at the outset of this Conference, or indeed in earlier discussions on this item, to debate this particular issue. In the formulation he has suggested, not having had a debate explicitly on the question designed to lead to a conclusion, he is trying to propose a solution before the debate takes place. I think that would be prejudicial to any eventual decision that we might take here, and consequently I do not think we can go along with it, in no small part because that was not something which we set out to do here, nor was it debated in the context of reaching such a decision.

Therefore I think we need a more neutral formulation for this. If, as a result of whatever discussions we have from here to the next Council, we reach that conclusion, at that point we can endorse such a conclusion. At this point, -I do not believe it is appropriate, and certainly it is not in keeping with the debate that we had.

Bo WILÉN (Sweden): I am very much in line with what my Canadian colleague has just said. I would like to support the way in which it is now said in the proposed text. I had perhaps formulated it in another way, saying that perhaps there is a need for harmonization etc., but this is a matter for the membership of other organizations to discuss also. We are also members of those organizations and we shall have to take it up there. But to summarize, I join in with what has just been said by my Canadian colleague.

Igor MARINCEK (Switzerland): I must disagree with my Canadian colleague. Firstly, the issue which I am raising here - that is, the one of having a unified approach - is a major reason why my delegation is not satisfied with the proposal which has been presented to us. We have said it in the debate. Others have said it, namely Germany, but also other delegations, so it is not a new point.

This is certainly one of the fields in which we would seek improvement in the process which should go on. I can understand the point which he raised, which was then supported by Sweden, that maybe we should formulate it a little more, in the sense that it is desirable that the instruction is not too rigid. What is important is that we go in the right direction. This is the signal we want to give. Hopefully whatever we approve once, will evolve still further in the future. So "which if possible also reflect the need" -something along those lines. I think that could then take care of his concern and, I hope, also the concern of my colleague from Sweden, by introducing "which if possible would also reflect the need for eventually having a unified approach".

CHAIRMAN: With a slight amendment, we are almost going back to the original amended text.

Ato Assefa YILALA (Ethiopia): Looking at paragraph 17, I have some concern with the new additions.

Firstly, the inclusions of those specified groups who are favouring the full cost recovery: as you can see in the paragraph that was formulated and given to us in the draft form, it indicates the donors or contributors to the Trust Fund and it also refers to the recipients. We know that the concerns which were expressed by the contributors or the recipients varied.

There were some differences between them. Here we take all the recipients in one group and all the contributors to the Trust Fund in another group, and yet we define those groups, which are favouring full cost recovery as a group. The formulation of this sentence as it is at present might have some inconsistency in the way it is set up in the documents that we have before us after the corrections by the Secretariat at the Conference.

Therefore, I would suggest that we put in a word that would be more in line with recipients, contributors or donors, and not really specified to the extent that it becomes indicative, even in the study that we eventually might have in the future, because we have not agreed on the full cost recovery, even though this was mentioned. If we indicate it here as it is, it might be indicative to those proposals, which might be coming forward in the future or anticipated in the future.

Therefore, I would say that we put in some sort of a word which is consistent with the words we have, donors, recipients and contributors to the Trust Fund, rather than a group favouring a Trust cost recovery. This is in the first sentence.

On the last sentence, I do not know whether I have taken the whole sentence as it was read because we have some difficulties with hearing here. However, I understand that he has included two words, consideration of implication of these solutions. Now this requires a mandate to be given by the other UN agencies, which we do not have. That is why we favour the earlier formulation, which also reflects the need of eventually having a unified approach, because if we put a sentence here in which we might be requiring the agreement of other agencies, we might get into trouble, because it says "considerations of implications of these solutions to other UN agencies". I do not think we are in a position to do this and we might be seeking the advice of Legal Counsel in this connection.

CHAIRMAN: I would like to hear the views of the other delegates regarding this inclusion of "countries favouring full cost recovery". Actually, it was suggested that we are getting into three groups, contributors who can state how much of a recovery they want, some want full recovery, and then we have recipient countries. Could I have comments on that?

Thomas YANGA (Cameroon): I will try to respond to your appeal for comments on this last sentence of paragraph 17. The way it is formulated makes reference to "these Members"- and I understand that "these Members" includes the donors, those who favour full cost recovery, and the recipient countries - and implies that we should either take into consideration the views of all the three groups or we leave out any consideration proposed by any of those groups. So I would suggest that either we stop the paragraph after "all interested parties", or we include both the amendments because they are not exclusive. In my view, they are a possible means of coming to a solution, even for the unified system, and I go back to paragraph 14, where Members have expressed divergent views on this approach and the conclusion that it may not be either feasible or desirable.

Therefore, I would suggest that we stop the paragraph at "all interested parties", or if we want to amend it by adding something after that, we should include the views expressed by the various countries, which are mentioned in the first sentence of the paragraph.

P.R. JANUS (Netherlands): You have asked for comments on the proposed amendments to the first sentence, Mr Chairman. My delegation is flexible there. I think the amendments as proposed by the UK were acceptable to us. If other amendments are proposed to reflect the concerns expressed by all the members, then my delegation can live with that.

Now that I have the floor, I should also like to make a comment on the discussion on the last sentence. It has been the understanding of my delegation all along that there are a number of Members of this Organization who indicated last week that they would like to have a unified system in the UN system on this issue, and that they would not like to have different systems in different parts of the UN system. I understood that we have not said in this Commission that we would have to wait until we have a unified system before we could implement anything, but we have to work in that direction. Therefore, I would like to support Switzerland and Ethiopia in their proposal to retain the originally amended text, so that we have that idea reflected in that paragraph.

Talking about implications for the UN system, that is quite a different matter. I would even imagine that if you had a system, which stands on its own, operating in FAO, it would not have any implications for other parts of the UN system. But the question we are talking about is that we would like to have a similar approach throughout the UN system. That is what is important here. I would, therefore, certainly like to keep the text as it was first amended and which was read out at the beginning of our meeting.

Robert ANDRIGO (Canada): It seems to me that we are redefining the Agenda item. We came here to discuss a piece of paper as prepared for the Conference. Several delegates have certain ideas that they want to propose in that particular context. Others are not prepared to comment on those ideas. I do not believe, therefore, that it is appropriate to take those few ideas and make them the general wish of the Conference. It is certainly not a decision. I think perhaps that the only way out of this particular impasse is to suggest that we have two phrases: one phrase, which says some members, thought that and others thought differently. I think perhaps everybody can have their point of view and honour can be preserved on both sides. However, certainly it is not acceptable to me to include a decision that goes forth from this Conference that eventually there should be a uniform approach. Perhaps we may arrive at that conclusion after we have considered the proposal in all of its implications, but right now I am not prepared to so conclude.

CHAIRMAN: Could I ask the Secretary to read out paragraph 17 again taking the latest comments into consideration, because so far as the UN system is concerned, I understand that we are going back to the original amended proposal, where the last part of the sentence says solutions acceptable by interested parties, which also reflects the need of eventually having a unified approach on this matter in the UN system. The word "eventually" is very valuable. Could you read the whole paragraph again please?

Richard M. STEIN (Secretary, Commission III): Paragraph 17 as it stands at this moment: "At the same time, the Conference took note of the concerns expressed by many contributors to the Trust Fund Programme as well as recipient countries and those who favoured full cost recovery and the difficulties of accepting all the proposals as submitted. The Conference

Noted that these Members stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties, which also reflect "the need of eventually having", and then at this stage I think it is up to you whether it be "unified" or "similar" and I recognize there is a difference, "approach on this matter in the UN system".

CHAIRMAN: Are there any comments of substance on paragraph 17?

Igor MARINCEK (Switzerland): I think from the reading it came out very clearly that it is not the Conference, which gives instructions on the second sentence, but this is something that these members stated. I think the concern that was just expressed by Canada is not valid because here we are just speaking about what these members were wishing. So it is the wish that is addressed to the Secretariat. We hope that this wish will be reflected in the new proposal but it is the Secretariat who will tell us about all the difficulties it will have, or hopefully it will not have, in addressing these wishes.

Ato Assefa YILALA (Ethiopia): Maybe I was not able to communicate my ideas clearly because of my difficulty in speaking English. I would repeat the same thing with regard to the first sentence because this is the specification that says "favoured full cost recovery as a group". It might be difficult to justify here because there were some recipient countries during the discussion that also favoured full cost recovery. It is not only one group, that you are tied to a certain group and not the others. Here I do not think this is properly placed if you say, "those who favoured full cost recovery and recipients" because there are some countries in that category who also favoured some full cost recovery. Instead of using that specification, I was trying to refer to another term, which would be more appropriate. I have suggested "others" or "donors" which could be used here instead of "a group that favours full cost recovery".

I am willing to accept anything that would be similar and consistent with the other terms that we have used in the sentence instead of using this phrase as it is because I do not think this is consistent with the other words that we have used for the text like "recipients" or "contributors to the Trust Fund". This is not consistent. That is why I am objecting to it, even though I am flexible in accepting anything which would be similar like "recipients" and "contributors".

CHAIRMAN: I got the point from Ethiopia the first time. Perhaps I was not lucid enough in explaining it to the delegates because we were splintering into groups with "permits donor countries" and "some favoured full recovery" and some did not favour full recovery. On the other hand, they are recipient countries. My suggestion was to leave it, as it was, "donor countries" or contributors and recipient countries and get to the nitty-gritty. After all, everybody knows that within donor countries there are certain divisions. Some might want a contribution of 10 or 15 percent? This has to be worked out. My suggestion is to leave out the recovery thing.

Robert ANDRIGO (Canada): In response to what the Swiss delegate said, I do believe that the antecedents of the members being referred to are the totality of members addressed in the first sentence; that is, "contributors, recipients and those who favour full cost recovery". Consequently, I do not believe that the phrase as he has put it, as he says here, is as harmless as he suggests. I have suggested a reformulation, if you will, of this particular phrase. I think we need to take out "the need of" because indeed that prejudices any eventual outcome. I would suggest that instead of "the need of" we replace it with "the practicality and implications of eventually having a unified approach on this matter in the UN system" . I think that that would satisfy those who would push for it and those who may not necessarily do so or have reservations about it.

Igor MARINCEK (Switzerland): Could the delegate from Canada read that out again?

Robert ANDRIGO (Canada): The last sentence, therefore, would read: "The Conference noted that these members stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties, which also reflected the practicalities and implications of eventually having a unified approach on this matter in the UN system".

P.R. JANUS (Netherlands): On this last Canadian proposal, I still think that the wording would not give the meaning that we would like to give to this part of the sentence. May I make a counter-proposal and propose replacing the word "need" by another word perhaps? I was thinking, for instance, of the word "importance" - "reflect the importance of eventually having" etc. I am open to other suggestions. The difficulty is in the word "need" . Could we try to find another wording? I think the "practicality and implications" does not fully reflect what we intend to say here in the last part of this sentence.

Igor MARINCEK (Switzerland): If the word "need" is too strong, we may replace it with "desirability". I think that gives the direction. Then we will see from the arguments the Secretariat will give us to what extent this desirability can be fulfilled.

CHAIRMAN: We have spent two hours on two sentences. We can always find a better word or a slightly different word. This reminds me of a film I saw years ago where at an international conference a distinguished delegate said, "If we insert a comma here and another one there -", but in the meantime a hundred thousand people were dying.

Thomas YANGA (Cameroon): Taking into consideration the difficulties that we have in terminating this sentence, I will repeat the decision made earlier which is that we stop the paragraph at "all interested parties" because when we talk about "solutions acceptable to all interested parties", it implies that any view or any conditions that these parties may have in mind should be taken into consideration hopefully to arrive at the solution which they will accept. For me to try to add something after that rather weakens the sentence, so I will again suggest that we stop the sentence at

"interested parties". Having in mind a solution that would be acceptable to all parties, we will have to take into consideration their concern.

Richard M. STEIN (Secretary, Commission III): We will try again to reach a compromise, taking account of what Cameroon has said but at the same time not losing entirely the idea that has been put forward by a number of delegations in different words. Take the paragraph as it is written now and come to where Cameroon would like it to end, "acceptable to all interested parties", and put instead of a stop a comma "including the possibility of arriving at" - that means also "eventually" - "a unified approach in the UN system".

I will read-paragraph 17 again slowly, as I understand it, at this stage. "At the same time, the Conference took note of the concerns expressed by many contributors to the Trust Fund Programme as well as recipient countries and those who favoured full cost recovery...".

CHAIRMAN: Leave it to two groups, "donors and recipients", I would suggest. Now read on.

Richard M. STEIN (Secretary, Commission III) : For the moment, as I read it, and I am sorry for the break, "many contributors to the Trust Fund Programme as well as recipient countries and those who favoured full cost recovery and the difficulties of accepting the proposals as submitted. The Conference noted that these Members stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties, including the possibility of arriving at a unified approach in the UN system".

Ato Assefa YILALA (Ethiopia): I am lost because earlier when I made my proposal I thought that you agreed to include only donors and recipients, and not specify. Your Secretary did not record the view that you expressed, and this was in line with our understanding.

Then at the end it says "including", that means making a study of the unified system at this stage. Even though we are aware of the need to have it eventually, we are not forcing this study in the present proposal. It is for that reason that we prefer to have the earlier formulation, which was suggested by you, Mr Chairman, with some additions that were proposed by Canada. "Practicality" is acceptable to me and the inclusion of "eventually" in that modification, but not this last proposal that was read to us by the Secretary.

Ray ALLEN (United Kingdom): I thought that the whole point of putting in "those who favoured full cost recovery" was so that we did not reopen the debate on all the previous paragraphs. There were those countries who did express the desire to have full cost recovery who are neither recipients nor donors. What I was trying to do was to get a balance between the two arguments - one in favour and one against full cost recovery. If you take out "those who favoured full cost recovery" you have a one-sided view of the debate here, without all the previous paragraphs. If you are going to take out the previous paragraphs, we have to balance the conclusions. I hope that is clear.

CHAIRMAN: Yes, it is very clear but the point is that we are not trying to reflect here the debate that took place last Friday. I left in the introduction although some delegates even wanted me to delete that, so that the delegates who were not familiar with what we were discussing here about the two-year history, of this paper would have something. The debate took place and a conclusion was arrived at that there should be a new paper prepared that explained these procedures. If we try and include these now we will have three groups: full recovery, recipient countries, donor countries and another group that will cover that. We have to look at the purpose of this resolution. For anybody who wants to have the full text, there is the Verbatim Record where all the different views will be reflected.

Aldo PUGLIESE (Italy): I have not taken the floor so far and I was interested to hear the various suggestions, but we must get down to a formulation, which is acceptable to everybody. I understand the point now made by our British colleague, which reflects the views of the United States and of Canada. I wonder if we could not tackle the problem by starting paragraph 17 in the following way: "The Conference took note that some members favoured a full cost recovery. At the same time, the Conference took note of the concern expressed by many contributors to the Trust Fund Programme, as well as recipient countries, and the difficulties..." and so on. I think this point would reflect that there were several positions without mixing them and saying which ones favoured it and which ones did not favour it, if it was recipient or donors, and then keep on in the same way.

As far as mentioning the unification of the UN system is concerned, we can go along with any formulation. Maybe using the word "need" is a bit too strong and does not reflect the overall position. We could find another formula, which is slightly less stringent.

CHAIRMAN: Thank you, Italy, for your very constructive comment.

Mr Secretary, could you read out paragraph 17 with the suggestion that was made by Italy.

Richard M. STEIN (Secretary, Commission III): Yes, Chairman, at least as far as the beginning is concerned. Paragraph 17 would then read: "At the same time, the Conference noted the concerns expressed by those who favoured full cost recovery..." Maybe Italy could repeat his suggestion.

Aldo PUGLIESE (Italy): After the number 17, "The Conference took note that some Members were in favour of full cost recovery. At the same time, the Conference took note of the concerns expressed by many contributors to the Trust Fund Programme, as well as recipient countries, and the difficulties of accepting the proposals as submitted." Then it will continue, "The Conference noted that these Members..." and so on.

Richard M. STEIN (Secretary, Commission III): Paragraph 17: "The Conference took note that some members were in favour of full cost recovery. At the same time, the Conference took note of the concerns expressed by many contributors to the Trust Fund Programme, as well as recipient countries,

and the difficulties of accepting the proposals as submitted. The Conference noted that these Members had stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties, including the possibility of arriving at a unified approach in the UN system".

CHAIRMAN: We can spend another two hours on this. We have two more paragraphs and these two paragraphs each contain two sentences. I do not think we can improve on that. Unless there is very strong opposition, I move that paragraph 17 be adopted.

P.J. JANUS (Netherlands): As far as concerns the first sentence of the paragraph, I can agree. I can also very much agree to the United Kingdom's proposal. I thought that was a proposal which indeed reflected in a more balanced way what has been concluded in this Commission on this issue.

As far as the last part of the second sentence is concerned, which has just been read out, I cannot agree to the word "possibility", "including the possibility". In my view, that is too vague and I would propose that we replace that word with a stronger one, for instance "importance". That would be my preference but I am open to suggestion for any other word, but "possibility" is really too weak. I cannot agree to that.

CHAIRMAN: Ladies and gentlemen, I know that every country may have a different view and wish to impose that view, but unless we move on I shall move that we take a vote on paragraph 17 and then move to other paragraphs. We can talk about the "stronger", the "weaker", or this and that. We can continue until midnight; I have no objection. I am not tired. However, unless we have something I shall put paragraph 17 to the vote.

Christian BERGER (France): Notre intervention, Monsieur le Président, voudrait soutenir ce que vous venez de dire.

Je voudrais attirer l'attention des membres de notre Commission sur le fait que nous voyons ici toutes les difficultés qu'il y a à vouloir retoucher le texte présenté par la présidence au début de cette session. Nous avons passé deux heures sur le paragraphe 17. Je crois qu'il faudra se souvenir, dans la suite de l'examen du texte, que nous pourrions passer de nouvelles heures sur d'autres paragraphes, si nous ne prenons pas beaucoup de précautions.

Pour notre part, nous appuyons très fortement la proposition faite par l'Italie qui non-seulement résume bien les débats, mais aussi qui soupèse bien les différents points de vue. nous voudrions que soit approuvé rapidement ce paragraphe 17 tel qu'il a été proposé.

Si le mot "possibilité" devait causer de grandes difficultés à certaines délégations, on pourrait envisager de le remplacer par le mot "intérêt": "y compris l'intérêt à voir à terme une approche unifiée..."

Robert ANDRIGO (Canada): I have difficulty in understanding the problem that we have here. It is very clear that there is a small group of countries that wish to have the phrase "relating to unification in the UN

system" included. Let them have their view and say that some countries felt that way. That is a perfect solution. We have just spoken out as per the Italian suggestion about the question of those who wish full cost recovery. Let us also break out unequivocally at the end, that some countries felt very strong about this issue which is where the debate actually lies. The rest of the people have not expressed a view on this and it would be inappropriate to reflect this as a decision of this Conference. Let us use the time-tried method and let them have their say.

Ms Turid KONGSVIK (Norway): I do not want to delay the debate further. Actually, I raised my hand to put forward a compromise formula. I can read it to you although I have almost lost hope and will withdraw it immediately if it is not acceptable. My proposal is to say at the end "which also takes into account the potential benefits of a unified approach within the UN system".

Ato ASSEFA YILALA (Ethiopia): I agree with whatever proposal comes forward on the last part of the sentence but at the beginning I agree with the proposal made by Italy which makes reference to some countries who favoured supporting full cost recovery. However, in the first sentence before we begin the original draft that we have we should balance that sentence by stating that "most favoured a proposed study before a conclusion" or something to that effect could be added, because if you talk about "some countries favouring full cost recovery" there are other countries who did not favour full cost recovery and some indicated even a sharing arrangement between the Regular Programme and the Trust Fund. It would be only fair to indicate that there were others who wanted to see a proposal being presented before making that conclusion. We want to add one small sentence after the proposal made by Italy that would balance the sense of the message, those supporting and those against.

CHAIRMAN: Can you please suggest that sentence?

Ato Assefa YILALA (Ethiopia): I will, if you give me some time.

CHAIRMAN: We do not have the time. I am sorry, but unless there is some concrete proposal...

P.J. JANUS (Netherlands): Mr Chairman, I did not ask for the floor, but I understand you wish to proceed on this matter. I thought the proposal made by the delegate of Norway was excellent. He mentioned the wording "potential benefits", and I certainly would like to support that proposal.

Richard M. STEIN (Secretary, Commission III) : I will read out the wording. "The Conference took note that some Members were in favour of full cost recovery. At the same time, the Conference took note of the concern expressed by many contributors to the Trust Fund Programme as well as the recipient countries and the difficulties in accepting the proposals as submitted. The Conference noted that these contributors had stated the need for corrective action to be taken and requested that more time be given to work out solutions acceptable to all interested parties which also took

into account the potential benefits of a unified approach in the United Nations system."

Robert ANDRIGO (Canada): If my learned colleague from the United States were here, he would say that this would be like leading the witness. If there are potential benefits there may be potential shortcomings as well. The formulation, if such it is, should reflect both. If we want to have a truly neutral formulation in the Report we should return to what I suggested and talk about practicalities and implications which means both benefits and shortcomings. I do not understand why, if we are interested in a solution that prejudges known decisions, we cannot accept a perfectly neutral formulation.

CHAIRMAN: Is the present formulation satisfactory to you, Canada? I think it is as neutral as possible.

Robert ANDRIGO (Canada): I disagree. I think in fact it leads to a very specific set of conclusions that there are benefits and benefits are all you look for. If we are truly looking at the full range of implications, the pluses as well as the minuses, then we can only talk about practicalities and implications by doing what I proposed for this formulation about half an hour ago. I still think it is the best way out of the impasse.

CHAIRMAN: How do you propose to improve this present formulation? A lot of water has gone down the river and I cannot recollect your original proposal. Everyone except you agrees to this formulation. I would be grateful for your suggestion as to how we can improve this version.

Robert ANDRIGO (Canada): It seems that each new version is the latest and all we are doing is responding to a reformation and a shortened one. I suggest we go back to the original formulation I proposed half an hour ago - "which also reflected the practicalities and implications of eventually having a unified approach on this matter in the United Nations system."

Igor MARINCEK (Switzerland): I think the text as proposed now is perfect. I thank the delegate of Italy for having sorted out the problem and for proposing the sentence ahead of it. I think the problem is that he has not included those Members who think there is a potential benefit to a unified approach, so if he feels strongly about this maybe we could add to the first sentence proposed by the delegate of Italy that they also have concern about the possibility of a unified approach. However, I do not really think this is the language he would seek. I suggest we adopt the paragraph as it is now before us.

CHAIRMAN: Thank you. I have closed the debate on this paragraph. I apologize to the delegate of Canada, but it seems he is in a definite minority. Paragraph 17 as in the last version read out by the Secretariat is adopted.

Igor MARINCEK (Switzerland): Two hours ago, at the beginning of our debate, we made a proposal so I will ask you to read out the proposal as it was made. Perhaps we can start from that. I hope this is acceptable so that we can go on very speedily.

CHAIRMAN: "The Conference generally endorsed the objectives embodied in the proposals. It requested the Director-General to pursue consultations with all interested parties, with a view to arriving at an overall consensus solution which would reconcile the various points of view expressed."

P.J. JANUS (Netherlands): First of all, I would like to mention that we took a wise-decision to delete some paragraphs; if we see how much time we have spent on what is left! I strongly support the text you have just read out, Mr Chairman. This is a perfect text which takes into account all the remarks that have been made, and I strongly support it. I hope we can quickly adopt this paragraph because we still have another difficult paragraph to deal with.

Thomas YANGA (Cameroon): My delegation has a problem with the last part of the last sentence concerning the need to arrive at a consensus solution. We would like to propose an amendment which says, "with a view to arriving hopefully at an overall consensus solution...."

CHAIRMAN: I appreciate your contribution but I think it does not add anything. Putting in the word "hopefully" just expresses goodwill that everybody will arrive at a consensus and show their own goodwill.

Ato Assefa YILALA (Ethiopia) : I also agree with the text as it has been read out, except for a choice of word in the sentence before last, where it indicates "overall consensus". The word "overall" could be replaced by the word "broad". I suggest this because it relays a better message.

CHAIRMAN: To please the delegate of Ethiopia we will put the word "broad" instead of the word "overall".

Bo WILÉN (Sweden): I would like to insert in the second sentence, "Several Members also endorsed the methodology and the principles of the present proposal."

CHAIRMAN: I think we can include that.

Richard M. STEIN (Secretary, Commission III): First of all, may I apologize to the delegate of Sweden. His delegation made that suggestion earlier. I had taken note of it but it got lost in the scuffle. I will now read it out as agreed. "The Conference generally endorsed the objectives embodied in the proposals. Several Members also endorsed the methodology and the principles of the present proposals" - we could say "these" proposals - "the methodology and principles of these proposals. It requested the Director-General to pursue consultations with all interested parties with a

view to arriving at a broad consensus solution which would reconcile the various points of view expressed."

Robert S. THWALA (Swaziland): I think I appreciate the expression put forward by the delegate of Sweden but rather than having it put the way it is, we are talking about the Conference and therefore we think the sentence should read, "The Conference generally endorsed the objectives embodied in the proposals and noted that several Members endorsed the methodology and principles of these proposals".

CHAIRMAN: I will read paragraph 19: "The Conference requested the Director-General to report on the outcome of these consultations, through the Programme and Finance Committees, to the Council at its additional session in May 1994. If found acceptable by the Council it authorized the Council to endorse eventual newly-proposed arrangements for implementation on a trial basis until the Twenty-eighth Session of the Conference in November 1995."

I remember that there was a suggestion that the last sentence should include another consensus, but my view was that we already had a broad consensus at the end of paragraph 18 and that this was not necessary, although I am quite flexible on this point and I am open to any suggestions.

P.R. JANUS (Netherlands): I should like to respond to your view that at the end of paragraph 18 we already have the idea of consensus and that we therefore do not need it in paragraph 19. At the end of paragraph 18 there is mention of an intention with a view to arriving at consensus. It does not say whether we shall succeed. We may succeed, we may not. In paragraph 19, however, we are talking about quite a different matter. Here we are talking about delegation of authority from the Conference to the Council, which is a different matter, and I think that here we have to repeat that this can only be done if there is consensus. If there is no consensus, my delegation is not prepared to delegate this authority to the Conference. If that notion is not to be taken into account in this paragraph, I would propose that the last sentence be deleted altogether.

CHAIRMAN: I have not counted how many interested parties there are. Let us say there are 20 interested parties. If 19 of them agree and one disagrees, what do we do? Someone might disagree and then you would throw the whole thing back to the next Conference.

P.R. JANUS (Netherlands): The idea of delegation of authority from the Conference to the Council has come up in order to avoid unnecessary delay in arriving at a decision. This is an idea which was expressed in order to help the process. If we talk about delegation of authority and try to conceive of what this will mean in this particular case, we shall have to take into account that there are interested parties who are not members of the Council. I do not think you can expect those members of the Council to accept that they could get into a situation where they, first of all, cannot agree to the proposals which have been further discussed and then are left out of the decision-making process afterwards. That is a procedure which is very hard for my delegation to accept. For that reason, I would

suggest that we have something of this included in the final paragraph. I can assure you of my delegation's cooperation with the Secretariat in order to arrive at this consensus solution. The idea is not to delay matters further, but we have to make sure that the procedure which we agree upon is one which gives us the opportunity to express ourselves and to make sure that our point of view is taken into account in the final decision-making process. The formulation as read out by you does not give us that guarantee. I would appeal to you to consider our proposal. We are flexible regarding the wording of it and we are open to any suggestions for improvement, but we would like to keep the idea itself in this paragraph.

CHAIRMAN: The sticking point for me is "all interested parties". While I give the floor to other speakers, would you consider whether you could soften that insertion by taking out the "all"?

Igor MARINCKK (Switzerland): I fully agree that "all interested parties" is a problem, but that would be a problem at the Council. Let us not pre-judge. We know the problem is there. In the debate in general, and here also, I think, a strong wish has been expressed that we arrive at a consensus. We all know that consensus is very important for the Field Programme. It is an important thing, and I think that, in the consensus, the biggest donor of Trust Funds certainly needs to find its place. If the repetition of consensus in paragraph 19, as proposed by the delegate of the Netherlands, can help us to adopt this Report, I think it is a small price to pay. We know that we have not overcome the other difficulties, but I do not think we can solve those difficulties here. We shall have to have the new proposal from the Secretariat. Let us not overstate the difficulties. Let us hope we can find a consensus.

CHAIRMAN: Netherlands, have you come up with an acceptable solution?

P.R. JANUS (Netherlands): If the difficulty is the word "all", my delegation, in a spirit of compromise, would be prepared to delete that word. If that would provide a solution, we can accept that. I will read the last sentence as I understand it now with the amendment: "It authorized the Council to endorse eventual newly-proposed arrangements on which consensus has been reached among interested parties for implementation on a trial basis until the 28th Session of the Conference in November 1995".

CHAIRMAN: Excellent, Netherlands. Thank you very much.

Ato Assefa YILALA (Ethiopia) : I have two proposals for minor changes to the wording so that it can better fit the sense. I propose that in the second line the word "consultations" should be replaced by "proposal", because we are talking about a proposal to be presented, not a consultation. The report will be on the outcome of the proposal indicated in paragraph 18.

In the last but one line I suggest that the word "eventual" be deleted. The sentence would then read: "It authorised the Council to endorse new arrangements for implementation on a trial basis until the 28th Session of the Conference in 1995". If we take out the word "eventual" we are covered

by the phrase "trial basis". The word "eventual" does not add anything to the sentence.

CHAIRMAN: The Chair cannot accept your recommendations Ethiopia. For paragraph 18 we were speaking of consultations, and the Director-General will report on these consultations. As far as "eventual" is concerned, we are not sure that there will be any new arrangements. There might not be any.

John GLISTRUP (Denmark): I fully endorse the proposal of the Netherlands to delete the word "all" from the phrase which they have suggested for insertion.

Soumaila ISSAKA (Niger): Je commencerai par réagir à la proposition faite par le Représentant de l'Ethiopie en faisant le même commentaires que vous, Monsieur le Président, parce que le termed qui ressort dans ce paragraphe 19, "consultations", reprend ce qui a déjà été dit au paragraphe précédent que nous venons d'adopter.

Pour en venir au commentaires spécifique que je voulais faire, nous sommes tout à fait d'accord avec le paragraphe tel qu'il a été lu par le Secrétaires. Ce paragraphe fait nécessairement le lien avec le paragraphe 18, qui met l'accent sur le consensus à l'issue des consultations envisagées. Nous pensons également que le fait d'indiquer que le Conseil est autorisé à approuver d'éventuels arrangements reprend également ce qui est dit dans cette formulation. A notre sens, l'ajout proposé par le Représentant des Pays-Bas, qui répéterait l'idée de consensus, n'est vraiment pas nécessaire. Mais si c'est le seul moyen de parvenir à l'adoption de ce paragraphe, nous pouvons nous y rallier et nous lançons un appel à tous les autres membres pour que celui-ci soit accepté.

CHAIRMAN: Thank you very much, Niger. It is the only way.

Robert S. THWALA (Swaziland): I shall try to make it simpler by modifying the last sentence with your approval. First, I should like to thank the delegate of the Netherlands for softening his proposal on the issue of "all". If we all agree that consensus should be there, I would propose that there is no need to have "has been reached among interested parties" but that we should leave it at "has been reached".

The sentence begins, "If found acceptable by the Council it authorised the Council...". I think that is too verbose and would propose that the last sentence should read: "It authorised the Council to endorse the eventual newly proposed arrangements on which consensus has been reached, for implementation on a trial basis until the 28th Session of the Conference in November 1995, if it found them acceptable".

CHAIRMAN: The only thing is that you have left out what the Netherlands wanted to say in that section, "on which consensus has been agreed among interested parties". The Netherlands was kind enough not to insist on "all". The Secretary will formulate it appropriately.

Ms Turgid KONGSVIK (Norway): Our delegation insists on the necessity to have a consultation, and also in 19, but I think that is already agreed now.

Herald HILDEBRAND (Germany) (Original language German): I am wondering, with regard to the part of the last sentence "among the interested parties", whether we should not leave that out, because I think this is an issue which should interest all member countries. In the interests of coming to a solution, I think it might be more appropriate to leave that out, even if many of the member countries have not intervened in the discussion on the final wording of these paragraphs of the Report. My delegation would favor leaving it at that.

CHAIRMAN: Unless we include this small part of the sentence, which does not hurt anybody, we are going to continue here for another two hours of debate. I do not think it does anything wrong to say "on which consensus has been reached among interested parties". I objected to "all interested parties" because all parties cannot agree. There is not total agreement on that. The Netherlands was kind enough to delete "all" so as not to prolong the debate.

Could I ask the Secretary to read out amended paragraph 19 as it now stands because once again we change a little word here or a common there. Before the Secretary reads that out I give the floor to Cameroon.

Thomas YANGA (Cameroon): The Cameroon delegation has a problem with the word "consensus". As you have so rightly pointed out, Mr Chairman, when we use the word "consensus" it means that, if 99 percent are in favour and 1 percent is not, I do not think we have a consensus, so no decision can be taken. We would appeal to the Netherlands and the other countries to choose another word instead of "consensus", because we foresee that we may not have any arrangement before the next Conference. If that is to be the case we would rather put it there straight out, let us wait for the next Conference and we will look at what will be proposed to us, because the word "consensus" has approval.

CHAIRMAN: It depends how you interpret "consensus". I interpret the consensus of this meeting is if the great majority, 80-85 percent of members, agree. The consensus has to be a majority. It is not all. It depends how you interpret it. Maybe Mr. Shah could interpret the word "consensus" for us, because he is very lucid on such points.

V.J. SHAH (Deputy Director-General, officer of Programme, Budget and Evaluation): In all lucidity, I will respectfully decline.

CHAIRMAN: Do we want to prolong the discussion? I am going to ask the Secretary to read out the paragraph as it now stands, unless there are really substantial changes; or I will take it to the vote. I think the majority will vote that this paragraph be accepted, because we cannot sit here for another two hours on paragraph 19.

Richard M. STEIN (Secretary, Commission III): I will do my best to get it right. Paragraph 19: "The Conference requested the Director-General to report on the outcome of these consultations through the Programme and Finance Committees to the Council at its additional session in May 1994. It authorized the Council to endorse eventual newly proposed arrangements on which consensus has been reached among interested parties for implementation on a trial basis until the Twenty-eighth Session of the Conference in November 1995".

CHAIRMAN: Unless we accept this proposal, I think we shall sit here for two or three hours; or else we can postpone the whole thing to the next Conference. I find this acceptable, reflecting maybe not the views of every individual country but I would say a consensus of the meeting.

I am sorry, Ethiopia, but compared to other members you have occupied the floor the most. The only country which has not spoken yet, is Saudi Arabia. I give the floor to Saudi Arabia.

Waleed A. ELKHEREIJI (Saudi Arabia, Kingdom of) (Original language Arabic):Mr. Chairman, I should like to thank you for the way in which you are running the discussion this afternoon. I certainly regret the quality of the Report submitted for consideration, which has forced us to have this lengthy discussion on the draft text. I decided to take the floor somewhat late, but I just wanted to reiterate a point on the unanimity in making decisions with regard to the point now before us. I would like to support very strongly what was said by the distinguished representative of the Netherlands. I also trust and hope that the consultation will take place and be conducted with all countries involved, including my own.

CHAIRMAN: I thank Saudi Arabia for their very constructive support of paragraph 19.

Ato Assefa YILALA (Ethiopia): I will use the opportunity you have given me because I feel that the point I raised earlier is of interest to the group here. I agree with the points, which were included in the suggestions made by the Netherlands with regard to the need for having a consensus on the eventual measures, which we take.

With regard to consultation, our delegation sincerely believes that this is a means towards achieving a proposed study that we are all waiting for. We are not waiting for a consultation or an outcome of a consultation. It is from that point of view, because we have expressed and indicated in paragraph 18 that a consultation needs to be organized, but what we are expecting is not the outcome of this consultation but a proposal upon which some temporary actions would be taken during the special session of the Council and eventually be decided upon during the Conference in 1995. It is from that point of view that we feel that the word "consultation" should be replaced. We have listened to your ruling. I am not sure whether your ruling was made because of the frustration that we have taken too long -which I admit is the case, and I also admit that I have taken the floor too many time, but I feel that I am constructively adding to the discussion. I also admit that I feel that this word should be changed in all honesty, also considering that we might come up with a better understanding at the end of this session after approving this report. I am not going to stand

Strongly against the earlier ruling you made, but I think I have a responsibility and obligation to express my views, which were misunderstood by you, Mr. Chairman.

CHAIRMAN: It was not misunderstanding. I would say that it was polite disagreement between two different views. You have one view; I have another view. I replied to your view. Everybody in the meeting seemed to agree, so I feel that my view was supported more than your view.

Egypt has not spoken, but I would like to close this meeting so that we can have a cup of coffee at least.

Ashraf Mohsen Mohamed MOHSEN (Egypt) (Original language Arabic): I apologize for taking the floor so late, but with regard to the proposal made by the Netherlands, I should just like to voice my country's support. We too support what was said by Saudi Arabia. Therefore, I think we should move on and adopt the decision unanimously, also among the various countries concerned, whether donors or beneficiaries, even if those countries have already spoken or preceded me at this meeting.

CHAIRMAN: For the last time the Secretary will read paragraph 19, because it seems that I have reached a consensus, whatever the definition of that word is. I shall have to go back and look it up in my Oxford dictionary. Then we can go home and feel happy that we have really achieved something, which I had hoped we would have achieved in 45 minutes, but I was an optimist as usual.

Richard M. STEIN (Secretary, Commission III): Paragraph 19, as has now been agreed: "The Conference requested the Director-General to report on the outcome of these consultations through the Programme and Finance Committees to the Council at its additional session in May 1994. It authorized the Council to endorse eventual newly proposed arrangements on which consensus has been reached amongst interested parties for implementations on a trial basis until the Twenty-eighth session of the Conference in November 1995".

Paragraphs 1 to 19, as amended, approved

Les paragraphes 1 à 19 ainsi amendés, sont approuvés

Los párrafos 1 a 19 así enmendados, son aprobados

Draft Report of Commission III, Part 5, as amended, was adopted

Le projet de rapport de la Commission III, cinquième partie, ainsi amendé, est adopté

El proyecto de informe de la Comisión III, Parte 5, así enmendado, es aprobado

CHAIRMAN: Commission III has finished its work. Thank you very much for your patience. I appreciate the hard work you have put in. I apologize if I was sometimes a bit too abrupt.

Applause

Applaudissements

Applauses

The meeting rose at 18.15 hours.

La séance est. levée à 18 h 15.

Se levante la sesión a las 18.15 horas.