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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

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**VERBATIM RECORDS OF MEETINGS OF COMMISSION III  
OF THE CONFERENCE  
PROCÈS-VERBAUX DES SÉANCES DE LA COMMISSION III  
DE LA CONFÉRENCE  
ACTAS TAQUIGRÁFICAS DE LAS SESIONES DE LA COMISIÓN III  
DE LA CONFERENCIA**



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PREMIERE SEANCE  
PRIMERA SESION

(18 November 1987)

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C 87/III/PV/1

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Twenty-fourth Session  
COMMISSION III

Vingtquatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

FIRST MEETING  
PREMIERE SÉANCE  
PRIMERA SESION

(18 November 1987)

The First Meeting was opened at 15.15 hours

Jozef Wiejacz, Chairman of Commission III, presiding

La première séance plénière est ouverte à 15 h 15

sous la présidence de Jozef wiejacz, Président de la Commission III

Se abre la primera sesión a las 15.15 horas

bajo la presidencia de Jozef Wiejacz, Presidente de la Comisión III

**CHAIRMAN:** Excellencies, ladies and gentlemen, I declare the First Meeting of Commission III open. I welcome all, and also the representatives of the Secretariat of FAO. I very much count on your help to fulfill our duties in accordance with the established Agenda.

I would also like to thank you very much for my election as Chairman of this Commission, and to inform you that there are two vice-chairman elected Mr Komiti from Samoa and Mr Jusoh from Malaysia. These gentlemen have asked me to convey their thanks to you for their election.

I would like to report that Commission III deals with legal and constitutional questions, and with the administrative and financial matters which have such an impact on the work of the Organization. I wish to draw your attention to Document C 87/12, which sets out arrangements for the Twenty-fourth Session of the Conference and which deals with Conference Resolutions. I presume that all distinguished delegates have an Agenda as established, and that all necessary documents have been distributed.

If you would permit me I would ask Mr Mifsud to give you certain information about the timetable of our work today or tomorrow.

**F.M. MIFSUD (Secretary, Commission III):** I have only one point to make. The present Order of the Day makes one change to the Conference timetable for the Commission work as set out in document C 87/LIM/26. This related to Agenda Item 22.2, Immunity of the Organization from Legal Process, which was originally scheduled for tomorrow morning, but has been brought forward to this afternoon in case the Commission disposes of the other two Agenda items early enough. We trust that this arrangement meets with the Commission's approval.

**CHAIRMAN:** Are there any remarks or objections to this statement? I see none.

It was so decided

Il en est ainsi decide

Así se acuerda

Now ladies and gentlemen, allow me also to inform you that as result of consultations into the proposed composition of the Drafting Committee, the following countries have been suggested: Senegal, Ethiopia, Chile, Sudan, Egypt, China, Switzerland, the United States, Denmark and Italy. Distinguished Delegates, are there any queries, remarks or objections concerning these proposals? - I do not see any so I understand that this composition has been approved. Thank you. I propose that during this meeting, or just after, the members of the Drafting Committee meet to elect its Chairman. If that can be done today then I shall be able to inform you who is going to be Chairman; if not, we shall inform you tomorrow morning.

### PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS

### TROISIEME PARTIE - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES

### PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS

#### A. Constitutional and Legal Matters

#### A. Questions constitutionnelles et juridiques

#### A. Asuntos constitucionales y jurídicos

#### 21. Statutory Report on Status of Conventions and Agreements and Amendments thereto

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

#### 21. Informe reglamentario sobre el estado de las convenciones y acuerdos, y de las enmiendas a los mismos

**LEGAL COUNSEL:** The documents for this item, which are for information, are documents C 87/10 and C 87/10-Sup.1, in which the Director-General reports in accordance with Rule XXI of the General Rules of the Organization, on the status of the various multilateral treaties of which he is the depositary. He is also reporting, as usual, on the status of the Convention on the Privileges and Immunities of the Specialized Agencies as applied to FAO. The Commission will note that the parties to, and signatories of, the various treaties are now presented in alphabetical order rather than chronological order of participation as was done in the past. This slightly modified presentation, which follows the pattern of similar documents issued by the United Nations in respect of the treaties of which the Secretary-General is depositary will, I believe, make FAO's documents easier to consult.

I should also like to take this opportunity of informing the Commission of two instruments that have been deposited since document C 87/10 Supplement 1 was issued. First, Equatorial Guinea accepted, on 6 November 1987, the Protocol to the International Convention for the Conservation of Atlantic Tunas. This protocol is referred to in paragraphs 73 to 76 of document C 87/10. Secondly, the Federal Republic of Germany accepted, on 12 November 1987, the amendments to articles VIII, XVII, XIX and XXI of the Convention on the Conservation of the Living Resources of the South East Atlantic. These amendments are referred to in paragraphs 81 to 83 of document C 87/10 and also on page 2 of the English text of document C 87/10 Sup. 1.

I think I should also draw the Commission's attention to the fact that on previous occasions the Conference has urged contracting parties that had not already done so, to accept the revised text of the International Plant Protection Convention. This is a particularly important text, and the revised version was approved by the Conference as far back as 1979. This text will only enter into force on the 30th day after acceptance by two-thirds of the contracting governments. As you will see from the documents before you, many contracting parties have accepted the revised text. Nevertheless, 16 more acceptances should be deposited before the revised text enters into force.

I think that is all I need to say on this item at this stage. If any delegate has any queries, I shall be happy to endeavour to answer them. Thank you, Mr Chairman.

**CHAIRMAN:** Thank you very much. Are there any questions addressed to Legal Counsel? I do not see any, so I will open the discussion on this item. Who is going to be the first speaker? The distinguished delegate of Canada has the floor.

**J. LYNCH (Canada):** Mr Chairman, I do not think there will be many other speakers, although I thought that this morning in another Commission. But I think we should give tribute to the Legal Officers of the house for having kept very good records and having made a very informative production. I know for one that I learned a little bit here in terms of looking at the list of one convention that is of interest to my country, and I think that the Legal Staff is to be congratulated on the accuracy with which they maintain these lists. I think, Mr Chairman, if I could be so bold to suggest that if there are no other speakers - which I would doubt, because this is a very technical item - that we might pass to other agenda items.

22. Other Constitutional and Legal Matters

22. Autres questions constitutionnelles et juridiques

22. Otros asuntos constitucionales y jurídicos

22.1. Procedure for the Election of the Chairmen and Members of the Programme Committee and Finance Committee

22.1. Procédure à suivre pour l'élection des présidents et des membres du Comité du Programme et du Comité financier

22.1. Procedimiento de elección de los Presidentes y los miembros de los Comités del Programa y de Finanzas

**LEGAL COUNSEL:** This item comes to you after detailed consideration by the Council. In fact, it has been considered by the Council no less than three times. Document C 87/LIM/8 I think gives a clear summary of the background, but for those who are perhaps less well acquainted with this matter, let me put the question in a nutshell. At the elections for the Finance Committee which took place at the 89th Session of the Council in 1985, one region which had proposed a candidate was not elected. This raised the question whether every region that wished to be represented had a right to be represented. An examination of the texts by the CCLM and also by the Council revealed that the texts, as they had been drafted and adopted by the Conference, did leave a possibility for the results of the election procedures to be such that a region might not be elected when there were more candidates for the various seats than there were seats available. This led to consideration of the question whether the General Rules of the Organization should be amended or whether the representation of the various regions on the Finance Committee and the Programme Committee -because these two committees are similar in structure and in the method of election of their members - should be left to negotiations among the various governments. After considerable deliberation on the matter and certain divergences of opinion, some governments thought the rules should be 'changed; others preferred :that :the matter be left to negotiations.

The CCLM was entrusted by the Council with the task of trying to find a solution which would bring about a consensus in the Council. The results were successful. The CCLM did find a proposal which, at the June session of the Council, met with a consensus. This solution, which is by way of being a compromise between the two previous theses, i.e., of amending the rules or leaving everything to negotiation, is to be found in a draft Conference resolution which you have before you on page 3 of the English text of document C 87/LIM/8. This compromise solution is to the effect that the Conference would decide on certain principles which it enjoins the Council to follow when the Council proceeds to the election of the members of the Programme Committee and the Finance Committee. These principles are contained in the three operative paragraphs of the draft resolution. I will not read them out because they are before you. The issue is thus to decide whether these principles, as contained in the draft resolution, are a suitable solution to the problem which arose in 1985 and whether they would ensure for the future that the regions that wished to be represented on both the committees, are, in fact, so represented. Thank you, Mr Chairman.

**CHAIRMAN:** I thank Mr Roche for his statement.

**Elio PASCARELLI (Italy):** At the outset I would like to offer my Government's and my personal congratulations to Your Excellency for the election to the Chairmanship of this Commission which has a special bearing on our relations with FAO. I would also add my personal feelings of friendship which are largely - I would say unanimously - shared in Italy, for the country that you represent. After this dutiful introduction, I would like to thank Dr Roche for his, as usual, synthetic and convincing exposition of the document that we have before us. It is an excellent document and it comes out of a long debate that he assisted and that came to a conclusion which was shared by the Italian representative in that committee.

Nevertheless - and this is why I took the floor - I do not think that this is the solution. Once again, we are facing the risk that one or two regions might not be represented, even if they so wish, because consultation was unsuccessful and, as you might know, the nominations for both the Programme and Finance Committees exceeded the number of posts available. There will be no block acceptance, so we will have a secret vote on it, and God knows, plus the urn - if there is a reader in the urn - what comes out. My fear is that once again at least one region will not be represented. It is not obligatory to follow, however, authoritative advice or recommendations of the Council. This is not the rule. I believe that this danger is there with us. I think that in his own words Mr Roche manifested the constant danger of non-representation. Because when the Conference decides to affirm the need for a just and equitable representation, etc., and to

underline and point to the essential element of such representation, then all regions who so wish are, in fact, represented on the Committee. How about if coming out of the urns we find out that one region is not represented? Who has the right to cancel, to annul the results of the democratic and secret vote unless we change the rules? I do not think that I am in contrast with the position represented by the delegate of Italy in that Committee if I say that we would like to make it clear enough so that the incident which occurred two years ago will not occur again. The lack of concertation and the secret vote leading to the absence of one important - extremely important - region of the world for the Finance Committee, especially for the Finance Committee - it is important in general, but for the Finance Committee especially because of the bearing of that region's contributions to the FAO.

Mr Chairman, you will forgive me; I am not very well accustomed and maybe did not learn many lessons from the 2\ years I served in this Organization as a Representative of Italy. I started my dialogue with Mr Roche precisely 2 years ago from another corner; I was on the left and now I am on the right, but it hasn't changed much.

I would submit for the consideration of the distinguished delegates present here tonight the need to work out another solution. Because of my short experience I was afraid of being too late, but consulting the General Rules of the Organization I see that I am still in time to ask my colleagues whether they are ready to sponsor with me, with Italy, a draft resolution that I have only informally passed over to you but that I am ready to table after, with your permission, a brief discussion of this item.

My draft resolution would prevent this danger by changing the rules of the election, but there would be absolutely no danger of a region being excluded if they want to be represented. Secondly, my proposal would take into consideration the reason why it occurred in the past. Mr Chairman, you are a European like the speaker from this bench. We are 29 countries. We have one seat. We had one seat for quite a number of years - Mr Roche would be able to tell us; I do not recall now, - when we started to limit the number of seats in the Finance Committee to 9 whereas the Programme Committee has 11. I can understand why the Committee on Legal and Constitutional Matters has only 7, but I really do not understand this difference between the Programme and Finance Committee. I do know the Council once expressed - and I read from para 2 of Document C 87/LIM/8 that we have before us - I quote from the last three lines in English and referring to the Council: "It also considered" - I was in that Council - "It also considered that such representation should not entail any increase in the number of members on either Committee". But again Mr Chairman, we notice this year that the excessive number of candidates and the lack of consultation has led both the first group of three regions and the other group of four regions to present more candidates than posts, and in the past it was exactly with the European candidates that the quarrel and the no consultation led for two consecutive elections to the secret vote. The countries involved in the last six years were my country and Greece. Last time two European countries were elected and North America was not there. This time we have two European countries, North America and South West Pacific, but nobody can guarantee that all of the regions would be represented.

I am pretty sure that it will not be the case, whereas if this draft resolution is taken into consideration I think that this risk will be provided for now and for the time ahead of us. The increase that we propose in that draft resolution is only by two, so that Europe could have two seats and an extra seat could be given also to the other group of regions, which would probably satisfy one of those countries that would be excluded because the seats are not enough. I think that the other group on this election has eight candidates against six seats, so two candidates must be sacrificed.

So to conclude, I ask you to kindly consider whether it would be reasonable to have some other opinions, and if you so decide, to come back to this when the circulation of the draft will be completed with the usual number of sponsors. I understand that one sponsor is enough but I think that this is an honest attempt of the representative of the host country to prevent this unpleasant, and I would say unusual and undesired lack of representation for one region that wishes to be on the Committee.

**CHAIRMAN:** Thank you distinguished delegate of Italy. I also want to thank you for your friendly words for my country and myself personally. Before giving the floor to the next speaker, if there are no reservations, I would like to ask Dr Roche if maybe he would have certain comments or certain remarks for the Conference on points of the statements which you have just heard.

**LEGAL COUNSEL:** Mr Chairman, this is a matter which is, shall we say, outside the bailiwick of the Secretariat. The question of how Member Nations wish to resolve this problem is entirely up to them. It is not something on which we can make any suggestions as members of the Secretariat. It is an eminently political matter and eminently suitable for negotiations by Member Nations themselves. If Member Nations wish to change the rules, that is up to them to decide. I do not think there is anything more I can say on that. Whether you wish to come back to this later is a matter also for the Commission to decide on: that is to say whether you would like to see the Italian proposal first and come back to the item, or whether to proceed with an exchange of views among yourselves now, in a preliminary fashion, and then come back to the item. This again is a matter I would rather leave in the hands of the Commission.

**Adel Helmy EL-SARKI (Egypt) (original language Arabic):** After having reviewed this document C 87/LIM/8 concerning the election of members of the Programme and Finance Committees, I would like to refer to what was said by the delegate of Egypt in the Council and also to his intervention during the Conference. We stressed the need to balance representation among developing and developed countries in terms of the members in these two Committees. The choice of members in the Programme Committee should be balanced, and certain experts in the Finance Committee should also be proposed or nominated by their countries. They should be experts in financial matters. I therefore support the draft resolution contained in this document which will allow a balance and a rotation in the membership in these two Committees.

I would like to thank our Legal Adviser for having very clearly expounded the contents of this document.

**T.F.F. MALUZA (Zambia):** Firstly, I would like to congratulate you Mr Chairman, on your election to the chair. I have no doubts that you will steer the deliberations of this Commission to a successful conclusion. My delegation believes in the principle of equitable and geographical representation. We strongly feel that all regions that so wish should be represented. The practice that has been prevailing in this Organization over gentlemen's agreements has proved to be unreliable and has not safeguarded the principle and the need for just and equitable representation of various regions, not only in the Programme Committee and Finance Committee but also in other Committees in FAO and other UN Organs.

The compromise as given in the draft resolution in document C 87/LIM/8 is not acceptable to my delegation for the same reason given by the distinguished delegate of Italy. My delegation, Mr Chairman, is urging FAO to find a better way of solving this problem so that the incident which happened two years ago will not repeat itself.

We should not fear to make changes, be it in the Basic Texts or otherwise, if we are to move in the right direction. We suggest that a better resolution or a better solution be found by this Conference. I think that Egypt has a very good idea, that we should utterly balance the numbers of representation in the Programme and Finance Committees between the developing and developed countries. I might add, that it is likely, from what I heard from the distinguished delegate of Italy, that he might have a better solution and maybe we can discuss that one and see how far we can go.

**Ronald DEARE (United Kingdom):** I have listened with great interest to the proposal made by the distinguished delegate of Italy this afternoon, and with particular interest because my delegation basically shares the same view as that just expressed by the distinguished delegate of Zambia. But I submit that until we have seen the text and what it is that the Ambassador of Italy is proposing,



and we have had time to study and reflect on it, I think it is premature to engage in a discussion this afternoon. He has, in effect, introduced us to what is known across the other side of the Atlantic as "a whole new ball game," and I really do think that you should call time out so that we have an opportunity to read what it is that is proposed and come back to it fully prepared for a discussion on this item.

**German CARRASCO DOMINGUEZ (Chile):** Yo también quiero unirme a las felicitaciones que le han sido otorgadas por su merecido nombramiento en esta importante Comisión.

El documento que, con mucha habilidad y eficiencia nos presenta la Secretaría, el C 87/LIM/8, en realidad tiene una solución de compromiso muy hábil para el problema que había ocurrido en cuanto a la representación en los distintos comités. Por algunas razones - por razones que yo ignoro, porque no he formado parte de este Comité -, no sé por qué no se han atrevido a modificar los artículos correspondientes de los textos fundamentales, para obtener justamente lo que ahora se nos presenta como una solución expeditiva, de compromiso, que es este proyecto de resolución que se presentaría a la Conferencia, en el cual se afirma la necesidad de una representación justa y equitativa de las diversas regiones y se dice que éste es un elemento esencial para esta región. Se pide también que en el Consejo se tenga presente la importancia de garantizar una rotación equitativa entre los países que constituyen cada región.

Señor Presidente, estos principios que aquí aparecen enunciados son principios generales del sistema de Naciones Unidas. Mi país, en todo momento, ha defendido con gran energía en todos los órganos de Naciones Unidas el hecho de que exista una equitativa distribución y representación geográfica en los cargos electivos de todos los organismos, órganos, comisiones del sistema general de Naciones Unidas. Por esas razones, señor Presidente, mi país está, desde luego, en completo acuerdo con este proyecto de resolución. Pero a mí también, señor Presidente, me asaltan muchas dudas en cuanto a la obligatoriedad, en cuanto a la fuerza de compromiso que va a tener este proyecto de resolución entre todos los miembros de la Organización. ¿Hasta qué punto, señor Presidente, esto va a ser siempre respetado? ¿No podrán surgir en algún momento circunstancias que nosotros desconocemos y que hagan que estos elementos que aquí aparecen como esenciales sean en un momento dejados de lado?

Por eso yo he escuchado con mucha atención e interés la solución que propone el distinguido representante de Italia. Naturalmente que yo, al igual que el distinguido representante del Reino Unido, no creo que estemos en condiciones de entrar en un debate "in profundi" sobre esta materia sin conocer antes el texto del proyecto de resolución que el distinguido representante de Italia nos ha ofrecido.

**Y. HEIDSMA (Netherlands):** While my delegation had no particular problem with the draft resolution before us in document C 87/LIM/8, since we trust that the Council will indeed bear in mind the terms of the draft resolution when it elects the Finance and Programme Committees, nevertheless the intervention of our Italian colleague has shed some new light on the problem. It is my understanding that the Italian delegation may have found a solution which will be even more precise. We are certainly curious to see what this text will be, and until we have seen it I think we would prefer not to take a decision on this draft resolution because this text may become superfluous since the Italian text may be better.

Therefore, we would like to wait until we have seen the Italian text, as many others before us have already indicated.

**CHAIRMAN:** At this moment, having listened to several remarks on this matter, I propose to postpone this particular issue until further consultations have taken place and until delegates can be better acquainted with the whole text, and the spirit of it. I hope the Italian delegation does not mind? Thank you.

**Mohd. Mazlan JUSOH (Malaysia):** My delegation wishes to congratulate you, Mr Chairman, on your election to the Chair. We also congratulate Mr Komiti on his election as Vice-Chairman. I wish also to thank the Commission for supporting my own appointment to the post of the other Vice-Chairman.

This question of procedure for the election of chairmen and members of the Programme and Finance Committees has been debated rather lengthily in Council since the 89th Session in November 1985. Although we feel that the problem lies mainly in the failure of coordination between two regions, we are happy with the compromise which at this stage has been arrived at. Therefore, we are pleased to support the draft resolution presented to us in document C 87/LIM/8.

However, after listening carefully to the intervention of the distinguished delegate of Italy, we will study the proposed resolution and may change our position if we find it to be a better solution than the one before us.

**Srta. Margarita LIZARRAGA SAUCEDO (Mexico):** Nuestra delegación, como miembro del Consejo, ha seguido con mucha atención los debates sobre este tema en las diferentes instancias porque es un tema que se ha analizado ya desde la Conferencia pasada y el Comité de Asuntos Constitucionales y Jurídicos lo ha revisado y lo ha regresado al Consejo con nuevas luces.

En ese sentido, y con toda la cortesía que merece nuestro querido embajador Pascarelli, de Italia, con tantas contribuciones como ha hecho a la FAO, nos hemos sentido un poco preocupados porque nuestros Gobiernos han tenido oportunidad de analizar el documento tal y como nos había sido presentado, y en este caso incluye un proyecto de resolución que nuestros Gobiernos han considerado pertinente y el cual estamos preparados a apoyar totalmente. Por eso, la expresión de preocupación. Porque si esto ha seguido todo un proceso y nos llega ya a la Conferencia con un proyecto ya analizado, una nueva resolución nos va a causar bastantes problemas a muchas delegaciones que no hemos tenido tiempo de consultar a nuestros Gobiernos y no es tan fácil hacerlo.

En ese sentido, justamente esta resolución está perfectamente explicada en el documento introductorio. Tiene un carácter de proposición, de llamamiento y pide que se ponga en práctica durante un período, y que si esto no funcionase, entonces podríamos solicitar un replanteamiento. Me parece que entonces no deberíamos de violentar la situación, tratar de llevarla tal y como está y ver que si esto no funciona, creo que tendrá una gran prioridad ya la idea que tendremos nosotros en mano con esta nueva proposición que nos está haciendo el embajador Pascarelli, y sería una solución que ya podríamos ver desde ahora.

Por el momento lamentamos no poder pronunciarnos favorablemente porque las instrucciones de nuestros Gobiernos están ya enfocadas hacia una cuestión que se ha venido debatiendo, regresando, a través del Consejo, de las instancias que culminan con esta Conferencia.

**Sra. Virginia ESPINOSA DE CARRION (Nicaragua):** Primero queríamos felicitarle por su elección. Luego nosotros queremos decir más o menos lo ya expresado por la delegada de México en cuanto a que nosotros apoyamos el proyecto de resolución aquí presentado, pero como ha señalado México, nuestros Gobiernos han estudiado esta resolución y la han aprobado. Es incómodo ahora para nosotros pronunciarnos ante otra resolución, ya que necesitará ser revisada por mi Gobierno, y esto nos atrasará, puesto que ya veníamos preparados para apoyar sin reservas el proyecto de resolución.

**Manuel DE GUZMAN PEREZ (Ecuador):** En primer lugar mi delegación quiere unirse a las felicitaciones que mis antecesores han hecho en cuanto a la elección suya como Presidente de esta Comisión y la de los dos señores Vicepresidentes.

Sobre el punto que es tema de discusión en el actual momento, mi país opina que aquello que en Derecho no está prohibido está permitido.

El proyecto de resolución está dando una norma que deja libre albedrío y una especie de compromiso de equidad en la presentación. Por lo mismo, mi país opina que la norma debe ser absolutamente clara y que debe, buscando el principio de la equidad, dejar sumamente determinada la forma de la elección. En tal sentido, el país, Ecuador, apoya la tesis presentada por Zambia y luego aclarada por el Reino Unido, en el sentido de proponer que se someta a esta Comisión, a su estudio, el proyecto presentado por Italia, que, como se nos ha dicho, sólo tiene un carácter oficioso, no oficializado, de tal manera que yo solicitaría, si es que así la mayoría lo decide, que el proyecto presentado • por Italia sea oficializado y puesto a consideración de las delegaciones presentes para su respectivo estudio

**Francisco MORA (Costa Rica):** En primer lugar, la delegación de Costa Rica quiere felicitar a usted y a sus Vice Presidentes por su elección.

En segundo lugar, en relación con el asunto en discusión, inscrito en el documento C 87/LIM/8, Costa Rica quiere decir lo siguiente:

Nos parece que del examen hecho a este asunto, la propuesta contenida en este documento nos da la impresión de que deja persistir el problema de fondo que ha suscitado durante mucho tiempo la discusión de este asunto en el Comité de Asuntos Constitucionales y Jurídicos, en el Consejo, y en la Conferencia. En este sentido, coincidimos plenamente con el estimable delegado de Ecuador, al mencionar que se debe buscar la forma en que los artículos 26 y 27 establezcan claramente el deseo de la Conferencia de que cada región esté representada en el Comité del Programa y en el Comité de Finanzas.

No conocemos el texto de la propuesta del Gobierno italiano; sin embargo, por lo que hemos escuchado al estimado delegado de Ecuador, estamos pensando en similares términos, y el Gobierno de Costa Rica se ha permitido elaborar una propuesta justamente persiguiendo el propósito de definir de una vez por todas este asunto, en el sentido de que se garantice por la ley, en este caso por el reglamento, vía los mencionados artículos XXVI y XXVII, que cada una de las regiones tenga por lo menos un representante en estos Comités.

Muchas gracias, Sr. Presidente, y haremos llegar nuestra propuesta de resolución a la Secretaría.

**Igor KIPMAN (Brazil):** Mr Chairman, I am pleased to convey the congratulations of my delegation: to you and the other members of the Bureau on your election.

I also welcome the efforts undertaken by Ambassador Pascarelli to try to avoid a repetition of the so-called unfair representation of the regions. However, this matter has been discussed at length during the last three meetings of the Council and the position of my delegation has been clearly put forward more than once. We are strong supporters of reaching a just and equitable representation of the various regions through improved negotiations and understanding between the regions, and particularly within them.

The resolution before us undoubtedly gives a margin to the repetition of the issue as Mr Pascarelli so wisely explained.

It is, however, a formula of compromise as mentioned in the document, and in the report of the Ninety-Second Session of the Council. That is as far as we can go along with. We will give careful consideration to the project of the resolution mentioned by the distinguished Ambassador, Pascarelli, and on this point I certainly agree with the representative of the United Kingdom that we have to read the proposition before discussing the issue. I anticipate that my delegation will have grave difficulties in endorsing any resolution that would lead to modifications in the rules of the Organization vis-à-vis the issue under discussion.

**Bernard LEDUN:(France):** La délégation française s'associe bien volontiers, Monsieur le Président, aux félicitations qui vous ont été adressées par les orateurs précédents pour votre élection à la présidence de cette Commission.

Nous avons un proverbe dans notre pays, mais je pense que ce proverbe a une valeur universelle, qui dit: "le mieux est l' ennemi du bien."

Le CQCJ a tenté d'approcher une solution médiane qui puisse satisfaire tout le monde, tâche bien difficile admettons-le, même si la solution retenue n'est pas parfaite. Mais pouvait-il en être autrement, à moins d'envisager, ce qui est toujours possible, une procédure plus lourde et plus contraignante de modification des textes de base régissant la composition et le mode de désignation des comités techniques de l'Organisation.

La délégation française, pour sa part, ne peut qu'appuyer effet, pour peu bien-sûr que les Pays membres jouent le jeu dont les règles sont définies et rappelées par le CQCJ, une adéquate représentation des régions et une rotation équitable des pays à l'intérieur de ces régions. Dans ces conditions, nous estimons que le projet de résolution qui nous est présenté correspond bien à ce dessein.

Toutefois, si certains pays, aal'instar de l'Italie, estiment qu'un meilleur texte, et surtout un meilleur dispositif, peut nous être présenté, suspendons provisoirement notre décision sur ce point, en attendant d'être plus amplement informés des améliorations éventuelles qui pourraient lui être apportées.

**A. Daniel WEYGANDT (United States of America):** Allow me to join the other delegations who have congratulated you, Mr Chairman, on your election; and congratulations as well to the Vice-Chairmen.

I simply want to take the floor at this time to second the proposal that you made half an hour ago, Mr Chairman, to postpone consideration of this issue until we have the text to see what the distinguished representative of Italy has proposed. I really do not think that we can have a profitable discussion until we have seen that text, and I would, therefore, like to support you and your ruling that we should postpone further consideration of this question until we have had a chance to look at the text.

**CHAIRMAN:** I have no more speakers on my list. We have listened to different opinions and being the democratically elected Chairman I was listening with great attention without making a judgement on any position. Therefore, I will again ask if any delegates wish to speak on Item 22.1? I see no speakers and I therefore presume that you are agreeable to postponing a decision on this particular item on the understanding that we shall return at tomorrow morning's session to the matters discussed in relation to the statement made by the distinguished delegate of Italy.

Alfred AMISI (Kenya): Mr Chairman, I need not waste your time by saying that I agree with your ruling, except to say that we need to have the Italian version of the resolution circulated to us so that we can study it overnight in readiness for tomorrow's meeting.

If I remember correctly, another distinguished delegate has also proposed a resolution which he was going to put before you. I think it was the distinguished delegate of Costa Rica. Perhaps it would be a good idea also to have the two resolutions so that we can read the three of them now and come here tomorrow in readiness to discuss the issue.

**Elio PASCARELLI (Italy):** I wish to make very clear, if it was not sufficiently clear before, that this is not the "Italian" draft resolution. It is a proposal which can become a draft resolution if we find other sponsors. We do not wish to be the only ones.

**CHAIRMAN:** That is a very important clarification. Thank you for that. The statement made by the distinguished delegate of Kenya is a reasonable one. If delegations have no documents to consider, then obviously they cannot discuss them tomorrow morning.

Thank you for assisting me in clarifying this matter. I clarify it in the following way. If there is a need, based on the documents proposed, then we shall return to this particular issue when the document is ready. That is my understanding. However, it depends on whether there is a document because the Ambassador from Italy has reiterated that there will be no draft resolution without other sponsors.

Dr Mifsud, who is a great expert on these matters, reminds me that any draft resolution has first to go to the Resolutions Committee. Therefore, we are unable to decide when exactly we can return to a discussion of this matter.

**Likunde LI-BOTAYI (Zaire):** Je voudrais abonder dans le sens des propos que vous venez de tenir, Monsieur le Président. Quand il s'agit d'un projet de résolution, ce projet doit passer par le Comité des résolutions.

**CHAIRMAN:** If I understand correctly, there is consensus to adjourn this particular point and to come back to it when it is ready. I see no objections, and so that is how we shall proceed.

**Sra. María Eulalia JIMENEZ (El Salvador):** Quisiera saber mi Delegación si podemos conocer cuándo vamos a discutir nuevamente la cuestión relativa al documento C 87/LIM/8, o sea, el procedimiento para la elección de los Presidentes y miembros del Comité del Programa y del Comité de Finanzas. Específicamente, cuándo discutiríamos la posible resolución que presentaría Italia y la resolución que ha sido presentada por el Comité de Asuntos Constitucionales y Jurídicos al Consejo y que el Consejo ha remitido a la Conferencia.

**CHAIRMAN:** I am sorry, but at this moment I am not in a position to give you a precise answer. As soon as we know, we will communicate when it will be possible to discuss this matter. I realize that perhaps you are not fully satisfied with my reply - but at this moment we do not know.

22.2. Immunity of the Organization from Legal Process

22.2. Immunité de juridiction de l'Organisation

22.2. Inmunidad de procedimiento judicial de la Organización

**LEGAL COUNSEL:** The relevant document submitted for the Commission's discussion is C 87/LIM/10. This document is an extract from the Report of the Ninety-first Session of the Council held last June. The question of FAO's immunity from legal process in Italy has been under discussion by the Council, as well as the Conference, since 1982. I hesitate to take up the time of the Commission by reviewing all the events that have taken place since the Corte di Cassazione rendered a judgement in which the Organization's immunity from all forms of legal process, provided for in Section 16 of the Headquarters Agreement, was not recognized.

The document before you brings the Conference up to date on the events that have occurred since its Twenty-third Session in 1985. At the latter Session, the Conference decided that it was not desirable at that stage to request an advisory opinion on the interpretation of the Headquarters Agreement from the International Court of Justice. Instead, the Conference invited the Director-General and the Italian authorities to explore all possible means of arriving rapidly at a definite solution which would ensure that FAO would enjoy immunity from all forms of legal process in Italy.

You will note from Document C 87/LIM/10 that constructive discussions were held between the Director-General and the Italian authorities. As the Italian Government considered that the promulgation of new legislation would encounter a number of difficulties and would not necessarily ensure that FAO's immunity would be upheld by the Italian courts, a practical solution was reached in correspondence between the parties. This correspondence has since been published in the Italian Official Gazette.

The solution which has been reached was considered by the CCLM and the Council. The description of the solution - which is, perhaps, from a legal point of view, somewhat technical - is contained in paragraphs 297-299 of the extract from the Council's report. I will not, as I said, describe this again because it is somewhat detailed. I hope that most of the delegates who have been following this matter have actually studied it and given thought to it.

The important point to note is that both the CCLM and the Council considered that although the solution was not ideal, it was nevertheless a practical approach to the problem of securing the Organization's immunity from legal process in Italy. It is hoped that the correspondence published in the Official Gazette will result in the Italian courts upholding FAO's immunity from all forms of legal process in the future should the occasion arise; - needless to add that I hope the occasion will not arise, but it always could do.

Therefore, the Conference may wish to endorse the conclusions of the CCLM and the Council which would, if it did so endorse them, render an advisory opinion from the International Court of Justice unnecessary. Naturally, should any untoward developments take place, notwithstanding the solution that has been found, the Director-General would report this to the Council for whatever action the latter might consider appropriate.

Finally, I would like to draw the Commission's attention to the fact that the CCLM and the Council reached another conclusion relating to this matter. The Council had previously adopted a policy whereby FAO, if it were sued in Italy, would refrain from putting in an appearance in the Italian courts, even for the sole purpose of pleading its immunity. However, in the light of the developments that have been described in the extract from the Council's report which you have before you, the Council considered that it would be appropriate for the Director-General to put in an appearance in court exclusively to plead FAO's immunity from legal process.

In this way, the solution that has been reached with the Italian Government would be given every chance of proving its efficacy. The Conference may also wish to endorse this slightly modified policy.

That, I think, is all I need say at this stage. Should there be any questions, I shall endeavour to reply to them.

**Elio PASCARELLI (Italy):** It is rewarding for an old ambassador who retired a month ago to be able to state here that I am not sitting on the Bench, but with my other colleagues, not among the accused but amongst those who have prospered and, thanks also to the Organization, who have maintained the engagement to find a practical, amicable and - what shall I say - I would say "positive" solution as well. I very much thank Mr Roche and his services for the cooperation they have given us during these negotiations. I cannot tell you how many hours they lasted, because they were not many - the spirit of understanding was there from very early on and the negotiations were satisfactory to both parties. So serenity has been restored in the sky of FAO and the Caracalla trees.

I want to assure Mr Roche - and Mr Crowther too - that this hope which was expressed in paragraph 301, and I quote from the third line of the English text: "and hoped that the Host Government would not discard the possibility of ultimately taking legislative measures that would give further legal protection to FAO", was not ignored by the representation, and will not be ignored - we do not discard it at all. We will find the opportune moment when we have to knock at Parliament - and also, men change, and opinions change. We will certainly pursue that at the right moment, so as to prevent even the remote possibility of disturbing the peace of FAO.

On the same subject, I must add that we welcome the decision of the Council, and we hope that countries will endorse, that our advice - friendly advice, as Host Country for thirty-six years - be not ignored; and I see here the statement that every delegate should read, which Mr Roche has just proposed the Council endorse, that the Council change its policy and does not refuse to stand before the court only to plead immunity. We have an Italian proverb - "gli assenti hanno sempre torto". (The absentees are always wrong!)

**CHAIRMAN:** Thank you, and I wish to thank the Ambassador of Italy not only as a representative of FAO but also as representative of the Host Country.

**Srta. Margarita LIZARRAGA SAUCEDO (México):** En los varios años que llevo como parte de la Delegación mexicana, recuerdo que cuando llegábamos, en el Consejo o en la Conferencia, a tocar este tema, era motivo de serias preocupaciones. Por eso, en esta ocasión, queremos decir cuánto gusto nos da que la situación haya cambiado radicalmente y que debamos felicitarnos de que, finalmente, hayamos llegado a entendimientos muy válidos y que nosotros consideramos satisfactorios. No dejaremos de tomar en consideración los comentarios del Embajador Pascarelli, a quien va todo nuestro reconocimiento, porque realmente ha sido él el arquitecto que ha movido el tema, en este período corto en que hemos tenido la fortuna de que esté con nosotros, pero que ha dado todo un dinamismo a la participación del país hospedante, a quien estamos tan reconocidos.

Quisiera nuestra Delegación que la mención que en el Consejo hicimos a esta participación tan importante la recoja la Conferencia y realmente se le dé justicia a quien así lo merece. Muchas gracias, Embajador Pascarelli. Esperamos que Ud. seguirá apoyando a la Organización por un buen rato, no obstante que tenga un retiro, oficioso casi, porque va a seguir con nosotros.

**CHAIRMAN:** Before adjourning our meeting, I would like to express my thanks to the delegates who have congratulated me on my election and also to convey the thanks of the Vice-Chairmen to those who congratulated them on their election.

The meeting rose at 16.45 hours

La seance est levée à 16 h 45

Se levanta la sesión a las 16.45 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

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C 87/III/PV/2

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Twenty-fourth Session  
COMMISSION III

Vingt quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

SECOND MEETING  
DEUXIEME SEANCE  
SEGUNDA SESION

(19 November 1987)

The Second Meeting was opened at 10.30 hours

Jozef Wiejacz, Chairman of Commission III, presiding

La deuxième séance plénière est ouverte à 10 h 30

sous la présidence de Jozef Wiejacz, Président de la Commission III

Se abre la segunda sesión a las 10.30 horas

bajo la presidencia de Jozef Wiejacz, Presidente de la Comisión III



PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)  
TROIZIEME PARTIE - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)  
PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

- B. Administrative and Financial Matters
- B. Questions administratives et financières
- B. Asuntos administrativos y financieros

- 23. Audited Accounts
- 23. Comptes vérifiés
- 23. Cuentas comprobadas

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

There are several documents that we will be referring to on this item. The first is the audited accounts themselves. The audited accounts are contained in documents C 87/5, C 87/6 and C 87/7. They involve the Financial Report and Statements. Volume I -the Regular Programme, Volume II- the United Nations Development Programme, and Volume III - the World Food Programme. These are the audited accounts as presented by the External Auditor in his report for the 1984-85 biennium.

In addition the delegates should have the LIM document C 87/LIM/3 which contains the resolution for the adoption of the audited accounts, and C 87/LIM/31 which shows the Resolutions Committee's review of that resolution.

The accounts that are presented for review have been reviewed in depth by the Finance Committee at its Fifty-eighth Session, and by the Council at its Ninetieth Session. The comments of both meetings are to be found in document CL/90/REP, paras. 154 - 161, as well as the resolution contained in the document C 87/LIM/3. The Council endorsed the external auditor's recommendations and noted the Director-General's actions on the possible improvements mentioned by the External Auditor in his report. In accordance with financial regulation 11 and 12.10, these accounts are to be approved by the Conference and there is a draft resolution in LIM/3 which is now before the Conference for its consideration and adoption.

I will be happy to answer any questions concerning these audited accounts.

**Ronald DEARE (United Kingdom):** Let me say straight away that I have no difficulty or problem with the resolution which is before us, but I would like to make one comment and to ask one or two questions.

There is a comment in para 10 (iii) of the report of the External Auditor on the Regular Programme Accounts for 1984-85 to which in fact the delegation of Australia has already drawn attention in the debate on the budget in Commission II last week. This was the reference by the External Auditor to the absence of any monitoring of programme out-turn by object-of-expenditure, despite the fact that the programme for the biennium is to a large extent built up on the basis of such estimates of expenditure by object-of-expenditure.

I note the comment by the Secretariat which is recorded by the External Auditor in para 11 of his report, but my delegation still remains a little surprised that the Organization does not feel it necessary to introduce this form of monitoring. The disadvantages of the present system were touched on by the Australian delegation in the budget debate and I will not take time by repeating them here; they are on the record. But I wonder whether the full implementation of the FINSYS System would enable this deficiency to be remedied, and whether the Secretariat in fact, does have any plans to do so.

While on the subject of FINSYS I would like to ask if the Secretariat could tell us briefly how the introduction of FINSYS/PERSYS is proceeding. I note from the para 3.113 of the report of the last

meeting of the Finance Committee that the System was due to be opened to users this autumn. Was it in fact opened and how is it performing? Have the staffing cuts resulting from the financial crisis affected the staffing of the computer unit, or has, as we hope, this area been protected?

One final question. If the system is, as I believe, up and running, are management satisfied in particular with the response times. I ask this question Mr Chairman because we in my delegation have had reports that there have been some serious time lags, and I wonder if Mr Crowther could perhaps give us some assurance on this point.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

There is not a great deal I can add on PLANSYS. Unfortunately, as you know, Commission II is operating at precisely the same time, and Mr Shah necessarily must be there, and the PLANSYS System comes entirely under his purview so that I cannot answer the question on PLANSYS itself. If it would be acceptable to the Committee, I would be happy to ask Mr Shah to either respond directly to the delegate of the UK, or if it is important, to report back to the Commission as quickly as we can free Mr Shah from Commission II.

With respect to the FINSYS/PERSYS question, I can address each of those. The first question is, I believe, how is FINSYS/PERSYS proceeding. FINSYS/PERSYS, for the benefit of any of those of you who may not be familiar, is a development of a system of accounting and personnel. The systems that we have had in the past have been ostensibly manual systems, and we have entered into a contract, as a result of an international tender, with a contractor to develop and do the detail implementation of an automated accounting and personnel system. It is, I am very happy to say, progressing quite well. We are both within the budget and fully expect that the in-time frames will be respected as well. Currently we are entering the phase of parallel testing of the payroll system which is the Phase I. There are three phases and Phase I is by far the largest, and parallel testing means we are running the old system and the new system jointly at the same time, and that involves the users throughout the house. All the Organizations that are involved must participate in this operational test.

How is it performing ? It is performing certainly up to our expectations and in some instance's beyond. We are very pleased with the performance thus far. Obviously, as in any new system that is being developed, you identify bugs in other areas that warrant improvement. Those changes are being made as they are identified, but overall we think it is moving along quite well. We have just recently had an assessment by an independent management consultant firm to advise us on the progress and development by our contractor, and the report was quite positive that the system would perform in accordance with the objectives and that it was moving along well. It was a very positive report.

With respect to the question on the staffing cuts and whether or not it has affected the development of FINSYS/PERSYS, I must certainly say that because of the critical financial situation, nothing in the house has escaped some impingement. We have tried to protect FINSYS/PERSYS development as much as possible in order to meet our deadlines as closely as possible, but nonetheless there certainly is an impact. Our development has been reduced because of the number of people that we have not been able to replace. As you know, Mr Chairman, the Director-General has been required to not fill positions that are vacated. Some of those positions come up in FINSYS/PERSYS, and we have just had to ask our people to work harder and longer in order to keep abreast of the situation as best we can, and they have done, I think, extremely well in that regard. So there is no serious impact but certainly, in all honesty, there has been some impact.

With the exception of the first question on PLANSYS, Mr Chairman, I think I have covered the distinguished delegate of US's questions. If there are any others I will be pleased to answer those.

**A. Daniel WEYGANDT (United States of America):** I do not have a question; it is really more of a comment to follow up on what Mr Crowther has just said, and that is to underline the fact that I would like to have a presentation made on PLANSYS as well. This is something which has been of interest to my delegation for some time, and we should like to get the benefit of Mr Shah's insights into it. I notice that the red light indicating that Commission II should be starting is not on. I know that you cannot just summon Mr Shah out of the blue, but I would just like to underline, before we get off onto completely different subjects, that I would appreciate it if we could have a discussion on PLANSYS.

**Ms Janet Lesley TOMI (Australia):** I only wanted to add that Australia would welcome a formal presentation by Mr Shah on this subject.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** We have checked with Commission II and unfortunately Mr Shah cannot be released at this point in time, so with the indulgence of the Committee at its next Session, if that would be acceptable, we would like very much to arrange to have Mr Shah come and answer that question then. It depends specifically on the timing, but certainly as quickly as Mr Shah can be made available. The problem is that the budget item is being discussed in Commission II and he must be there for that item. As quickly as he can be made available, we will address that if it will be acceptable to you, Mr Chairman, and the members of the Commission.

**CHAIRMAN:** I think that will be in order. As soon as Mr Shah is available, he will appear before this Commission to answer the queries that were raised earlier by the Member States. If there are no further questions, remarks or comments, there is a proposition by the Chair to adopt this draft resolution if there are no objections to it. I do not see any objections, so the draft resolution has been adopted.

It was so decided.

Il en est ainsi décidé.

Asf se acuerda.

24. Scale of Contributions 1988-89

24. Barème des contributions 1988-89

24. Escala de cuotas, 1988-89

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** Again we have a resolution before the Commission for consideration in document C 87/LIM/4. This item deals with the scale of contributions for the biennium 1988 and 1989. Document C 87/LIM/4 includes an extract from the report of the June 1987 Council Session. The matter of the scale of contributions was discussed by the Finance Committee in May as well as at the June 1987 Council Session. Subsequently, the matter was briefly discussed at the Finance Committee Meeting in September. Most members of both bodies agreed that the proposed scale of contributions for 1988/89 should be derived again directly from the United Nations scale of assessments in force for the three-year period 1986 through 1988.

There was considerable discussion of the scale of contributions during the Council in June, and the report of Council on this item stated:

"Some members expressed reservations with regard to the use of the UN Scale, since it did not reflect the most recent economic positions of Member Nations, and requested that FAO refer these observations to the UN Committee on Contributions and that the Finance Committee examine this matter again at its next session. Another member noted that this Scale did not adequately take into account equitable burden sharing. Notwithstanding these reservations, most members of the Council acknowledged that the UN Committee on Contributions was the most qualified body for assessing Member Nations' real ability to pay.

They also recognized that departure from the practice of deriving the FAO Scale directly from the UN Scale would involve additional costs for FAO, duplication of the work of the UN Committee on Contributions, and would have undesirable repercussions throughout the UN System. In addition, it would lead the Governing Bodies of FAO to dedicate an inordinate amount of time on this administrative matter in efforts to develop a viable alternative."

Following discussion in Council, the Director-General sent a letter to the Secretary-General of the United Nations on this matter. In his letter he stated the desirability of a methodology being developed which would enable the scale of assessment adopted by FAO to be based upon more up-to-date economic information. The Director-General suggested that the Secretary-General bring these observations to the notice of the United Nations Committee on Contributions. The Director-General's letter in fact was brought to the attention of the Finance Committee in September. After discussing the matter, the Committee took note and looked forward to the reply from the Secretary-General.

The Director-General received a reply from the Secretary-General on the 9th of October. In his letter, he stated that the concern of FAO had been brought to the attention of the Chairman of the United Nations Committee on Contributions. The reply stated that - and I quote a brief section of the letter:

"The Committee brought to the attention of the Fifth Committee - page 6 of this statement -the view expressed in the legislative bodies and several specialized agencies which derive their scales of contributions from the United Nations scales that the decline in the economies of many Member States in recent years will not be reflected in their rates of assessment under the next scale 1989/91. If the ten-year base period continues to be in force judging from this statement I believe he fully shares the concerns expressed by FAO members that the United Nations scale could be improved to better reflect recent developments in the economic situation of contributing countries. The methodology of the scale for assessment has been the subject of lively debate for many years in the Fifth Committee and establishing a fair, equitable and universally acceptable scale has proved to be a very complex task"

The Secretary-General also agreed to keep the Director-General advised of the progress in the Committee on contributions. The Director-General was also assured by the response that his observations, together with extracts from the report of the 60th Session of the FAO Finance Committee dealing with the Scale of Contributions for 1988 and 1989, and the report of the FAO Council on its 91st Session in June 1987, would be brought to the attention of the Committee on Contributions at its 48th Session in June 1988. After full deliberation and discussion, the Council in general recommended the draft resolution shown on page 2 of the LIM document before you for adoption by the Conference. I will be pleased to answer any questions that may arise.

**Raúl LOPEZ LIRA (México):** Mi delegación, como lo apuntó durante su participación en el 91 Periodo de Sesiones del Consejo, desea reiterar que la propuesta escala de cuotas basada en la escala de Naciones Unidas, aprobada en diciembre de 1985, no refleja la situación económica actual y el peso de la deuda externa de muchos de los países en desarrollo.

Por tal razón, mi delegación se opone a dicha escala de cuotas para el bienio 1988-89.

**Sra. Silvia CARBALLO VIVES (Cuba):** En primer lugar deseamos, en nombre de la delegación de Cuba, felicitar a usted por su elección como Presidente de esta Comisión III.

La delegación de Cuba considera que la FAO debe continuar aplicando su escala de cuotas basándose en la escala de cuotas de las Naciones Unidas. Es cierto que algunos Estados miembros atraviesan una situación financiera crítica, producto en parte del injusto orden económico, pero creemos que el órgano más calificado para determinar la capacidad efectiva de pago de los Estados miembros es la Comisión de Cuotas de las Naciones Unidas. Cualquier cambio de esta práctica, aprobada en el octavo periodo de sesiones de la Conferencia en 1955, entrañaría la duplicación de la labor de la Comisión de Cuotas y Costos Adicionales de la FAO.

**Ansoumane SAGNO (Guinée):** La délégation guinéenne, par ma voix, s'associe aux délégations qui l'ont précédée pour vous féliciter, Monsieur le Président, pour votre élection à la présidence de la Commission III. Ces félicitations s'adressent également aux Vice-Présidents, qui, je l'espère, ne ménageront aucun effort pour vous aider à mener à bon port les débats de nos travaux.

Compte tenu du calendrier qui nous est soumis, nos travaux à mon avis ne devraient pas être très difficiles, n'eût été la situation financière très inquiétante à laquelle est confrontée notre Organisation. Mais, comme on a coutume de le dire, l'homme ne vit que d'espoir. J'espère donc que les uns et les autres feront preuve d'esprit de solidarité et de compréhension pour que nos débats aboutissent au consensus qui a toujours caractérisé les travaux de notre Organisation.

Qu'il me soit aussi permis de remercier le Secrétariat pour la précision et la clarté avec lesquelles il nous a présenté le document C 87/LIM/7.

Ma délégation reconnaît entièrement que le Comité des contributions des Nations Unies est l'Organisme le plus qualifié pour évaluer la capacité financière réelle des pays. L'expérience qu'il a acquise dans ce domaine est fort appréciable. Abandonner le système pratiqué par cet Organisme aurait des conséquences fâcheuses sur la situation financière de la FAO que nous cherchons à relever à tout prix. D'ailleurs le document qui nous est soumis nous dit au para. 285: "... l'abandon de la pratique consistant à dériver directement le barème de la FAO du barème des Nations Unies entraînerait des frais supplémentaires pour la FAO, ferait double emploi avec le travail du Comité des contributions des Nations Unies et aurait des répercussions néfastes sur tout le système."

Je pense que la question ne se situe pas au niveau de l'utilisation du barème des Nations Unies. Quelle que soit la qualité de l'évaluation de la situation économique récente des Etats Membres, il y aura toujours des gros, des moyens et des petits contributeurs, si le critère fondamental reste la capacité financière réelle des Etats Membres. Il ne peut en être autrement.

Pour ne pas m'apesantir sur des commentaires connus de tous et gaspiller notre précieux temps, ma délégation approuve le projet de résolution relatif au barème des contributions, et en appelle, comme je l'ai dit tantôt, à l'esprit de solidarité et à la bonne compréhension des uns et des autres pour en faire autant.

**A. Daniel WEYGANDT (United States of America):** As with some of the previous speakers, my delegation has some concern over the scale of assessment presented in document C 87/LIM/4, but I venture to say probably for different reasons.

At the previous Council session, my delegation pointed out that in New York we have argued there should be more equitable burden-sharing among members -in other words, that more countries should contribute perhaps somewhat more than they are doing now.

That having been said, I took very much to heart the comment just made by the representative of Guinea: that we do have to have a sense of solidarity about this. For my part, therefore, I would like to join those who urge the Commission to adopt the resolution as it is presented before us.

**Charles MBOUROU (Gabon):** J'ai une remarque à faire: ma délégation estime que notre pays vit une situation financière difficile: or, quand on regarde le document que nous est présenté la contribution de mon pays se trouve doublée. Il me serait difficile d'appuyer cette résolution.

**Ms Janet Lesley TOMI (Australia):** I would also like to associate myself with the remarks made by the delegate of Guinea and other delegates who have endorsed the idea that the scale of contributions which is used by the FAO be based on the UN scale. This is because we believe that it would be inefficient and certainly cost ineffective for any individual agency to develop its own scale.

Having made that point, Australia's contribution will be increasing from 1.9% to 1.99% in the new biennium and, while we believe this does not take account of the significant reduction that has occurred in Australia's ability to pay, we believe that any problems that may be involved with the methodology must be taken up in New York in the Committee on Contributions.

**John LYNCH (Canada):** Just to inform the Commission that we support the scale of contributions being suggested but more particularly the reason why we support it. We understand that if the Gross National Product/population mix, which is used by the UN, were to be changed but nevertheless somehow modified in this Organization, that the cost of actually doing the work involved would be in the neighbourhood of \$US 500 000 to \$US 1 million if we were to duplicate the type of methodology and work which was devoted by the UN Committee on Contributions. I believe there are a number of alternatives to the combination of Gross National Product and population. However, I think that those in themselves create problems. I believe that the classic alternative is what is called the unit system which is used by two of the older UN Organizations - the World Intellectual Property Organization and the International Telecommunications Union. A feature of those is that they are cost effective but they are self selective — that is that the countries choose which class and unit they belong to, which is in some way a voluntary selection of how much you would like to contribute.

Therefore, taking all these factors into account, we believe that despite the individual burdens which the UN system may impose on countries it would be preferable for this body to adopt the scale of contributions as proposed.

**Reza ASKARIYEH (Iran, Islamic Republic of):** Mr Chairman, first on behalf of my delegation I congratulate you on your election.

We cannot accept this scale of assessment burden sharing because there is a change. I would draw your attention to the draft report of Commission II. In Item 20 there is a question about this. There has also been much debate on this point. It was suggested that those countries that had national currencies which were depressed by the devaluation of the dollar should be burdened by a lesser share and that their ceiling should be that which had existed in 1986-87. Therefore, I believe that something should be changed in this proposal.

**Clifton E. MAYNARD (Barbados):** Mr Chairman, I too would like to congratulate you and the other members of the Bureau on your election.

With regard to the question that we are now considering, I would like to say that my delegation does not see any reason why any other organization in the family of international organizations connected with the United Nations should go through the tortuous process of developing a system or a criterion for the assessment of contributions seeing that the United Nations had over 40 years of experience in assessing the scale of contributions of member countries.

We therefore would wish that this Organization would continue to use the scale developed by the United Nations for the reasons which I have given. Let me say, however, that during the same 40 years the principle of capacity to pay has always been foremost in the consideration of the scale of assessment. Indeed, when one used GNP and population some countries like mine might well be paying in excess of their capacity to pay because GNP and population do not take into consideration, for argument's sake, the level of the manufacturing capacity of a country. It does not take into consideration the level of industrial development of a country and other considerations which suggest that a country might well be penalized because of high invisible earnings which could disappear because of some phenomenon over which it has no control.

Therefore, as I see it, over 40 years the Committee on Contributions in the United Nations has used the criterion which everybody has accepted. I see no reason why there should be any change in this Organization utilizing that criterion.

**Mohammed BENNIS (Maroc):** Nous voulons noter tout d'abord que le barème qui nous est proposé pour la période 1988-89 a fait l'objet d'un examen et d'un débat à deux niveaux: celui du Comité financier et celui du Conseil. Ces deux organismes nous recommandent toute notre attention. Quant au fond, ma délégation observe que ce barème est directement dérivé de la répartition adoptée par l'Organisation des Nations Unies. Donc le Comité spécialisé des contributions nous paraît être l'organisme le plus qualifié pour évaluer la capacité financière des Etats Membres.

La FAO étant membre de la famille du système des Nations Unies, nous estimons qu'elle doit s'aligner sur ce système, sur l'ensemble des membres de ce système, et sur son barème, généralement suivi par les organismes de ce système. Nous pensons en fait que ce barème est réaliste, juste, objectif, dès lors qu'il correspond à la dernière capacité financière, évaluée et connue des Etats Membres. C'est la toute dernière que nous connaissons, nous ne disposons pas d'une autre évaluation. A défaut d'une autre appréciation de la situation, ma délégation ne peut que soutenir pleinement la résolution qui nous a été présentée.

**T.F.F. MALUZA (Zambia):** The FAO should continue to use the UN scale of contributions. Whilst it is realized that this does not reflect the current financial and economic problems in many countries, we are of the opinion that this should not hinder us from moving ahead. For now, the UN scale of contributions is the most valid, fair, realistic and equitable one.

In this context, my delegation fully supports the resolution on the FAO scale of contributions 1988-89 as given in document C 87/LIM/4.

**Srta.Mery Cecilia HURTADO SALAMANCA (Colombia):** La Delegacion de Colombia lo felicita por su designación y a los demás miembros de Mesa Directiva.

Hemos escuchado atentamente cada una de las propuestas hechas por las distintas delegaciones, y apoyamos especialmente las de México y Cuba, en el sentido que se tengan en cuenta las recomendaciones formuladas por el consejo en el 91 período de sesiones para que la FAO se ciña a la escala de cuotas que ha sido fijada por las Naciones Unidas.

**Mrs Marasee SURAKUL (Thailand):** First of all, I would like to congratulate you as Chairman of this Commission. My delegation supports the scale of contributions based on the UN system and endorses the resolution presented to us.

**Mohd. Mazlan JUSOH (Malaysia):** The Malaysian delegation wishes to associate itself with those countries which have supported the scale of contributions as presented to us. The reason is simply that it would be a sheer waste of effort for FAO to work out its own scale independent of the United Nations.

**Assefa YILALA (Ethiopia):** Let me first of all congratulate you, Mr Chairman, and your Vice-Chairmen, on your election to Chair this Commission.

I would like to add my voice to those who support the scale of contributions contained in LIM/4, and also support the draft resolutions contained in the same document. My reason for so doing is that this is a scale of contributions adopted by the UN General Assembly.

**Japheth Kipkemoi Arap ROB (Kenya):** Mr Chairman, please allow me first to congratulate you on your election to your high office and also your two Vice-Chairmen.

I would also like to take this opportunity to commend the Secretariat for having worked so hard to produce these numerous documents.

I wish at the outset to endorse the sentiments that have been expressed by Guinea, the United States, Canada and other delegations which have supported this draft resolution, the first operative paragraph of which states that our scale of contributions for 1988-89 should be derived directly from the United Nations scale of assessments in force during 1987.

My country, therefore, in a spirit of solidarity, will endeavour to contribute its share to this important Organization as is laid down here.

**Manuel DE GUZMAN PEREZ (Ecuador):** Mi país, durante el presente año, ha sufrido muy serias dificultades, que son conocidas por todos los asistentes a esta Comisión. En el proyecto de documento que se nos ha puesto a resolución, al Ecuador se le ha aumentado su cuota en el 100" por ciento.

Desgraciadamente, por las condiciones económicas actuales, no estamos en posibilidades de hacerle frente, por cual lamentamos tener que oponernos al proyecto de resolución planteado.

Se ha hablado acá de que debería aplicarse el principio de la equidad, y nosotros apoyamos esa tesis. Y, bajo ese principio de equidad, es que nosotros planteamos la necesidad de que se revea el sistema de cuotas para ajustarlo a un procedimiento tal, que el aumento que signifique en el Presupuesto sea asumido por los países que, por efectos de la devaluación del dólar, ven favorecida su moneda y, en consecuencia, sus aportes vienen siendo inferiores a lo que en la realidad están realizando. Esa es la tesis ecuatoriana.

**DONG QING SONG (China):** As this is my first time to speak in this Commission, I would like to congratulate you on your election to the Chair.

As for the Draft Resolution on the Scale of Contributions, I believe that as FAO is a specialized agency in the United Nations family therefore it is reasonable and appropriate to adopt the United Nations Scale of Assessments. The Chinese delegation therefore wishes to support this document and we hope that the Conference will approve this Draft Resolution on the 1988/89 Scale of Contributions to FAO.

**Wojciech JASINSKI (Poland):** As my delegation is speaking for the first time in this Commission, we would like to associate ourselves with previous speakers who have congratulated you and your Vice-chairmen on your election to these important posts. At the same time, I would like to thank Mr Crowther for, the very interesting and important information which he has provided on the process now taking place of exchanging correspondence and establishing of contacts between the Director-General and the Secretary-General of the United Nations on this very important matter of the Scale of Contributions. We believe, as do so many other speakers who have just spoken, that the United Nations is indeed the best qualified body to establish the proper Scale of Contributions. It has a specialized Committee which is doing this job.

We also hope that in the future there may perhaps be some changes in the methodology of establishing those Scales of Contribution. We would like therefore, in supporting the Resolution as presented in Document 87/LIM/4, to say that we believe that, should there be changes, these should be discussed in the proper place in the United Nations, and perhaps in the future some changes will be introduced which will take into account the very difficult economic situation in which some countries, including Poland, because of external debt, find themselves.

**Mrs Kate ABANKWA (Ghana):** First of all I wish to congratulate you Mr Chairman on your election, and also to thank Mr Crowther for the explanation which he has given, indicating that the Scale of Contributions did not take into consideration the economic problems facing some countries.

In this connection my delegation believes that efforts should continue towards lessening the burden on countries which are faced with economic problems, so that they will be able to honour their constitutional obligations.

Having made these comments, my delegation wishes to give its support to the Draft Resolution before us, because we believe that the Scale of Contributions should always be based on that of the United Nations.



**Omar Ali JUMA (Tanzania):** My delegation would like to associate itself with all other delegations which have supported and endorsed the Resolution before us, as contained in document C 87/LIM/4. In doing so, I would like to fully support the Moroccan delegation, which said that the proposed Scale of Contributions has been carefully scrutinized by both the Council and the Finance Committee, and that a number of observations have been made. I know that all of us have economic problems of one kind or another, but, in order to enable this Organization to fulfil its noble task, my delegation would fully support the Resolution before us.

**Hidayat Ganda ATMADJA (Indonesia):** I would like first to congratulate you on your election to this important post. My delegation would also like to associate itself with others in supporting the Scale of Contributions proposed for the biennium 1988/89 and the Draft Resolution related to it, in the interests of the continuity of the functions of FAO.

**Mme Anna-Teresa FRITELLI (Italie):** Ma délégation tient simplement à dire que nous considérons que les barèmes des contributions sont étudiés par les Nations Unies. A ce stade, nous nous rallions aux barèmes qui figurent dans cette section de la résolution telle qu'elle nous est présentée.

**Amilcar Spencer LOPES (Cap-Vert):** Avant tout je voudrais vous féliciter de votre élection à la présidence de notre Commission. Je saisis également cette occasion pour remercier le Secrétariat pour la présentation des documents qui nous sont soumis.

A ce stade du débat je serai très bref, ma délégation approuve le projet de résolution tel qu'il est présenté dans le document C 87/LIM/4.

**Likunde LI-BOTAYI (ZAIRE):** La délégation du Zaïre s'associe aux autres délégations qui l'ont précédée pour féliciter vous-même, Monsieur le Président, ainsi que les membres de votre bureau à l'occasion de votre élection.

La délégation du Zaïre reconnaît que dans la grande famille des Nations Unies, chaque organisme a ses problèmes spécifiques. Elle reconnaît que la crise économique mondiale a sérieusement affecté la situation de trésorerie de beaucoup de pays surtout les pays en développement. Il ne serait pas acceptable que chaque organisme cherche à fonctionner en dehors des principes considérés comme viables. Ces principes sont élaborés par notre grande famille qui est celle des Nations Unies. Cela entraînerait, ainsi qu'il est souligné dans le document C 87/LIM/4, de grandes répercussions dans l'ensemble du système. Donc ma délégation pense bien que la résolution puisse être acceptée ainsi qu'elle est présentée dans le document.

**Juan NILO VALLEDOR (Chile):** Solamente para sumarme, como Delegación, a aquellas que han apoyado la escala de cuotas sugerida en el documento C 87/LIM/4, y asimismo que ésta sea basada en la escala de Cuotas que utilizan las Naciones Unidas. Gracias, señor Presidente.

**Isam Eldin Mohamed ELSAYED (Sudan) (original language Arabic):** I wish to congratulate you Sir, and your Vice-Chairmen, on your election. The delegation of my country cooperates with the United Nations, and we believe that the most appropriate method is that now in force, which is directly derived from the United Nations scale. We therefore support that method.

**Dean KL. CROWTHER, (Assistant Director-General, Administration and Finance Department):**

I deeply appreciate the various comments and suggestions that have been made, and certainly I appreciate the overwhelming support that has been given for this very complex and difficult study on the Scale. I think there are really no specific questions that need to be addressed. However, I think it would also be important to assure the Commission that the Organization will continue, through the Finance Committee, to study and bring the specific comments to the attention of those people who are involved with the development of the Scale and constantly monitor and track the development so that the comments and the guidance that have been given to us can be brought to the attention of those who will develop the Scale. The Secretary-General, as I mentioned, has agreed to keep us informed of the progress, and we shall certainly make certain that it is reviewed very carefully. With that assurance, I just wish to thank the Commission for their support.

Vaasatia Poloma Komiti, Vice-Chairman of Commission III took the chair

Vaasatia Poloma Komiti, Vice-Président de la Commission III assume la présidence

Vaasatia Poloma Komiti, Vicepresidente de la Comisión III

**CHAIRMAN:** Thank you very much, Mr Crowther. At this stage it would appear to the Chair that a cursory check reveals that, I think, about 30-odd countries are affected in an upward revision of the contributions. About 21 would have theirs decreased, and the majority, according to my list about 105, will have no effect, no change. Of the speakers who have taken the stand this morning, a few have indicated difficulties in supporting this Resolution. A majority that have spoken have indicated full support.

Now as a procedural matter I believe that since it appears that the majority are in favour, this proposed Resolution would now go to Plenary, to the Conference, for adoption, unless there are strong objections from the four countries that would have problems in supporting the Draft Resolution. Do I take it, then, that we are in favour, that we will adopt this proposed Resolution on the Scale of Contributions for 1988-89 as contained in Appendix F of Document C 87/LIM/4, that it will go forward to Plenary as a proposal from this Commission? Is that the consensus?

It was so decided

Il en est ainsi décidé

Así se acuerda

The meeting rose at 11.30 hours

La séance est levée à 11 h 30

Se levanta la sesión a las 11.30 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

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C 87/III/PV/3

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Twenty-fourth Session  
COMMISSION III

Vingt-quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

THIRD MEETING  
TROISIEME SEANCE  
TERCERA SESION

(19 November 1987)

The Third Meeting was opened at 15.30 hours.

Mohd. Mazlan Jusoh, Vice-Chairman of Commission III, presiding

La troisième séance plénière est ouverte à 15 h 30 sous la présidence de Mohd. Mazlan Jusoh, Vice-Président de la Commission III

Se abre la tercera sesión a las 15.30 horas, bajo la presidencia de Mohd. Mazlan Jusoh, Vicepresidente de la Comisión III

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)  
TROISIEME PARTIE - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)  
PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

- B. Administrative and Financial Matters (continued)
- B. Questions administratives et financières (suite)
- B. Asuntos administrativos y financieros (continuación)

- 25. Other Administrative and Financial Matters
- 25. Autres questions administratives et financières
- 25. Otros asuntos administrativos y financieros

**CHAIRMAN:** It is my pleasure to open the third meeting of this Commission. As usual, we are facing the problem of the quorum: this is not anyone's fault in particular, it is caused by logistic problems which are faced by most delegations with limited members, especially in the second week.

The matters before us this afternoon are on Item 25:

- 25.1. Status of Contributions
- 25.2. Replenishment and Level of the Working Capital Fund
- 25.3. Replenishment of the Special Reserve Account

Without further ado, I ask Mr Crowther to introduce Item 25.1, Status of Contributions.

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

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

Thank you, Mr Chairman. Concerning contribution matters, you have a document before you, CL 92/4, and in addition you have a LIM document that updates the situation through 17 November. It is C 87/LIM/38. The report of the September 1987 Session of the Finance Committee reported the status of contributions in paragraphs 3.32 to 3.39 of the report. The status of contributions was updated for the Council Session just before this Conference in document C 87/LIM/11. It was updated through 5 November 1987. Additional contributions have since been received in the amount of \$US 103 767.37 from Peru, representing a partial payment of its contribution outstanding for 1985. This payment will be reflected in the report of the Conference.

Up until the end of September, the rate of receipt of contributions had been more favourable than in previous years from most countries. However, since that date some additional Member Nations have paid, and as of today 46 Member Nations have still not made any cash payment this year, while 41 Member Nations still have arrears outstanding. A total of \$US 94 million is outstanding of which \$US 67 million pertains to the amounts owed by the largest contributor. Mr Chairman, 28 Member Nations have responded to the appeal of the Council with regard to deferring or relinquishing their share of the cash surplus distribution for the 1984-85 biennium. This amount has improved the financial position of the Organization and has helped us in our cash flow during the remainder of 1987 by approximately \$US 9 million. One Member Nation, Angola, has relinquished its share of the cash surplus, and the host country, Italy, has abandoned its share. All Member Nations are invited to follow these good examples, of course. It is one thing to defer and it is something else to relinquish stock.

Mr Chairman, the Director-General will appeal again to all Member Nations that have deferred the cash surplus to further defer the application through 1989 if they are willing to do so. I am happy to report that of the 12 Member Nations originally in danger of losing their right to vote, seven member nations have regularized their positions and two have requested instalment plans, leaving

only three members which have not regularized their contribution positions to permit them to vote. The Conference is requested to make a statement to urge all Member Nations to pay their outstanding contributions as soon as possible in order to enable the Organization to overcome its liquidity problems.

Mr Chairman, this completes the introduction. The information in detail is in the documents before you, and we would be pleased to answer any questions that the delegates may have.

**CHAIRMAN:** Thank you, Mr Crowther. I understand this item is mainly for information, but then I would like to open the discussion to the floor if there are any questions that members wish to ask to Mr Crowther. Since I see no hands and no requests for the floor, I take it that the report on this item has met with the satisfaction of member countries, and I declare Item 25.1 closed.

Now we go on to Item 25.2, Replenishment and Level of the Working Capital Fund.

25.2. Replenishment and Level of the Working Capital Fund

25.2. Reconstitution et niveau du Fonds de roulement

25.2. Reposición y cuantía del Fondo de Operaciones

**Dean K. Crowther (Assistant Director-General, Administration and Finance Department):** We have before the Commission document C 87/LIM/12 relating to an increase in the level of Working Capital Fund. This document includes a draft resolution for the Conference. At its Ninety-second Session, the Council discussed alternative approaches to deal with budgetary and financial uncertainties being encountered by the Organization. In its discussions the Council noted that a series of negative \_ factors had contributed to the current difficult financial situation and that these factors were unlikely to be all resolved in a short period of time. The Council recognized that in such circumstances the ratio between the current level of the Working Capital Fund and the budget does not allow the Fund to perform its functions as stipulated in Financial Regulation 6.2, mainly with regard to advancing monies to the General Fund to finance budgetary expenditures pending receipt of contributions to the budget. For this reason the Director-General has proposed to increase the Fund from its present level of \$US 13 250 000 to \$US 20 000 000 as from 1 January 1988 and to \$US 26 000 000 as from 1 January 1990. These phased increases would, in his view, ensure that in the future average delays in the payment of contributions would not have an undue effect on the timely and regular implementation of the Programme of Work and Budget.

Although some Council members did not support the proposal, most 'agreed to the increase in the working Capital Fund to the \$US 20 000 000 figure. A few members expressed reservations on the second incremental increase to \$US 26 000 000. Nonetheless, Mr Chairman, the Council recommended the resolution as presented in document C 87/LIM/12 for adoption by the Conference. The paper is before you for consideration. If there are any questions, I would be happy to answer those that are put forth.

**CHAIRMAN:** I would like to open the floor for discussion on this item. I give the floor to the delegate of Canada.

**John LYNCH (Canada):** My delegation support in principle the concept that UN specialized agencies have realistic working capital funds. In fact, a recommendation to this effect was part of a package of proposals which Canada submitted in connection with the Conference Agenda Item 11, Consideration and Review of Certain Aspects of FAO's Goals and Operations, including the need for reform in the programme budget proposal. In our national submission under this agenda item contained in document C 87/30 my Government stated that the sole purpose of the Working Capital Fund as a

financial instrument should be to act as a cash flow regulator pending the receipt of delayed contributions. We also stressed that the methodology of its funding and access conditions should be defined to be both transparent and effective. Despite our support in principle for larger working capital funds, we find ourselves in the difficult position where we cannot support the proposed resolution. There are several reasons for this position. First, the level of the combined increase in the Working Capital Fund is too large, virtual doubling of the Fund from \$US 13 250 000 to \$US 26 000 000. Second, the fact that this replenishment in the Working Capital Fund will take place at the same time as a sharp increase in annual assessments to the FAO Regular Budget and a large new demand on FAO member countries in order to replenish the Special Reserve Account. Taken together, these increases are incompatible with my Government's objective of restraint in public expenditures.

Third, we believe that the replenishment of the Working Capital Fund should be part of a group of measures to deal with the current financial crisis facing the FAO. We believe that this group of measures should include the adoption of contingency planning measures, what some states have called "core budgeting" and what Canada has described in our paper submitted under the Reform Agenda Item as a system of financial envelopes. A reduction of programmes so as to correspond more closely to anticipated levels of income and finally, the adoption of a system of split currency assessments.

Fourth, in the current circumstances we believe that there will be a tendency to use the increase in the Working Capital Fund to do more than act as a cash flow regulator pending the receipt of delayed contributions within a financial year. We believe there will be a tendency to use the Working Capital Fund as a substitute for contributions which come due within any particular year.

**Raúl LOPEZ LIRA (México):** Antes de hacer uso de la palabra, quisiera preguntarle si es posible que haga una declaración general para todo el tema 25, a fin de no estar abusando del uso de la palabra, ya que el tono será más o menos el mismo.

**CHAIRMAN:** On that question, I think it might be confusing to deal with several items at one time. I think we should try to address ourselves to one particular part of the whole of Item 25 rather than taking it as a whole. I hope that would not in any way cause a problem for your delegation. Do you wish still to take the floor?

**Raúl LOPEZ LIRA (México):** En ese caso, señor Presidente, antes que nada desearía saludarlo y decirle que nos complace mucho verle presidir esta reunión y señalar que, como no escapará a su conocimiento, así como al de los demás miembros de la sala, mi país atraviesa por una crisis muy severa, a causa de su deuda externa. En el día de hoy por la mañana, señor Presidente, recibimos la grave noticia de que el peso mexicano ha sufrido una nueva devaluación. Es por esta razón y por ninguna otra que nosotros tenemos que oponernos al aumento del Fondo de Operaciones y que solicitamos se tenga en cuenta la crisis monetaria de los Estados Miembros que, como es nuestro caso, hemos visto devaluar nuestra moneda con relación al dólar estadounidense y, por tanto, nuestras contribuciones en esta moneda se han incrementado. Deseamos, al respecto, solicitar muy atentamente al Director General que entre en contacto con aquellos miembros que han visto reducir sus contribuciones en moneda local, para que los invite a hacer un mayor esfuerzo de solidaridad, aportando sus pagos a la misma tasa que en el bienio 1986-87.

Ya en la Comisión II hemos planteado la necesidad de que el Comité de Finanzas estudie alguna alternativa para hacer una distribución de las cargas entre los diversos países tomando en consideración los movimientos monetarios, de tal suerte que se logre una mayor equidad en las cargas en el futuro.

Nos satisface que el doctor Crowther, al cerrar el tema 23, haya indicado que los comentarios realizados en esta sala serían transmitidos a dicho Comité, para su consideración.

**Ms. Janet Lesley TOMI (Australia):** Australia wishes to place clearly on the record its strong opposition to this draft resolution seeking an increase at this time in the Working Capital Fund. Australian views are very well known through our membership of both the Council and the Finance Committee. Australia believes that any increases in the Working Capital Fund should only be met through reductions in the Regular Programme of Work and Budget, and Australia is strongly opposed to the Organization asking members to fund an increase at a time when many members, including Australia, are already experiencing difficulty in making our contributions to the Organization. We also believe that the Working Capital Fund must only be used to meet temporary - and by that we mean from 3 to 6 months - cash flow needs. We would be strongly opposed to seeing the Working Capital Fund utilized to cover exchange rate changes, inflation increases or long delays in payment of contributions.

**Pedro SEBASTIAO (Angola):** Je voudrais vous remercier tout d'abord de présider notre réunion. Nous sommes conscients des difficultés de notre pays et aussi reconnaissons-nous l'importance des fonds. C'est la raison pour laquelle nous soutenons cette proposition.

**Y. HEIDSMA (Netherlands):** First of all I should like to say that my delegation intends to vote in favour of the budget of FAO tomorrow which I believe may help in putting into the right perspective what I have to say on the Agenda Items this afternoon.

We would like to go on record for not agreeing to the proposal for an increase in the level of the Working Capital Fund in the draft resolution now before us. In general, Mr Chairman, the Netherlands is strongly in favour of providing international organizations with the tools they need for conducting an efficient and effective financial management; also in periods of adverse financial developments. These tools, if properly used, should, to a large extent, protect the Organization from the negative effects of these developments. In this respect Mr Chairman, we do not only value the Working Capital Fund as such a tool, but we can also go along with changes in the level of the Working Capital Fund if this indeed would enhance in a structural manner the Organization's capacity to deal with financial problems.

Given, however, the cause for the present problems, proposals such as the one now before us amount in our view to no more than stop-gap measures. We feel that neither the Organization, nor the member states for that matter, ultimately would benefit from this. So the question that necessarily should be raised is whether the proposed increase in the Working Capital Fund is meant to be a structural improvement to safeguard the Organization more effectively from temporary delays in payment of contributions, or whether it is meant as an ad hoc attempt to increase the resources of the Organization which are falling behind because of those member states that do not fulfil their financial obligations toward the Organization. We believe, Mr Chairman, that the latter is the case, and as such our conclusion is that an additional assessment of the member states with regard to the Working Capital Fund merely serves as a compensation for the present and expected arrears in assessed contributions.

It has been the stated policy of the Netherlands not to compensate for the failure of other member states to fulfil their financial obligations, and therefore this delegation opposes the adoption of resolution before us, taking into account as well that adoption would not contribute substantially to alleviating the financial constraints which the Organization will probably be facing in the very near future.

In conclusion, Mr Chairman, let me put forward also a practical argument for not adopting this proposal. Given the low rate of receipt of contributions it will not be realistic to expect that the rate of receipt of additional assessment will fare any better, which would mean again that countries such as the Netherlands would have to share an unequal part of that additional burden.

**Mohd. Zulkifli MOHAMMED (Malaysia):** This proposal to increase the level of the Working Capital Fund has been deliberated quite lengthily in the Finance Committee sessions and the two previous Session of the Council. During the discussions of both these fora our delegation has given its full support

to the proposal as presented to us in the Draft Resolution. The reason for our support is simply to enable this Organization to be able to function efficiently. Therefore we just wish to reiterate: our support here.

**Luka RADOJICIC (Yougoslavie):** Permettez-moi d'exposer brièvement les commentaires de la délégation yougoslave relatifs aux projets de résolutions sur l'augmentation des fonds de roulement. Ma délégation partage l'opinion exprimée par la majorité des délégations sur la nécessité de légitimer la proposition d'augmenter le fonds de roulement de notre Organisation, du fait de la crise qui existe dans tout le système des Nations Unies et qui touche non seulement la FAO, mais aussi les autres Organisations de ce système, et du fait que le niveau du fonds de roulement de la FAO est le plus faible par rapport aux autres organisations. Cependant, une question se pose: tous les pays membres doivent-ils être pénalisés par les obligations financières additionnelles pour compenser les obligations déductives non effectuées par certains pays membres, parmi lesquels se trouve le plus grand bailleur? Bien que nous en soutenons le principe et que la nécessité d'une augmentation du fonds de roulement soit une condition pour un fonctionnement plus efficace de la FAO, dans les conditions financières actuelles avec lesquelles se confronte mon pays, ma délégation n'est pas en mesure de supporter une augmentation de notre contribution au-delà de 0,25 pour cent qui a été proposée par le Programme de travail et budget pour 1988-89 et que nous avons appuyée.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** First I would like to thank Mr Crowther for his very clear introduction to this Item 25. My Government believes that the Organization within the UN system needs sufficient resources to be able to fill its important tasks. The suggestion that there should be an increase in the Working Capital Fund in two stages from 13.2 million to 26 million US dollars is an idea we were unable to support at the 91st Council already. We feel that the financing of that increase would only be possible if a special payment were made by member countries, and this would mean that those countries making those payments would be paying for those member states that had not paid, or only partly paid their actual assessed contributions. For short-term shortfalls in payments the Working Capital Fund at its present level is sufficient as a bridging system. For longer-term shortfalls in payments it is not suited as a means of security. The C 87/LIM/12 resolution we cannot support for those reasons.

**Masahiko YASUMURO (Japan):** My delegation recognizes that the present level of the Working Capital Fund is nearly 3 percent over the budget level but also understands the obligated TCP to be carried; over to the next biennium, which would be 31 million US dollars, is also functioning as the resources to protect the Organization against adverse effects caused by delays in: the payment of assessed contributions. So the present level of the Working Capital Fund and the obligated TCP, nearly 44 million US dollars intotal, is nearly 8.5 percent over the next biennium budget level. This ratio seems to be no lower than in most comparative organizations and my delegation thinks that the increase of the total Member Nations' contributions in 1988 from this year should be as modest as possible.

In the light of these thoughts, my delegation does not agree to any increase in the level of the Working Capital Fund from the 1st of January 1988.

**Ronald DEARE (United Kingdom):** My delegation is unable to support this proposal or the resolution that goes with it.

Mr Chairman, the sole reason for this proposed increase in the Working Capital Fund is to deal with a situation in which more and more countries are paying their assessed contributions later and later. Mr Chairman, one of the documents before us today indicates that 66 member countries of this Organization have outstanding contributions. Reference has been made on more than one occasion to the position of our largest contributor but, Mr Chairman, if we look at this document we find that there are 35 member countries which have, in proportion, greater arrears than our large contributor.



So this is a serious problem and it is not confined to just one country, but like the Netherlands delegation, Mr Chairman, the United Kingdom is opposed to any proposal that involves the membership being subjected to a supplementary assessment in order to compensate for these failings to live up to the payment of assessed contributions.

This delegation shares the concern expressed by Australia about the time-span involved in the use of the Working Capital Fund. It is my understanding it was intended to be a short-term measure, not to provide a long-term cushion for non-payment. We believe it to be particularly inappropriate to seek an increase in the size of the Working Capital Fund at a time when it is clear that the Organization will have to make programme adjustments in the next biennium to offset the amount transferred from the Working Capital Fund in the present biennium. An increase in the size of the Working Capital Fund will exacerbate this problem rather than ease it. Therefore, for all these reasons we will vote against this resolution.

**André REGLI (Suisse):** Permettez-moi tout d'abord de vous féliciter pour votre présidence à cette Commission. En ce qui concerne la proposition d'augmenter le fonds de roulement, nous en supportons le principe. Nous aimerions néanmoins que le Secrétariat nous explique pour quelle raison précise une telle augmentation est prévue. Nous tenons à rappeler que l'objet de ce fonds consiste à équilibrer la situation des liquidités à court terme ou de couvrir les dépenses de caractère exceptionnel qui ne peuvent être imputées au budget de l'exercice en cours. Ce fonds ne devrait pas être utilisé pour échapper aux conséquences d'une aggravation financière sans perspective d'amélioration.

Nous aimerions également réitérer que la première tâche d'un pays membre d'une Organisation consiste à régler sa contribution dans les délais normaux. Ma délégation annonce ses réserves à toute proposition visant à compenser les contributions déficitaires d'autres pays ou à défavoriser les contribuables réglementaires.

Une dernière remarque générale m'amène à la constatation que ma délégation aurait préféré discuter les thèmes du point 25, c'est-à-dire les autres questions administratives et financières, en étroite relation avec le débat sur le Programme de travail et budget proposé, c'est-à-dire dans la même Commission, de sorte qu'une unité aurait été garantie.

**Jean-Luc GRAEVE (France):** Je souhaiterais, au début de mon intervention, rappeler l'appui que mon pays entend apporter au budget qui nous est proposé par le Directeur général et que mon pays entend voter en séance plénière lorsqu'il lui sera présenté.

C'est dans ce contexte général que je voudrais présenter nos remarques concernant les avances demandées pour le Fonds de roulement.

Ces avances, Monsieur le Président, sont coûteuses. Elles représentent, en pourcentage du budget du biennium 1986-87, 1,54 pour cent dans une première étape, et 2,91 pour cent dans une seconde étape. Elles aboutissent, ces demandes d'avance, ainsi que l'ont souligné d'autres délégations, notamment la délégation des Pays-Bas et du Royaume-Uni, à reporter sur les Etats bons payeurs la charge de trésorerie provoquée par les retards excessifs dans les paiements des arriérés des contributions, notamment, des contributions dues par le plus important Etat bailleur de Fonds de cette Organisation.

C'est, Monsieur le Président, une compensation que mon pays ne peut accepter dans son principe.

Aussi ma délégation entend marquer ses réserves sur la proposition qui nous est soumise et agira en conséquence lors du vote de la résolution en séance plénière.

**A. SAINTRAINT (Belgique):** Je voudrais commencer ma déclaration, à l'instar des Pays-Bas, en disant de façon extrêmement claire et précise que nous voterons le budget du biennium 1988-89.

Nous avons longuement examiné le problème du Fonds de roulement, et mon gouvernement a été amené, après examen, à douter de la pertinence et de l'opportunité de ce double relèvement en deux étapes, même si la seconde étape ne vient qu'au biennium suivant, c'est-à-dire 1990-91. Il est certain que le texte de la résolution prévoit une décision concernant cette augmentation pour le biennium ultérieur de manière définitive dès maintenant.

En fait, incontestablement, il s'agit d'un supplément de contributions à la charge des Etats Membres qui ne profiteraient pas directement au Programme de l'Organisation. Nous estimons que cette augmentation est peu compatible avec les objectifs que nous connaissons tous, et qui nous sont hélas imposés, du resserrement des dépenses publiques.

Nous n'avons pas l'intention, et cela a été exprimé par d'autres pays, de faire des avances de trésorerie et d'être le banquier de débiteurs défaillants, ou de contributeurs qui retarderaient le paiement de leurs contributions de manière excessive.

Je crois que cela ne peut être le rôle du Fonds de roulement et le problème mériterait d'être examiné.

Dès lors, après une étude approfondie, mon gouvernement estime ne pouvoir émettre un avis favorable à une proposition de résolution d'augmentation du Fonds de roulement, compte tenu des différents éléments que je viens de vous présenter.

Nous nous rendons compte qu'au cours du vote une position sera prise. Nous sommes également conscients que des problèmes seront posés à court terme. Mais nous voudrions que le problème soit posé et résolu, non pas par des palliatifs, des bouts de ficelle; c'est un moyen de régler les problèmes qui devraient l'être autrement.

Nous avons peur qu'en permettant cette augmentation du Fonds de roulement nous arrivions en fait à différer un débat et une discussion de fond sur la nécessité de travailler ensemble dans cette Organisation des Nations Unies pour l'alimentation et l'agriculture qui nous tient à coeur, qui doit de l'avis de tous recevoir une priorité, compte tenu des angoissants problèmes qui se posent dans le monde et plus spécialement dans le tiers monde.

Nous ne sommes pas opposés à des formules qui permettraient de trouver des solutions, mais nous émettons des réserves expresses sur les moyens utilisés.

En ce qui concerne mon pays, compte tenu de tous ces éléments, compte tenu surtout du fait que nous ne désirons pas servir de banquiers à des débiteurs défaillants qui devraient assumer leurs obligations, nous comptons sur cette résolution, émettre un vote d'abstention.

**Vaasatia Poloma KOMITI (Samoa):** In the interests of time I will be brief. However, I would like to thank the Secretariat for the preparation of this document, which has been very enlightening. Whilst my delegation is sympathetic to the intent and purpose of the Draft Resolution under consideration, we find ourselves in a position where we cannot support the proposal.

Briefly, for the reasons that have been espoused better by other speakers like the delegates of Australia, the Netherlands, the United Kingdom, Switzerland and so on, my delegation feels that while the Working Capital Fund has to be replenished, it must be replenished from elsewhere other than raising the levels of contributions by Member States. At a time when most countries, if not all, are facing financial problems we find it difficult to agree to support a proposal that would mean an increase in the contributions from member countries.

**Mrs Kate ABANKWA (Ghana):** I would like to thank you, Mr Crowther, for your vivid introduction. My delegation is of the view that the provision of an adequate Working Capital Fund is necessary for the early and effective implementation of the Programme of Activities drawn up for the next biennium and for financing emergency expenditures pending the receipt of assessed contributions from Member States.

The delayed payments of contributions by some members make it imperative for the Organization to increase its Working Capital Fund. While appealing to members to pay their contributions, my delegation wishes to state that an increase of the Working Capital Fund by \$13 250 000 to \$20 000 000 as from 1st January 1980 and \$26 million as from 1st January 1990 is in the right direction. My delegation believes that the Council examined the matter carefully and its implications before arriving at the recommendation before us. The foregoing would indicate that my delegation has no problem with the Draft Resolution before us and supports it in order to ensure the smooth running of the Organization.

**Elio PASCARELLI (Italy):** I am sorry I missed the explanations given at the beginning by Mr Crowther, but I have heard them many times in the Finance Committee and I do not think I need to hear them again.

I am a little surprised that we here in this hall do not give much consideration to the permanent organs of the Organization. We have discussed this for hours and hours. Some members who expressed reservations but who did not then say "no", are saying "no" in this room. For the same reason that I approved them then, I approve them now. That is consistent. We fully recognize the need. May I quote an Italian Prime Minister at the beginning of the century, Sidney Sonnino. In his library, his studio, he had a Latin motto which read "Quod aliis licet tibi non" which means "Whatever is permissible to others is not permissible to you". We want to act as faithful and honest members of this association. We see that other organizations have the same rules as we have. Their difficulties are not minor compared to ours, so if those organizations - and I think Mr Crowther could enlighten us further - have felt the need to increase their fund, why should we not do so as well?

The only concession I may make now, after saying that my Government will vote convincingly in favour of this resolution, is to accept that the Working Capital Fund be increased only to \$US 20 million, and we leave it to the next Conference to decide what happens in 1990-91. This figure was immediately acceptable to some members of the Finance Committee, whereas \$US 26 million was not acceptable to all. This might have a calming effect on some of the objections that have been made.

I do not think that we should always come forward with the same record, that because some members do not pay their contributions on time, or forget about paying -on time, that we should always be complaining that we have to pay for them. We are not paying for them; we are paying for the Organization that we love and that we support. That is why our vote will be a big "yes".

**A. Daniel WEYGANDT (United States):** I have certainly followed with great interest the debate that we have had this afternoon on this subject. I have been interested to hear that a number of delegates have prefaced their remarks on their position on this question by indicating what their position on the overall budget might be. I can see that there might be some connection between these two issues. It seems to me, however, that what we have to do here is to come up with the proposal that will solve the problem that the Organization clearly faces - that is, continuing shortfalls in contributions.

In June at the Ninety-first Council my delegation indicated that we could go along with an increase in the Working Capital Fund to a level of \$US 20 million. I was interested to hear the immediate previous speaker say that perhaps one consideration we might propose now would be to alter this resolution and to limit it only to an increase to \$US 20 million. The reason that my delegation supported that increase was because we felt it would put FAO more in line with the provisions that pertain in other organizations. We certainly feel that doubling the Working Capital Fund from upwards of \$US 13 million to \$US 26 million is an excessive reaction to a problem.

In Commission II of this Conference my delegation made a statement explaining what we expect our own situation to be with respect to our own contributions to FAO. It was clear from that statement that unfortunately our ability to pay is going to remain very constrained for some time to come. We expect that the shortfalls in our own payments will continue to be at a very significant level, certainly a significant level in terms of the Working Capital Fund, so there should be no doubt that

Working Capital Fund could in some way be used as an offset to arrears if these arrears are supposed to be coming from one particular country. We have to look at the Working Capital Fund on its own merits and not on the merits of what the rate of payment is or is not. We should confine ourselves to focusing on a level that would be consistent with what other organizations in the UN system have. I have been very much struck by the fact that the clear majority of previous speakers have spoken in opposition to this resolution. It seems to me that this puts the Organization in very much of a dilemma because most of those speakers have said that they do not see a solution to income shortfalls in an increasing contribution assessment. That is pretty logical.

The message that I hear coming from our discussion this afternoon is that whilst there is a clear problem facing the Organization, and whilst we are all resolved to try and do something about it, that solution cannot simply lie in increased levies on members. Perhaps we could take a serious look at the proposal just advanced by our distinguished Italian colleague, to modify this resolution somewhat to limit the increase to \$US 20 million. I have to make clear that as the resolution stands now my delegation would have to oppose it, as many of the previous speakers have indicated.

**Antonio C. DE ALMEIDA RIBEIRO (Portugal):** Sans allonger le débat, je dirais que notre délégation va dans le même sens que d'autres. Le Portugal ne peut malheureusement pas donner son appui à la proposition du Secrétariat. Comme l'a dit le Représentant des Pays-Bas, nous estimons que les pays, comme le Portugal, qui ont toujours payé à temps leur contribution annuelle ne doivent pas être pénalisés par le fait qu'un certain nombre de pays membres n'ont pas accompli leurs obligations à l'égard de l'Organisation.

**Clifton E. MAYNARD (Barbados):** Both the Finance Committee and the Council at the Ninety-first Session examined this particular problem in detail. We all know the cause of the problem. Might I suggest that the effects of this problem and the cause of this problem may have started a long time ago when some countries sought to influence international organizations towards their own will by paying contributions by instalments. Some got so into the habit of paying contributions by instalments, that when hard times came they got caught up in a way that they had not anticipated.

I might take the position of the—distinguished representative of the Netherlands. Indeed, I might take the position of the distinguished representative of the United Kingdom. My delegation and Barbados are entirely in the same position. What then would be the condition of the Organization? What is the position of food and agriculture in this world at this particular moment? When you put these two together it seems to me that we still need the Organization and that it must function efficiently.

Therefore, despite all the arguments about having to carry the burden for people who will not pay or cannot pay, I believe that there is no alternative for a country like mine which believes that, because of size and because of lack of money, we have to find comfort with international organizations. Therefore, there is no alternative but to ensure that the Organization continues to function. Indeed the information that was put "to" the Programme Committee, to the Finance Committee and indeed to the Council, shows clearly what will happen if we do not approve this resolution.

I would just like to add something that comes to my mind, something Professor Mayer said in this hall about what is needed to feed the hungry of this world in comparison with the expenditure on arms.

When I put all these things together, I see no alternative but to support this resolution, and I unreservedly do so.

**Hermann REDL (Austria) (original language German):** Mr Chairman, as this is the first time I have taken the floor please allow me to congratulate you on your election as Chairman of this Commission.

Austria is amongst those countries who will support the proposed Programme of Work and Budget. However, we would agree with what has been said by France on this issue. We always pay our assessed contributions promptly. We are of the opinion that those who pay promptly should not be penalized. A replenishment of the Working Capital Fund should be done only according to how much is actually needed. This increase is something that should be checked very carefully indeed before we actually come to a final decision on it.

**Hidayat Ganda ATMADJA (Indonesia):** Although my delegation to a certain extent understands the position taken by some delegates who have opposed the increase of the Working Capital Fund, my delegation thinks that the increase in the fund could be of help to the Organization in overcoming the financial difficulties it now faces. Therefore, my delegation will firmly vote in favour of the resolution.

**Srta.Mery Cecilia HURTADO SALAMANCA (Colombia):** En primer lugar, la delegación de Colombia quiere

Mi delegación, en el Consejo pasado, aprobó el aumento de la cuantía del Fondo de Operaciones. Siguiendo las instrucciones de nuestro Gobierno y conociendo la situación por la que atraviesa nuestra Organización, la delegación de Colombia apoya el proyecto de resolución.

**Amilcar Spencer LOPES (Cap-Vert):** Tout en appuyant le budget pour le prochain biennium, ma délégation a affirmé à maintes reprises qu'elle trouve le niveau du budget proposé par le Directeur général extrêmement faible pour que l'Organisation puisse faire face à ses responsabilités. De même, nous faisons appel aux Etats Membres qui ont des arriérés pour qu'ils s'acquittent de leurs obligations. Toutefois, l'avenir n'est pas prometteur et en conséquence nous appuyons le projet de résolution.

**Germán CARRASCO DOMINGUEZ (Chile):** Primero, deseo felicitarlo por el hecho de que Ud. tenga a bien presidir nuestras sesiones. No era mi intención intervenir en este debate, en un tema sobre el cual no conozco mucho. No formamos parte del Comité Financiero ni estamos representados, de hecho, en el Consejo; pero, señor Presidente, a mi Delegación, a mi país, a mi Gobierno, nos interesa fundamentalmente la buena marcha de la FAO, la buena marcha de la Organización. Estamos muy conscientes de cuanto ella significa en favor de los países en vías de desarrollo.

De ahí, señor Presidente, que nosotros votaremos a favor de esta resolución, no obstante las razones -al parecer, buenas, o, al parecer, infundadas- con que algunos países se van a oponer a ella. Lo único que yo quiero, señor Presidente, para concluir esta breve intervención, es destacar la paradoja de que los países que tenemos más fe en la Organización y que cumplimos nuestras obligaciones podríamos estar penalizados, como se ha dicho, por el hecho de que otros países no cumplan con las contribuciones a que están obligados por la Constitución.

**Assefa YILALA (Ethiopia):** First of all I would like to congratulate you, and convey my pleasure in seeing you in the Chair. In spite of the economic difficulties being faced by my country, Ethiopia has always paid its share of contribution, however modest, on time and in full. Therefore, what I am about to say has nothing to do with the particular and specific payment of Ethiopia.

We do realise the difficulties faced by this Organization with regard to the cash flow caused by the delayed payment of some member countries and we also see the need to replenish the Working Capital Fund in order to ascertain the smooth and continuous flow of operations. On the other hand, we feel that some member countries which are not able to pay their share of contributions on time are being faced with economic difficulties and financial problems, a solution to which cannot be seen within a short, or even a foreseeable, time. This being the case, we do appreciate the difficulties in

getting these additional contributions to come forward. However, when they do not pay their share of contribution, we find difficulty in realising how they can fulfil the additional obligations requested in this Resolution.

We would however like to indicate our support for this Resolution, and to state our alliance with the views presented by the distinguished delegate of Italy, that the second increase which stands at \$26 million as of January 1988 should be left for the next Council and consequently the coming Conference. We would therefore like to support the views expressed by the distinguished delegate of Italy, which were supported by other countries later in the discussion.

**Guillermo GONZALEZ (Argentina):** Gracias, señor Presidente. Mi Delegación va a ser sumamente breve. En primer lugar, deseamos dejar constancia de nuestras felicitaciones por verlo a Ud. dirigiendo nuestros debates con toda eficiencia y cordialidad.

En lo que hace al fondo de la cuestión, señor Presidente, debo decir que mi Delegación estuvo entre aquellas que, cuando trataron el tema en el Consejo, hicieron reservas, pues en aquel momento no estaban en condiciones de prestar su apoyo a resoluciones de esta naturaleza. Hoy, ya en la Conferencia, y haciendo grandes sacrificios por nuestra parte, estamos dispuestos a prestar nuestro apoyo al Presupuesto general de la Organización. Pero, en lo que hace al aumento de la cuantía del Fondo de Operaciones, lamentablemente no podremos prestarle nuestro apoyo cuando se vote la resolución que se nos ha presentado y que tenemos hoy en nuestras mesas.

La Delegación argentina entiende las razones que dan motivo a esta resolución, y debo decir que apoyamos el principio que la inspira. Pero, lamentablemente, nos encontramos en una situación difícil, que ya hemos expresado y explicado en otros foros y que nos ha llevado a tener retrasos en nuestras cuotas en los organismos internacionales y particularmente en la FAO. Por este motivo, señor Presidente, exclusivamente, nos vemos en la situación de no poder respaldar con nuestro voto positivo este proyecto de resolución. Gracias.

**Likunde LI-BOTAYI (Zaire):** Mon pays est membre du Conseil et il 'a activement participé aux discussions qui ont eu lieu au sujet de l'augmentation du fonds de roulement. Dans sa déclaration faite à la plénière, la délégation du Zaïre a appuyé le programme pour le prochain biennium. Elle a également exprimé le souhait ardent de voir l'Organisation disposer de moyens financiers adéquats lui permettant d'exécuter, à la satisfaction de tous les membres, les programmes de travail qu'elle devra approuver à la Conférence. Notre délégation a aussi souligné que le programme que devra approuver la Conférence, doit être considéré comme un minimum que la FAO doit exécuter en faveur des pays en développement. Ceci, pour le prochain biennium.

Pour ce faire, la délégation du Zaïre soutient le principe de ce fonds de roulement, cependant, dans le cadre du consensus, elle estime (bien que cette augmentation soit modérée), qu'elle doit rejoindre la position des autres délégués qui ont soutenu le principe de l'augmentation, et qui consiste à ce que le niveau de cette augmentation soit maintenu à celui qui a été décidé au cours de la session du Conseil, c'est-à-dire: 20 millions.

**T.F.F. MALUZA (Zambia):** My delegation agrees with the principle of raising the FAO Working Capital Fund so that it is in line with other United Nations organizations. At the same time it should be noted that Zambia does not agree in general to anything which would make us pay more than the assessed contributions in accordance with the United Nations level of contributions.

In consideration of the problem facing FAO at present, we agree to the proposal that the level of the Working Capital Fund be increased, but as a compromise we would also agree with the suggestion by the distinguished delegate of Italy that the Working Capital Fund should only be raised to \$20 million. We hope that, with this amendment, other Member Nations will join us in approving the Resolution contained in C 87/LIM/12.

**Elio PASCARELLI (Italy):** I ask your kind permission to add a word. I posed the question to the Assistant Director-General for Administration and Finance concerning the rarses of Working Capital Funds prevailing in other organizations, which I repeat - and underline - have problems which are sometimes even harsher than our own.

I would also ask Mr. Crowther to clarify one point which I think has gone wrong - at least, in my opinion. This is the point made by the distinguished delegate of Japan, when he added the \$30 million of the Working Capital Fund to the minus \$31.5, unobligated balance of the TCP, I think there is some confusion on this which should be cleared up.

Finally, since I see that a compromise is shaping up on the little amendment to this Resolution, so that it may be acceptable to the broadest possible consensus of the Conference, I insist once again that for the time being we limit our approval to the raise to \$20 million of the Working Capital Fund for the next biennium - and wait for God to help us with the biennium after that!

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** A few questions have been raised, and I believe some clarification is needed to place the Resolution and the question before the commission in the proper perspective.

First, although I did not specifically state them in my introductory remarks, it would perhaps be useful for us to recall now the basic purposes of the Working Capital fund. In the Basic Texts, in Financial Regulation 6.2, there is reference to the Working Capital Fund and to the original authorization of the Working Capital Fund. It was established for three purposes, which are stated in Regulation 6.2 as:

- "(i) advancing moneys to the General Fund to finance budgetary expenditures pending receipt of contributions to the budget;
- (ii) advancing moneys to the General Fund to finance emergency expenditures not provided for in the current budget;
- (iii) making reimbursable loans for such purposes as the Council may authorize in specific cases. Advances made by the Working Capital Fund for these purposes shall be considered as forming part of the Fund."

The same Basic Text requires reimbursement or replenishment of the amounts when they are withdrawn for any of those three purposes.

Regulation 6.4 makes reference to the fact that moneys provided by each Member Nation under Regulation 6.2. (the one I have just quoted to you) shall be carried to the credit of that Member Nation, and in Regulation 6.5.

- (a) "Advances made from the Working Capital Fund to finance budgetary expenditure under Financial Regulation 6.2(a) (i) shall be reimbursed from the General Fund as soon as feasible, but in any case within the next financial period, by programme adjustments if necessary.

There has been reference by several speakers this afternoon to the fact that this Resolution includes replenishment of the Working Capital Fund. I would like to clarify that. The Resolution does not call for replenishment - it is calling for an increase. The Organization will end the year with a zero balance in the Working Capital Fund because of a shortfall in contribution and must therefore replenish the basic amount of \$13.25 million either from arrears which will be received next year or, if they are not received, from reductions in the Programme itself - Programme savings.

That is the basic amount, and that must be replenished during the following biennium. The Resolution calls for an increase in the Working Capital Fund. That increase, therefore, comes from assessed amounts, the same as the original established amount was received.

Secondly, Mr Chairman, there was reference made by a number of speakers to the purpose and need for the Working Capital Fund. Several of the speakers said that they would not be in favour of an increase in the Working Capital Fund if it were to be used to offset contributions that were not received by others. The intent there certainly seemed to be that they did not want to pay for those contributors who are not making their payments on a regular basis.

Several members stated that they did not want to make up for the shortfall in contributions by the largest contributor. Mr Chairman, I think I can put the concern at rest in that the Working Capital Fund Resolution for an increase in no event would make up for a shortfall by the largest contributor. At the end of this year the largest contributor will owe the Organization \$US 63.7 million. The requested increase, even if both were accepted, would go to \$US 26 million. Certainly that is not sufficient to offset the arrearages that we are foreseeing in this biennium. That is not the intent.

Some members made reference to the fact that more and more Members Nations are paying their dues later and later to the Organization. We should clarify that as well. The document that you have before you on the status of contributions indicates that there are fewer Member Nations owing the Organization at this point in time than has been the case for several years. We do appreciate the fact that most Member Nations have come forward and expedited their payments wherever possible. That is not to say that the dollar amount, exclusive of that owed by the largest contributor, is still constantly increasing. That is a function of the amount and level of the budget, not the number of contributors that are paying late. We should be very clear on that fact. In fact, if I may quote, Mr Chairman, as of 17 November, 66.10 percent of current assessments had been received. Short of the period when the largest contributor had paid its full amount, this is the largest amount that otherwise would have been received for a number of years. Secondly, there are 98 Member Nations who have paid in full. Last year at this time there were 65. The year before, there were 76, and prior to that 73. There are more who have paid in full now than for several years. The same thing is true for those who have paid part of their assessments, and there are fewer who have made no payments. Consequently, in percentage terms the number of arrears are reducing, but because the amounts of the budget level are increasing, the amount needed for the Working Capital Fund is also increasing. This is the basic philosophy for requesting an increase in the Working Capital Fund.

The delegate of Italy asked for information with respect to sister agencies. Although it is not directly comparable for a number of reasons in the way the budget is stated, the best comparison that you can make is that while there are a number of agencies that range from 6 percent up to as high as 11 percent in their working capital fund, there are also a couple that are actually smaller. There is one that is 1.2 percent, but it is a much smaller agency. They have as serious a problem as we, in most cases much more serious. Their governing bodies have seen fit to raise their working capital funds to levels of a percentage of at least considerably in excess of our roughly 3 percent. We thought that going to \$US 20 million was a relatively modest increase even though we respect the problems that creates for a number of Member Nations because it does increase the call for contributions.

Mr Chairman, a reference was made by the distinguished delegate of Japan about the TCP appropriation carryover. In each of the biennia the TCP that is authorized during a particular budget period can be used in the following biennia, and therefore the appropriation related to that amount is carried forward. That does create cash for those TCP projects, but our rules do not permit us to use the TCP Fund to offset members' contributions. They clearly must be used for the purposes that they were intended. We cannot fall back on the TCP Funds as an offset to the Working Capital Fund or an extension of the Working Capital Fund, nor can we use any of the other funds of the Organization to do that. Our financial regulations are reasonably clear on that point. They stipulate the precise uses of the Working Capital Fund, the amount of the Working Capital Fund and how it is to be reimbursed. We meticulously try to respond to those rules.

Mr Chairman, the idea for asking for increases in two tranches over four years or two biennia was certainly in understanding of the burden that this makes on the Member Nations. The Organization has not seen fit, nor has the Finance Committee nor has any of the Council of Governing Bodies, to request an increase in the Working Capital Fund over the years. Therefore the percentage has reduced in real terms in comparison with the level of our budget. That is why it is down to 3 percent. Even though we get a higher percentage of contributions paid by the end of each year than has been the case in prior years with some very ardent collection activities and with good response on the part of each Member Nation, the flat level of \$US 13.5 million in our Working Capital Fund is a very low percentage in terms of our total budget stock. Therefore, it seemed warranted to increase it to 5 or 6 percent and to split it over two different tranches of a four-year period. Again, this makes it an extra call for those increases, but in order for the Organization to function and to carry out its Programme of Work and Budget, we do expect that some Member Nations from time to time are going to have problems. Again, there is no way that we can use even the increases in the Working Capital



Fund to offset major donor defaults or delays in payment like that of the United States, but it is intended more as an offset against the normal arrearages. That was the intent. That is the purpose. For those of you who saw it quite differently, perhaps that would be an important factor for you to take into consideration.

Mr Chairman, I think this has covered the points that have been raised. If there are other clarifications that are needed, I will be happy to respond to them. I do appreciate the debate that has gone on and the views that have been expressed. If there are any further clarifications that are needed, I would be happy to respond to them.

**CHAIRMAN** Thank you very much, Mr Crowther. I am sure your explanation has satisfied the questions that have been raised by many delegates. We hope it also explained the reason why the Organization needs this increase in the Working Capital Fund and the Resolution that has been brought forth before you. From the debate that has taken place this afternoon, my assessment of the debate is that a slight majority of member countries have agreed to the Resolution, although quite a number also objected to it. But the other element that has cropped in was that there was a suggestion that a compromise would be in the best interests of this Commission. That is to increase the level of the Working Capital Fund up to \$US 20 million as from 1 January 1988, for which quite a few members have voiced support. In the interests of getting a consensus and trying to avoid voting on this Resolution I will submit that this Commission agree to this amendment up to US\$ 20 million increase. Of course, that is subject to the delegates of the Commission. Failing to have a consensus on this, we would have no recourse but to take a vote on the matter. Again, I reiterate here that I am trying to get a consensus so that there is no need to take recourse in voting. We would like to avoid that step. The United Kingdom delegate has asked for the floor. You may have the floor, Sir.

**Ronald DEARE (United Kingdom)** Thank you, Mr Chairman. I am always anxious to support the Chair if possible in reaching a consensus, but quite franky, having listened to the debate this afternoon I do not think a consensus is within our grasp. Certainly I will have to take issue with you on the question of whether or not there was a majority here this afternoon, even a slight majority, that spoke in favour. I thought that it was, if anything, the other way, but I would be prepared to accept it as being evenly balanced but certainly not a majority in favour. Just to complete my intervention, could I say that my objection to this resolution remains, we could not support it, whether it is for \$US 26 million or for \$US 20 million.

**CHAIRMAN:** Thank you, distinguished delegate of the United Kingdom. Actually, my assessment of the debate is not based just on my whims. I have made a count and definitely, according to my counting, there is a slight majority in favour. Your impression, I believe, is due to the fact that those who objected to the resolution made very long statements, whereas those who agreed just made very short statements. Any way, as I put across to you earlier, we would like to have a consensus on the amendment suggested for which I have sort of received some favourable support from member countries. If it is agreeable, the Commission would take the position that it is agreeable to this amendment.

I recognize the delegate of the United States of America.

**A. Daniel WEYGANDT (United States of America):** I would have to say first off that I think you have made a bad deal with your Chairman as a Vice-Chairman because I think he has given you a very difficult task here this afternoon, to try and work this out. I think, of course, it would be eminently preferable for us all if we could reach a consensus on this. But I have to say that, based on my understanding of the discussion, there really does seem to be a divergence of opinion.

Where I would agree with you however is clearly that there tends to be more support for what I consider to be the proposal put forward by the delegation of Italy than there is for the resolution that we have before us. Now I do not know whether we should aim for the maximum support if we

cannot get a consensus, or whether we should treat the resolution as it is now, but I would simply say that it seems to me, regardless of whether or not a majority of delegates have spoken in favour of this or not, there is very significant opposition to this resolution, and I say that in the interest of continuing harmony in our own Commission here. It seems to me that we ought to take a little extra time to try and find an agreeable solution to this, because whether there is a majority or not in the Commission for one proposal, I think it is our practice that if there is significant opposition, whether it is 40 percent or 37½ percent or 46.2 percent, I think it is still significant. I think we all know what we are talking about here. So I think we ought to give some consideration to this issue before we conclude in any way or another. That is simply my view, Mr Chairman, but I do think that you are right in saying that there is more support for the Italian proposal than there is for the resolution we have before us.

**Likunde LI-BOTAYI (Zaire):** Je crois avoir déjà éclairé la lanterne du Bureau sur la position du Zaire lors de la séance plénière. Nous avons proposé d'adopter le compromis, qui a été exposé par la délégation de l'Italie, c'est-à-dire accepter une augmentation modeste pouvant aller jusqu'à 20 millions pour alléger la lourde charge des Pays Membres. Je pense que ces 20 millions pourront être répartis en deux tranches. Il faudra ensuite décider quelle somme nous pourrions allouer pour la première année et quelle autre somme pour la seconde année. J'insiste vraiment sur le fait qu'il faudrait que les 20 millions puissent être répartis en deux tranches.

**J. HEIDSMA (Netherlands):** I just want to react on your question whether this amendment would be acceptable, and I am afraid I have to say, as did the delegate from the U.K., that we do not think we could support the resolution even if amended. I am not sure how you are going to proceed now, but I do not disagree with the idea of the United States to have some further discussion on this issue although I have a little doubt that in the end it might lead to consensus. From the debate I gathered, and I do not at all dispute your figures - I did not make this count so I am sure you are right Mr Chairman - but nevertheless the opposition was quite considerable to this proposal so I am not sure whether this is going to help us, the proposal of the United States, but of course my delegation is always prepared, everywhere, to discuss matters a little further. There is no doubt about that.

**John LYNCH (Canada):** Mr Chairman, first of all we have before us one proposal and I think most people have spoken on it. I did a count and probably my count is wrong because usually I am wrong in terms of numbers, but I get it as being even, with two perhaps being on the fence. Now they would probably give you a slight majority, and I think a majority of two on a question like this is very small, so I think that I would tend to go for the people..... I see nodding up there, so I believe I may for once have been right in terms of numbers.

The second point though is on your compromise proposal. I do not see it as being that much of a compromise; in fact I would go so far as to say that perhaps it is really what was being proposed except with part of it being delayed for another two years. I think that a number of the countries who intervened indicated that one of the reasons they had problems with the proposal was the burden it would put on them in the coming biennium in terms of their financial contribution to this Organization — that there was 0.25 million increase in the Regular Budget, there was the 6.75 million increase here, and then there is the 12 million dollar increase which will come under the special reserve account. So when you total all that up you are talking about 20 million additional dollars going to have to be split among the membership, and probably a large part of the membership will not pay up, so an additional burden is going to be placed on what we have been terming here "the good payers".

If we are going to look at a compromise I think it might be more realistic if we put a real compromise before the group, and that is take the amount of money that is actually being proposed as an increase for the Working Capital Fund for this coming biennium which is, according to my figures - and again I may be wrong -but 6.75 million and cut that in half, because what we are really doing here is we are taking the coming biennium and treating the increase during that as if it was approved.

So there is really no compromise in terms of financial burden during the coming biennium, which is the fear that raised it and which, as far as I was listening, almost half of the speakers here have. So I would think that perhaps, if we are looking at a compromise we should look at one that has some real financial impact during the coming biennium. So if that further complicates your task, Mr Chairman, I can just indicate that as the resolution is worded I do not think we can pass it. I think you are right to follow a compromise but I think the Italian proposal, if we were to look at it afresh which I think we have to do, may find almost as much difficulty as the original.

**Elio PASCARELLI (Italy):** Mr Chairman, of course I do not agree with the statement of my distinguished Canadian colleague that our proposal does not make any difference. It makes just the difference of 6 million dollars which is something, because we cannot engage the members as of now to pay in 1990. The difference is very big - 6 million dollars.

I would ask the Secretariat to modify the wording of this resolution which does not seem to reach the consensus that you are looking for, and stop it at the first increase in two instalments, but since I forecast for the Organization greater difficulties in the first year than in the second I would say three million seven hundred and fifty thousand dollars in the first instalment, and 3 million dollars in the second instalment. This is the proposal that I assessed from the number of speakers.

Mr Chairman, we share your wise judgment that we have to count the contents and not the minutes, because usually the opposers take four times the time that we take.

**CHAIRMAN:** Thank you very much. As suggested before, I think we will close the debate on this matter for today and we will come to it tomorrow, but since we have a few more minutes left I would like to give the floor to Mr Shah to address the questions that were raised on the audited accounts.

**V.J. SHAH (Director, Office of Programme, Budget and Evaluation):** Mr Chairman, I am informed that the distinguished Delegate of the United Kingdom referred to the External Auditor's Report and in particular para 10 (iii) on the subject of budgetary monitoring by object-of-expenditure, and expressed that delegation's feeling of not being entirely happy with the comments of the Secretariat on the subject as reflected in the External Auditor's Report.

Mr Chairman, first of all let me recall that this comment of the External Auditor on monitoring by object-of-expenditure is in the context of his overall comments on the budgetary monitoring system, and he says specifically in para 10 that there is a comprehensive system of budgetary planning and monitoring, and that his staff's test examination showed that the system was operating as intended and that close control was maintained over divisional staffing in spending. So I think it is important to recall what the overall comment of the External Auditor was.

Then he goes on to say that there are, however, some issues which appear to him to offer some scope for improvement, and the comment on monitoring by object-of-expenditure is in that context.

Mr Chairman, I would now like to point out and recall that of course when we formulate the Programme of Work and Budget, in formulating the programme we have to look at objects-of-expenditure. In examining what the programme activities are going to be and in costing those proposals we need to see how these activities are going to be carried out; are they going to be carried out by staff or with consultants; are these people going to travel; will there be meetings held; will there be publications. So these are means for costing.

In the early 70's when we moved to the system of programme budgeting our governing bodies, including you Mr Chairman, the Conference recognized that indeed the programme budget would have to be formulated in that way, and the Conference expressed interest in having information on objects-of-expenditure in the programme budget document, and that is why we were instructed to give this

information in one of the annexes to the document on the Programme of Work and Budget. But at the same time the governing bodies recognized that according to these same principles of programme budgeting, what is important is not the object-of-expenditure but the programme. What is important is whether you have implemented the programme or not, and not whether you have spent money on consultants or on publications or on staff. So it was for that reason that the governing bodies decided what the reporting system and the monitoring system should be. For example, the Finance Committee understood - and it specified this in its Report of its 23rd Session in 1970 - it understood "that allotments would be made on a programme basis to each organizational unit at the divisional level without reference to objects-of-expenditure". These instructions were also endorsed by the Council at its 56th Session where again it repeated that an essential element in programme budgeting was flexibility in the use of resources to attain programme objectives and that objects-of-expenditure controls would be replaced by programme controls. That is why, Mr Chairman, our budgetary performance report which is submitted to the Finance Committee each year and through the Finance Committee to the Council, does not go by object-of-expenditure.

If there is such passionate interest in object-of-expenditure, it is not that we are trying to be cagey or to withhold information. As a practical course I would like to suggest that certainly we can look into providing information on object-of-expenditure on an aggregate basis in connection with the budgetary performance report. The annual budgetary performance report would provide, and we would look into, the best way of providing aggregate information on object-of-expenditure.

I understand there was also a request or a comment from the distinguished delegate of the United States of America on what we call PLANYSYS, our work planning and monitoring system. This is something we have developed over the last few years and in response to his request let me describe the main features of it.

PLANYSYS consists of breaking down the programme budget for the technical and economic programmes to the lowest level for purposes of planning work and carrying out activities. As delegates well recognize, the technical and economic programmes are broken down into sub-programmes, and now for the first time this year are also shown at the element levels- these elements consist of activities and the activities themselves go down to the level of the inputs, the inputs being staff time, consultants' time, computer-use, etc. It is really a simple concept. It does not require genius, but a certain amount of mathematical application, mathematical application which is very much assisted by the use of the computer.

Each unit in a technical department on an annual basis has to work out its plan for that year down to the activity of input level so that for each activity that unit itself plans "When are we going to use our staff time to prepare this? When do we need consultants? When will the consultants actually carry out the work? When will the manuscript of the document be ready?" It is a scheduling exercise. But, of course, as with any scheduling exercise which becomes computerized, one can use it for improved management. One can call for all sorts of reports. For instance, how many consultants will be used for this unit in a year? What is their scheduling? According to that scheduling, have arrangements been made to recruit and brief them, to get them out to do the work?

I do not want to give the impression that I am trying to lecture in any way, but I hope I have given the Commission the sense of the purpose of this system and how it is being used. Let me say that this is not the right forum perhaps in which to give more examples, but as all distinguished delegates know, the Secretariat is always available to them, individually if they want to pursue this matter in any detail. I hope I have answered the questions which were brought to my attention.

**CHAIRMAN:** Thank you, Mr Shah, for your comprehensive answer and clarification. I am sure that it has met with the satisfaction of all the delegations who have asked questions.

**Ronald DEARE (United Kingdom):** I am most grateful to Mr Shah for coming along this afternoon. I know his has not been an easy day so far, and it is not yet over, but I am grateful for his explanation.

I am always a little reluctant to come back with a supplementary because I cannot begin to have the sort of grasp of the financing of the Organization as has Mr Shah, but I am still a little puzzled by one point and I hope he will bear with me if I ask one supplementary question.

It is stated in paragraph 11 of the report of the External Auditor to which we have referred, that information on object-of-expenditure is used to formulate the programme budget. As he has said, it is given for information in the annexes. My question is this: If this object-of-expenditure information is not monitored over the period to see if the bases on which the programmes have been put together remain valid, as is pointed out by the External Auditor in the preceding paragraph, how does the Organization know that these assumptions which are made about various costs to build up the programmes are valid for use in the following biennium? Is there not some system for checking that the bases on which the programme budget is built up remain valid over the biennium and thus are valid for the construction of the budget for the following biennium?

I am not sure if I have made myself clear, but this is a point which remains a puzzle to me and is the reason why I raised this in the first place.

**V.J. SHAH (Director, Office of Programme, Budget and Evaluation):** I think I understand the question, and I will try to answer it. Let me explain that when, for example, in this biennium we are implementing a programme which was constructed with certain assumptions and objects-of-expenditure used in the formulation of the programme of work for this biennium, that is one situation. What the delegate of the United Kingdom wants to know is how can we formulate the programme for the next biennium without seeing whether the performance of the object-of-expenditure in this biennium is according to the plans we have made - I see the delegate of the United Kingdom nodding his head.

There are two elements to my reply: firstly, a practical one of timing. We formulate a programme of work for the next biennium. We start formulating it even before the first year of this biennium is over, so there is a timing problem in not being able to consider the object-of-expenditure utilization for the entire biennium before formulating the programme for the next biennium. That is a question of timing.

The second aspect is that related to programme budgeting itself, that when the programme objectives are the bases of the budgetary system, the purpose is to achieve certain objectives, not to spend money for object-of-expenditure just because you have built up your assumption on that basis. To give an example - the objective is to pursue training activities. That objective can be reached either by holding a meeting or by having a training manual or a workshop, or providing travel for study tours. In each field it is difficult to say exactly that the objects-of-expenditure are immutable. Depending on the situation when the Programme of Work and Budget was formulated, it has a certain kind of pattern of expenditure which is envisaged. It is on that basis that the budget is built up. So I think it has these two points which need some understanding.

I hope I have been clear, and the comment I revert to again is that certainly if there is such interest in seeing what the outturn was, all right - with the budgetary performance report we can give aggregate figures from which we can see on an annual basis for each year what the overall expenditure was. From the point of view of the Secretariat, this is something which will be slightly of academic interest. However, information is always useful, and people can draw their own judgements about its utility. I hope my supplementary reply has been satisfactory.

**CHAIRMAN:** We have only four minutes left, and I am reluctant to call another speaker but if the distinguished delegate of France can be brief, I will allow him to speak.

**Jean-Luc GRAEVE (France):** Je voudrais poser une question d'ordre pratique.

Nos débats ont été très sérieux, je dirais même austères, à la différence d'autres commissions. Mais nous avons cependant pris du retard. J'aimerais savoir comment le Secrétariat entend organiser la suite des débats.

Pourrait-il nous donner des précisions sur le moment où pourrait être voté le budget et sur le moment et l'heure à laquelle nous reprendrons nos débats en Commission III?

**CHAIRMAN:** I am not in a position to answer the question posed by the delegate of France at the moment. I think the Secretariat will have to work out this matter tonight and come back with certain proposals tomorrow morning.

**Elio PASCARELLI (Italy):** I have a question concerning Item 24.4 of our agenda. Mr Chairman, do you anticipate being able to discuss that point tomorrow afternoon?

**CHAIRMAN:** We are still waiting for information from you as to whether you are making a formal proposal.

**Elio PASCARELLI (Italy):** My question has nothing to do with the attempt to table a resolution. I told you yesterday, Mr Chairman, that I would table that resolution only if I had sponsors from Latin America, Africa and Asia. There were none, so that was a proposal which was left in the desert. My question now has to do with another statement of the Italian Government which is of some importance to the Organization.

**CHAIRMAN:** I am sorry, I cannot allow time for any more speakers. We will resume the meeting tomorrow morning at 10 o'clock.

The meeting rose at 17.30 hours

La séance est levée à 17 h 30

Se levanta la sesión a las 17.30 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

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C 87/III/PV/4

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Twenty-fourth Session  
COMMISSION III

Vingt quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

FOURTH MEETING  
QUATRIEME SEANCE  
CUARTA SESION

(20 November 1987)

The Fourth Meeting was opened at 11.00 hours

Mohd. Mazlan Jusoh, Vice-Chairman of Commission III, presiding

La quatrième seance est ouverte à 11 heures

sous la présidence de Mohd. Mazlan Jusoh, Vice-Président de la Commission III

Se abre la cuarta sesión a las 11.00 horas

bajo la presidencia de Mohd. Mazlan Jusoh, Vicepresidente de la Comisión III

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

PARTIE III - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

B. Administrative and Financial Matters (continued)

B. Questions administratives et financières (suite)

B. Asuntos administrativos y financieros (continuación)

25. Other Administrative and Financial Matters (continued)

25. Autres questions administratives et financières (suite)

25. Otros asuntos administrativos y financieros (continuación)

25.2. Replenishment and Level of the Working Capital Fund (continued)

25.2. Reconstitution et niveau du Fonds de roulement (suite)

25.2. Reposición y cuantía del Fondo de Operaciones (continuación)

**Francisco MORA (Costa Rica):** La Delegación de Costa Rica quiere apoyar el aumento del Fondo de Operaciones en los términos expuestos en el documento C 87/LIM/12, por cuanto Costa Rica, como miembro del Comité de Finanzas - muy cercano al desarrollo de las actividades financieras de la FAO -, ha podido constatar la necesidad de la creación, del fortalecimiento y del aumento que se propone del Fondo de Operaciones.

La experiencia de los últimos años en cuanto a las constantes devaluaciones del dólar han sido extremadamente claras respecto a la necesidad de mantener y, en este caso, fortalecer el Fondo; de tal manera que Costa Rica, como lo han manifestado aquí otras Delegaciones, apoya el mantenimiento y, en este caso, el aumento propuesto para el Fondo de Operaciones.

**Sra. Virginia ESPINOSA DE CARRION (Nicaragua):** Solamente queríamos decir que Nicaragua apoya el proyecto de resolución referente al aumento de la cuantía del Fondo de Operaciones, ya que considera que la actual cuantía del Fondo no permite el deseable desempeño de las funciones previstas en el artículo 6.2 del Reglamento Financiero.

**CHAIRMAN:** Does any other delegation wish to speak on the Working Capital Fund?

**Patrick Oliver RYAN (Ireland):** I will be very brief in speaking on this resolution to increase the level of the Working Capital Fund. We are not very happy about the specific circumstances which give rise to the need for this resolution. Speaking as a member of the delegation of Ireland, a country which pays its contribution in January of each year and has external debts and budget problems which I think rank on a scale with that of any developing or developed country on a per capita basis, we do appreciate the need to increase the Working Capital Fund. The maximum level was at a rather lower level, and it seems to us reasonable to increase it to \$ US 20 million and we are prepared to support this resolution.



**T.F.F. MALUZA (Zambia):** Yesterday my delegation said that we supported the increase in the level of the Working Capital Fund and also the proposal of the distinguished delegate of Italy that perhaps we could have a compromise due to the fact that a number of delegations did not support the resolution as it now stands, that we increase the amount to US\$ 20 million. In your summing up yesterday, Mr Chairman, I think you intimated that there was a lot of argument on this particular topic. I do not know whether there has been any negotiations going on around the corridors to see if we can all agree with the US\$ 20 million.

I do not know whether it appears from what we said yesterday. It is better to go from your summing-up yesterday and see how we can agree to that US\$ 20 million. My delegation is agreeable to US\$ 26 million, but as a concession we would also agree to US\$ 20 million.

**J.J. NG'ONGOLO (Tanzania):** Mr Chairman, since this is my first time speaking in this Commission, let me first congratulate you on your election to Chair this Commission. My delegation is very pleased with the way you have so far conducted our discussions.

Yesterday I listened carefully to the deliberations on the subject before us. Among other things, you explained the use of the Working Capital Fund. You said that the Working Capital Fund was intended to finance emergency expenditure which was not included in the Programme Budget, and that it was also intended to act as a buffer fund when it happened that actual expenditure exceeded planned expenditure for various reasons, among others short falls in financial flows. On the basis of this explanation, my delegation has realized the importance of the Working Capital Fund and that the proposed increase is actually intended to improve the operational ability of FAO.

When deliberating the Programme Budget in Commission II my country supported the Programme Budget increase on the basis that the Programme Budget increase was intended to enhance the realization of the objectives of the Organization. Since the proposed increase of the size of the Working Capital Fund complements what we have already agreed, my delegation supports the Draft Resolution despite the financial consequences it will have on my country.

We do so because my country attaches great importance to FAO, since my country is among the target group of the Organization. Although my country has partly fulfilled her obligations to the Organization, I would like to assure you that my country has a strong will to meet her obligations to FAO. The problem is that my country's efforts to do so are thwarted by forces beyond her control.

**A. Daniel WEYGANDT (United States of America):** I would like to begin by apologizing for any confusion that my previous intervention might have created. I was only trying to clarify the situation and certainly not to cast any new issues into the discussion. There is a certain amount of confusion already prevalent on the subject we have before us. It is not my understanding that the Working Capital Fund is being established to provide for emergency expenditures not foreseen in the budget. I do not think that is what the Working Capital Fund is there for. It seems that previous speakers have indicated that that is the case.

I very much appreciate the clarification given by Mr Crowther in his response to our discussions yesterday afternoon, particularly in so far as he made it quite clear that there are two main points here: one is that the overall rate of payment - with the exception of, I have to admit, our own delegation's contributions-is actually not too bad. The contribution level, leaving aside that of my delegation, is a bit better, if I understand him correctly, than it normally is. He also made clear that this increase in the Working Capital Fund cannot be possibly conceived of as in any way offsetting the lack of payments from the United States. The order of magnitude is very different.

With that in mind, I really wonder whether we have demonstrated in our discussions a clear need for an increase in the Working Capital Fund. It seems to me that there is a very pronounced problem facing the Organization. I cannot pretend that I am very happy about the fact that the United States' own withholding, if you will, or shortfall in its payments, is contributing to the problems within the Organization. That is not a situation that makes anybody from my delegation very happy. However, it does not seem to me that it is a situation that means that we therefore need to have an increase in the Working Capital Fund.

I said yesterday that the Italian proposal to increase the Working Capital Fund only to a level of US\$ 20 million was an interesting suggestion, and one that might find greater support amongst the delegations which spoke. I would like to clarify however, that my delegation is opposed to any increase in the Working Capital Fund. We would obviously prefer to see a limited increase in the Working Capital Fund but we do not feel that an increase in the Working Capital Fund is justified under the circumstances, because what in effect it means is that there will be an additional assessment imposed on all members - in the first instance, an additional assessment of some US\$ 6 million or US\$ 7 million to increase the level to US\$ 20 million and this precisely at a time when many delegations are not in a position to fulfill their obligations.

I can assure the members of the Commission that if the situation were different, that if my delegation were fully paid up and some other delegations were not, we would be extremely upset at any proposal that would increase assessments on us because of non-payments of others. We understand that this is a serious principle that has to be maintained.

Unfortunately, I am not in a position to present a solution to the Organization's Liquidity problem right here. This is a problem that is going to be with the Organization for some time to come, regrettably. It seems to me that by increasing assessments, that by increasing the level of the Working Capital Fund, at this time, you are simply not going to solve the liquidity problem that faces the Organization. Regardless of the outcome of our discussions on this issue, we should all be clear that by increasing the level of the Working Capital Fund we are not going to be solving the liquidity problem of the FAO in one blow.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** Yesterday afternoon, Mr Chairman, you asked whether member countries could agree to an increase in the Working Capital Fund to US\$ 20 million by way of a compromise, thereby foregoing the second stage of increase to US\$ 26 million. A lot of delegations yesterday afternoon spoke against that proposal. We feel that the suggested compromise would not actually change the underlying cause of the financial problems of the Organization. Therefore, I would endorse what has just been said by the United States of America. My delegation therefore sticks to what it said yesterday, namely that we cannot vote in favour of an increase in the Working Capital Fund and cannot adopt the Resolution suggested.

**DONG QING SONG (China) (original language Chinese):** When the Council discussed the increase in the Working Capital Fund the Chinese delegate expressed his support for the increase in the Working Capital Fund to the level of US\$ 20 million. Here I would like to reaffirm our support for the draft resolution.

After listening to the proposal by the Italian delegation, we also support that proposal - namely to limit the increase to the level of US\$ 20 million.

**Ms Janet Lesley TOMI (Australia):** My delegation would like to associate itself with the remarks made by the delegate of the Federal Republic of Germany. The Australian delegation, together with many other delegations, made very clear yesterday the rationale for their decision that an increase in the Working Capital Fund was unacceptable at this time. Therefore, the Italian proposal that an increase be confined to only US\$ 20 million at this stage is something that would still remain unacceptable to us because the position of the Australian delegation is that we believe that there should be no increase requested through additional levies on the Member States at this point.

**Ronald DEARE (United Kingdom):** What I said yesterday about the United Kingdom's position remains exactly the same whether we are considering an increase to US\$ 20 million or to US\$ 26 million. Like delegates who have just spoken, we are opposed to any increase in the Working Capital Fund and we will vote against this resolution or any compromise resolution for that reason.

**Raúl LOPEZ LIRA (Mexico):** A propósito de lo que he estado escuchando, nuestro país se manifestó ayer, en el sentido de que, por razones de tipo económico, nosotros no podríamos apoyar este incremento en el Fondo de Operaciones, pero que invitábamos a aquellos países que estuvieran en una mejor condición económica a que dieran soluciones al respecto.

Como igualmente mencioné ayer, nos desayunamos con la mala noticia de que el peso mexicano se había devaluado cerca de un 40 por ciento, y estas razones nos impiden apoyar a la Organización, pero invitamos a todos aquellos países que sí pueden hacerlo a que lo hagan. Quisiera disociar mi oposición a las otras razones, porque no es que México esté en contra de apoyar a la Organización, sino que por motivos económicos y de la crisis que estamos sufriendo, no podemos contribuir en esta ocasión.

**J. HEIDSMA (Netherlands):** Since the idea of restricting the increase to \$20 million came up again this morning, I would like to repeat that we fully agree with what the United States delegation has said. This solution - we described it as a stop gap measure - will not solve the problems of the Organization, and we frankly have some doubts as to whether this proposal would have come forward at all under normal circumstances. However, again, since this proposal will not solve the abnormal circumstances but will only result in an initial assessment, which indeed will be paid on time and in full by exactly those Member States who are paying their contributions on time and in full now, we simply cannot support this proposal.

I would also like to respond to something which the Mexican delegate said just now, and to point out to him that at least as far as my country is concerned we do already, and have done for many years, make additional payments to the Organization in some form or another. To give just one example: we were prepared to defer our proportion of the cash surplus - we have indicated so. We are also financing from time to time certain activities of the Organization in terms of support activities that would normally be paid from the Regular Budget, and not as an extrabudgetary contribution. We are therefore doing our best to meet any assessment laid upon us and, as a country which always pays on time and regularly, we simply cannot support that suggestion.

**J. LYNCH (Canada):** There are two reasons, as I understand it, for this proposal to be before us. If we look at the preambulatory paragraphs of the draft resolution, the second preambulatory paragraph talks basically about the economic crisis facing this Organization. My delegation agree with other delegations which have said that if the primary reason for this proposed increase in the Working Capital Fund is the economic crisis, then it would be illogical for us to approve it, because, with respect to the budget itself, no changes will be made: there are no contingency plan measures, there are no deductions in the Programme.

The classic two ways of dealing with a budgetary crisis, whether it be of a personal or a constitutional nature, are to cut expenses and to draw down on savings. We are not cutting ; expenses, therefore it would appear illogical to draw down on savings to meet the crisis. It appears that the crisis, at least in terms of the proposals made by the Secretariat on the budget, is not of a sufficient nature to take that type of extreme measure: therefore, in terms of the particular basis of what we are discussing now, my delegation agrees with those of the Netherlands, the United Kingdom, the United States, the Federal Republic of Germany, and those who have said that there is not sufficient reason to do what is now proposed, and there are a host of reasons on the other side why we should not, the primary one being that this will put an additional financial burden on the good payers at a time when they also are facing financial problems in their own home governments, and this would cause them at least difficulties of conscience as to whether or not they are going to pay it.

There is a second reason why the Secretariat is proposing this particular initiative, and that is to be found in preambulatory paragraph 3: that is, that the Working Capital Fund of this Organization has historically been lower than that of comparable organizations. This is not something new .. Mr Crowther can probably correct me, but to my understanding it has existed for several years. In my country's view, to bring Working Capital Funds across the United Nations system to realistic levels is a laudable goal, and in normal circumstances we would support this type of thing because we believe that it is something of a long-term reform which all United Nations institutions should institute. Our difficulty here is that the Secretariat is attempting to play "catch-up" too quickly, and is attempting to bring this Organization into conformity with others in a way which does not seem to be warranted, except by way of the financial crisis, which this Organization is refusing to look at in terms of the budget or of programme reduction.

The position of my delegation therefore is that if the proposed resolution goes forward, we will oppose it. If the Italian amendment goes forward we will oppose it, because in effect all the Italian amendment is doing is reducing a burden, not for the coming biennium, but for some future date - in fact, the Italian amendment does not change the financial burden on Member States by one Lira. The Italian amendment is the same proposal in terms of its effect on Member States during the coming biennium, which is what we are talking about in terms of the future financial burden.

I therefore think that if we are to look at any sort of compromise proposal which could command any sort of realistic support and any fully informed support, we have to look at something further than the Italian proposal. Having heard the statements by delegations here, I do not think that any further type of proposal would command enough support, unless delegates were to again intervene and say, "look, what we are doing here is not realistic - people are taking a position of principle on one side, and over-reacting on the other"

So I would suggest that perhaps we entertain the possibility of either a vote now on the basis of the resolution, or looking at more realistic possibilities.

**Jean-Luc GRAEVE (France):** J'ai déjà parlé hier, je voudrais donc faire des remarques nouvelles j'espère qu'elles seront nouvelles, à la lumière de notre discussion. Premièrement, la proposition de compromis qui nous est proposée de ne parler que des 20 millions de dollars me semble une fausse proposition de compromis. L'important, en substance, c'est ce qui est demandé aux Etats Membres et ce qui peut aider l'Organisation au cours du prochain biennium. La seconde augmentation de 6 millions de dollars, (20 à 26 millions de dollars) concerne le biennium (qui commencera dans deux ans). On a le temps de voir; certes si nous décidions maintenant d'une augmentation cela rapporterait un réconfort psychologique au Secrétariat, mais cela ne lui apporterait pas un sou. Alors, la question importante c'est de savoir si l'on est d'accord ou non pour l'augmentation de 6,75 millions de dollars pour le prochain biennium.

Ce qui est important c'est de trancher sur les 20 millions de dollars pour le prochain biennium. Ne pas parler des 26 millions de dollars ne changera rien à la substance du débat. Il a été dit, à la fois par M. Crowther et par la délégation américaine, que l'augmentation demandée du Fonds du roulement (je parle de la première période concernant 6 millions de dollars et quelques) n'était pas *a* la mesure du défaut de contribution du plus important Etat bailleur de fonds.

Je suis tout à fait d'accord avec cette analyse. Elle n'est pas à la mesure du manque de contributions passé et peut-être à venir, mais dans tous les cas elle aide certainement cette Organisation à passer le cap en terme de trésorerie.

Alors, j'en viens assez logiquement à la troisième remarque, sur l'organisation de nos débats. Il me semble que la discussion sur le Fonds de roulement aurait été plus rationnelle si nous en avions parlé après que le Secrétariat se soit exprimé sur l'ensemble des problèmes d'exécution du budget et que les délégations aient pu en discuter. Je crois que le compte de réserve spécial • que nous avons examiné est un problème différent parce qu'il a trait aux taux de change mais il faut bien dire que nous devons parler dans le vague. Je voudrais préciser enfin la position française en ce qui concerne les voix. Nous avons dû en rester, en l'absence d'indications, sur les problèmes d'exécution proprement dite du budget. Nous en restons à notre position de principe qui est de réserve car nous pensons que l'augmentation demandée du Fonds de roulement aboutit, comme l'ont bien dit les Pays-Bas, à reporter une partie de - la charge du non-paiement des contributions sur les Etats non payeurs. En cas de vote notre délégation s'abstiendra.

**Vincenzo BARILLA (Italie):** La proposition italienne concernant la résolution relative au Fonds de roulement est une proposition d'amendement formelle. Hier, l'Ambassadeur Pascarelli a confirmé l'augmentation à 20 millions de dollars pour le prochain biennium.

**Hidayat Ganda ATMADJA (Indonesie):** We discussed for quite some time yesterday the need to increase the Working Capital Fund. Some members are in favour of it and some members are opposed to the increase. After all that, there was a proposed amendment by the delegate of Italy, in an attempt to reach consensus. When I entered this room this morning, I expected that we would discuss in detail the proposal by the Italian delegation. Unfortunately, however, I have not seen this amendment, and now we start again to discuss the basic subject of the Working Capital Fund on which we faced difficulties yesterday. I do not believe that a discussion will help us to solve the problem, in view of the significant differences between Member States. I would therefore suggest that we postpone this discussion until we have the official amendment from the Italian delegation.

**CHAIRMAN:** As I told the meeting just now, what I am trying to do is to complete the list of speakers; I shall then give the floor to Mr Crowther who will elaborate on the amendment suggested by Italy, and after that I shall sum up. After that, the amendment will be put for consideration by the Commission and then, if there are objections - as I believe there are - we will put the matter to vote, so as to settle the issue once and for all.

**Mourad BENCHEIKH (Algérie):** La délégation algérienne a eu l'occasion de s'exprimer lors du dernier Conseil au sujet des contributions supplémentaires demandées par le Secrétariat pour faire face à crise financière que traverse notre Organisation.

La question de l'augmentation de fonds de roulement ne saurait nous convenir pour trois raisons principales.

Premièrement, et c'est la raison la plus évidente, c'est que nous envisageons d'accepter les propositions du budget présentées par le Directeur général et ce geste de l'Algérie témoigne de son attachement à la coopération multilatérale et constitue en même temps un sacrifice assez considérable pour l'Algérie.

La seconde raison c'est que, en définitive, l'Algérie du fait des chutes considérables de ses recettes d'exportation, et notamment les hydrocarbures qu'elle exporte sur les marchés extérieurs a entraîné une politique très stricte d'austérité économique fondée sur la préservation des investissements essentiels au développement et l'élimination des dépenses accessoires. La priorité étant réservée à la réalisation des objectifs de développement.

Vous comprendrez, Monsieur le Président, que dans ces conditions, il ne soit pas possible d'accepter la résolution qui nous est proposée.

La troisième raison que nous avons déjà évoquée lors de la discussion de cette résolution au Conseil, en novembre dernier, c'est qu'à bien considérer, la résolution s'inscrit dans un contexte de crise lié à la constatation d'évidence qui équivaut à demander aux bons payeurs des sacrifices financiers supplémentaires alors que la crise financière actuelle de la FAO résulte, bien évidemment, des arriérés de contributions que plusieurs Etats Membres, et pas seulement pour des questions économiques, ont manqué à notre Organisation. La délégation algérienne considère qu'il y a là une démarche injuste à laquelle nous ne pouvons souscrire.

Je voudrais ici souligner et bien faire comprendre que quelle que soit l'issue des discussions l'Algérie ne sera pas en mesure de faire face à des contributions supplémentaires. Je pense, que dans un souci de réalisme, il faudrait tenir compte de cette situation et ne pas amener les Etats Membres, qui ne sont pas en mesure de souscrire à des contributions supplémentaires, à entrer eux aussi dans la voie des arriérés.

Je voudrais préciser à cet égard que la proposition italienne, bien qu'attrayante, pour autant qu'elle permette des facilités de paiements, ne change rien au fond du problème; donc de ce fait elle ne peut être acceptable pour la délégation algérienne.

Je voudrais conclure en disant qu'à bien réfléchir la solution des problèmes de la FAO devrait être vue d'une façon globale. J'ai eu l'occasion de m'exprimer à ce sujet et cette façon globale, où serait pris en compte, en même temps le règlement des arriérés et des engagements que les contributions, se feront désormais sur des bases régulières, et adopter ainsi dans ce grand contexte le problème des réformes qui viseraient à accroître l'efficacité de notre Organisation.

Voici, exprimée en termes très simples et très clairs la position de la délégation algérienne qui vaut d'ailleurs (mais je ne voudrais pas anticiper sur les débats futurs) pour les autres propositions d'augmentation des contributions.

**Nils Ragnar KAMSVAG (Norway):** Let me just make a couple of comments to the question we have before us. We are certainly among those who are less than impressed by the Secretariat's income side in the proposed budget. We can certainly also agree with what has been said by several delegations here about the proposal to increase the Working Capital Fund's shortcomings as a stopgap measure for these things. Furthermore, I can also agree with the Netherlands when he talked about - and supported now by Algeria - that this probably means that good payers once again have to cover up for bad payers. Furthermore, Canada may also be right when they pointed to the fact that this question could have been raised a long time ago.

However, having said this, we think that each proposal has to be judged on its own merits. There is no doubt that the Working Capital Fund of the FAO is much lower than in any other Organization and that this proposal would have been justified also if we had not been in the particular economic situation we face today. So although the timing could have been somewhat more fortunate, as long as we think that the proposal, judged on its own merits, is correct, we will support it if it is either the proposal we have before us or if it will be the amendment put forward by Italy.

**Souleymane SAKO (cote d'Ivoire):** Je voudrais simplement vous dire que la délégation ivoirienne fait siennes l'entière déclaration de l'Ambassadeur de l'Algérie. Il vous suffira de remplacer "pétrole" par "café et cacao".

**Dedan Robinson KAMAU (Kenya):** The Kenya delegation would also like to be very brief in view of the time constraint that we have. I would like, because of brevity, to just support the proposals as presented by the distinguished delegate from Algeria, noting of course that the increase of the Capital Fund from US\$ 13 million to US\$ 20 million would amount to more than a 50% increase at a time when the financial crisis of the Organization mainly emanates from the non-payment by members, and realizing that any increase would have to be made up by additional contributions by members. Developing countries would find it very difficult to meet any increases.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** There are a number of clarifications either that have been requested or that seem to be called for. First, I think that it would be important to go back to this question on the necessity for the increase. Several representatives have made reference to the fact that the increase has been requested on the basis that it might solve the financial crisis facing the Organization. The financial crisis : clearly exacerbated the situation, but the request for the increase in the Working Capital Fund certainly will not solve that. It is intended to solve a part of that continuing crisis that has been with the Organization for many, many years, that is the non-payment on time of contributions. As I mentioned yesterday, we normally have arrears other than that of the United States of approximately 8% each year and after that, each biennium. We have limited the Working Capital Fund in the past to approximately 3%. We shall end this biennium with an amount of arrears - again,

other than the United States - in an amount coming very close to US\$ 26 million. US\$ 13 million will clearly not cover that US\$ 26 million. That is the basis upon which the request had been identified, not to solve the financial crisis but to attempt to allow us to carry out the Programme of Work and Budget for those delays in payments of member countries that are normal.

What this means is that it takes more than one biennium to collect the biennium's contributions. It is difficult and slow. And as the normal inflation and costs arise and the budget increases, therefore the percentage of arrears increases. This year we have collected from more countries which have made their contributions on time - in fact earlier than they have in many past years. Nonetheless, the amount of arrears in raw dollar terms has increased. We are in excess of the amount - again other than the United States - that we normally would expect to have, although the percentage remains very constant. The 3% in Working Capital Fund is not enough. Several delegates have asked, therefore, why now? It is a very difficult time to ask for an increase. Why now, because it has been exacerbated by the financial crisis, and it has been almost impossible for us to otherwise absorb the normal arrearages that exist. We have called upon every safety net that is there. Would we have come forward with a request, had the financial crisis not existed? In this instance, probably so. The amounts now have reached the stage where the US\$ 13 million is not a sufficient safety net to cover US\$ 26 million in arrears. It is just not possible. The Organization must assure its members that it can reasonably meet the Programme of Work and Budget that is adopted by the members.

Recognizing the amount of arrears that normally occur, the Working Capital Fund is the appropriate instrument by which we can make that assurance. It has just not been available to do that.

Several members have made reference to the fact that the good payers must absorb the problem of the bad payers, so to speak. Well, there are no bad payers; anybody who pays is a good payer. The problem is the delay in which it is received. The members may recall - and we do report regularly to the Finance Committee and Council and eventually to the Conference on the rate of payment into the Working Capital Fund, and yes, it did take a number of years for all countries to pay their proportionate share of the existing base. We did not collect it in one biennium or two. It took a number. But nonetheless, any increase in the Working Capital Fund at this stage by whoever pays is obviously going to help. Eventually, whatever increase may be adopted by the Conference would be paid in by all the member nations. It has been their custom. We can all be very proud to say that the representative countries to the FAO have been very good in payments. Sometimes it just takes a long time. Ultimately, the entire increase would be collected, but we do recognize that it would not occur in the first biennium.

Finally Mr Chairman, I think there is some degree of confusion over the Italian proposal. Some have said it does not change anything because it merely reduces the total increase to 20 million. Perhaps they are right, but that is not my understanding.

If I may, I would like to make reference to the statement made by Ambassador Pascarelli yesterday. If I recall correctly Ambassador Pascarelli during his last statement put forward a proposal to the Commission that would say, let us do limit the total increase to 20 million but carry it over two biennium, and he suggested that in the first biennium we attempt to collect 3 750 000, and in the second biennium we attempt to collect 3 million, which brings that total 6 750 000 increase on top of the existing base and would make it 20 million at the conclusion of the two biennium. He is in effect cutting the total request for an increase in half, and cutting the request for the first tranche almost in half as well. These are the figures that he put out to the Commission yesterday. Perhaps I understood them incorrectly, but that is the way I recorded them in my notes at least. And if that is the case, then that is the proposal that should be considered by the members insofar as the Italian proposal needs to be considered. I am not suggesting that the Secretariat has a view on that issue one way or the other. I am only saying that there seems to be some degree of confusion on that issue.

From the Secretariat's point of view the current base is clearly not enough to handle the arrears that exist, the normal arrears that exist. Twenty million is not enough to handle the normal arrears that exist. The timing - yes it is unfortunate, but nonetheless the Organization has to continue to operate in these times either way. If we are going to continue to assist the developing countries, we have no choice, we have to continue. Therefore there is certainly justification in our view for a request to the Working Capital Fund. Certainly it is up to the members as to whether they will accept and if so when.

The only thing we can do is to put forth the justification to need and hopefully, the degree of understanding that is there. We do appreciate the debate, the candid discussion that has gone forth, and certainly the understanding of the economic situation of the individual countries that are involved. They are certainly the members of this Organization and the ones that we must rely upon, therefore, for support. We appreciate that very much.

I think that touches on the items that needed some degree of clarification, but if there is anything further when we continue discussion we can go into that at that point.

**CHAIRMAN:** Thank you very much Mr Crowther. In the debate today we have seen some new countries who have spoken and voiced their position. In my counting I gather that five new speakers have agreed to the Resolution whereas another four have disagreed. Again, on balance, from those who have taken the floor yesterday and today, in my view there is still a slight majority who are in favour of the Resolution, and I still believe, as I said yesterday, that if the Resolution is amended according to the proposal made by Italy I think more countries would be in a position to agree with it. Of course as we have heard today, quite a number of countries who had already clarified their position yesterday have reiterated that they would continuously object to the Resolution even if on the amendment. In that case I have no other choice but to put the matter to the vote in the Commission, and I have to check whether there is a sufficient quorum for the vote, because if I recall correctly the vote, if it is taken, the total number of votes cast for and against..

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**J. LYNCH (Canada):** This will come up later, Mr Chairman, but my point of order is what are we going to vote on? You are probably going to explain that, but one thing is that I think Mr Crowther clarified something, that there is a very big misunderstanding about what the Italian proposal is, and I am not the only one who is under the misunderstanding - I think it is shared by at least two other delegates here - but if we are going to do anything with respect to the Italian proposal we are going to really have to make sure that it is clear, and perhaps if it could be written out it might be useful.

**CHAIRMAN:** Yes, I agree with you distinguished delegate of Canada. So before we proceed further it might be useful if Mr Crowther can read out the amendment so that everybody will be clear what we will be voting for.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance):** If we can refer to the Resolution in Document C 87/LIM/12 and more specifically to the last paragraph of the LIM document, the changes that would occur are in the two numbers that are presented. The US\$20 000 000 that exist in the present version from 1 January 1988 would be changed to 17 million. The second number, the US\$26 million as from 1 January 1990 would be changed to US\$20 million. With these two changes the last paragraph would then read: "Decides that the authorized level of the Working Capital Fund shall be US\$17 million as from 1 January 1988 and US\$20 million as from 1 January 1990 and that Member Nations shall be re-assessed in accordance with the provisions of Financial Regulations 6.2(b)(iv) and (v) as from 1 January 1988 and 1 January 1990 on the basis of the Scales of Contributions then in effect". Only the two numbers change if I understand the proposal correctly.

The meeting rose at 12 hours

La séance est levée à 12 heures

Se levanta la sesión a las 12 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

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C 87/III/PV/5

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Twenty-fourth Session  
COMMISSION III

Vingt-quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

FIFTH MEETING  
CINQUIEME SÉANCE  
QUINTA SESION

(20 November 1987)

The Third Meeting was opened at 15.45 hours.

Mohd. Mazlan Jusoh, Vice-Chairman of Commission III, presiding

La troisième séance plénière est ouverte à 15 h 45

sous la présidence de Mohd. Mazlan Jusoh, Vice-Président de la Commission III

Se abre la tercera sesión a las 15.45 horas, bajo la presidencia

de Mohd. Mazlan Jusoh, Vicepresidente de la Comisión III

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

PARTIE III - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

B. Administrative and Financial Matters (continued)

B. Questions administratives et financières (suite)

B. Asuntos administrativos y financieros (continuación)

25. Other Administrative and Financial Matters (continued)

25. Autres questions administratives et financières (suite)

25. Otros asuntos administrativos y financieros (continuación)

25.2. Replenishment and Level of the Working Capital Fund (continued)

25.2. Reconstitution et niveau du Fonds de roulement (suite)

25.2. Reposición y cuantía del Fondo de Operaciones (continuación)

**CHAIRMAN:** Ladies and Gentlemen, welcome to this Session of Commission III. We are still on the item of the increase in the level of the Working Capital Fund. This morning we had quite a number of speakers who have stated their position on the matter, and we have come to the stage where the decision will probably have to be taken to a vote.

In front of us we have the original Resolution as in document C 87/LIM/12, but from the discussion that has been going on yesterday and today the Chair has the feeling that the amendment suggested by the distinguished delegate of Italy has received quite a fair measure of support, and I would wish to clarify what the amendment is.

As we understand it, the amendment as it was clarified by Mr Crowther this morning is with respect to the last paragraph of document C 87/LIM/12, in which the two figures have been amended. The first figure in the second line of the last paragraph of the English text "US\$ 20 million" has been amended to "US\$ 17 million" whilst the next figure of "US\$ 26 million" has been amended to "US\$ 20 million". The amendment reads as follows:

"Decides that the authorized level of the Working Capital Fund shall be US\$ 17 million 'as from 1 January 1988 and US\$ 20 million as from 1 January 1990" - and so on. Since we have this amendment before us as well as the original text, I would like to know if the meeting wishes to make a formal vote on the original amendment or on the amended version.

**Ronald DEARE (United Kingdom):** I am not an expert on procedure, but as I understand it we should first deal with the amendment in a vote and then deal with the resolution as a whole. I suggest that that might expedite proceedings if you first put the amendment to the vote, by show of hands I suggest, and then, if the amendment is accepted, there should be a vote by show of hands on the amended resolution, or if the amendment is rejected a show of hands on the original resolution.

**CHAIRMAN:** Thank you for your constructive proposal. If that is agreeable to members present I can go ahead and call for a vote on the proposed amendment. I see no objection to that. However, there is a technical hitch here because if we vote on the substantive part of the proposal, which is the amendment, then the rules say that there has to be at least half the membership of the Organization present in this hall. As it is we do not have such a quorum. In that case, I request the Secretariat to make an announcement in the other Commissions so that they can send their people to make up a quorum here, and we can then proceed with a vote.

**John LYNCH (Canada)** : I think we are going to have trouble getting sufficient people for all of our sessions. Would it not be wiser to deal with all the agenda items and then take together all the items which need a vote and deal with them in one session? There is a certain amount of interlinkage between the various items on our agenda, and it would be helpful in getting sufficient people to turn out for a vote if we tried to group items altogether. We have lost time. I do not see any compelling reason why we have to have the vote right now. If we wait until more people come, we will all be here until close to 5.30 in the morning.

**CHAIRMAN**: That is a constructive suggestion.

**A. Daniel WEYGANDT (United States of America)**: Obviously there is some merit in the proposal by the distinguished delegate of Canada, because we cannot have a vote now in any event. Before we proceed too far away from the subject there ought to be a quorum call made throughout the building so we can try and finish this item. I do not agree that we should proceed with too many other items before we conclude this one. It seems to me we need to proceed in an orderly way and conclude items as we go through them. So far in our Commission we have not wrapped up much of anything; we keep putting things over and putting things over. I understand your hands are tied, Mr Chairman, because we do not have a quorum, but I do not think we should vote on everything all at once, even if that is the only way we can have a quorum. It is not the fault of the delegates who have participated this far that we do not have a quorum. This is a very bad situation in that our procedures are tied up this way. We ought to try and do something about it besides just postponing the item indefinitely.

**Ronald DEARE (United Kingdom)**: I wanted to say something very similar to what has just been said by the distinguished delegate of the United States of America. I realize the predicament in which you find yourself, Mr Chairman, and sympathize, but my concern is that if we do not try and conclude these items when we come back to the vote we will have the discussion all over again and we will never finish the Commission. We have already experienced this once on the subject of the Working Capital Fund, when we thought we had finished and then we went over it all again. If we postpone the vote we will just go through it all over again so I urge that consideration be given to the suggestion made by the delegate of the United States. If we cannot proceed, then obviously we will have to think again. But in my opinion we are in danger of turning this Commission into a bit of a muddle if we do not actually conclude one or two of our items.

**CHAIRMAN**: I am as anxious as everybody to conclude at least one item, otherwise I stand to answer to my Chairman.

**Mamadou CAMARA (Mali)**: Je pense que l'on n'a pas intérêt à toujours reporter car le problème risque d'être enlisé. Il nous faudra toujours revenir à la même chose et donner des explications aux nouveaux qui arriveront. Je pense que l'on remettra toujours ce que l'on doit faire au lendemain.

**CHAIRMAN**: To try to come to a decision on the Working Capital Fund and before we proceed further, I would like to explain the situation so that everybody in the room fully understands the situation and what we are voting for.

We have document C 87/LIM/12 entitled "Increase in the Level of the Working Capital Fund". We discussed this matter yesterday, this morning and part of this afternoon, and the Chair feels that from the sense of the debate that has been going on there has been a slight majority supporting the Resolution, although there is a strong objection to the Resolution. But then there was also an amendment being proposed by the distinguished delegate of Italy concerning the level of increase. Instead of increasing to the S 20 000.000 as from January 1988, it was proposed to increase up to S 17 000 000 and the \$ 26 000 000 as from January 1990 should be amended to \$ 20-000 000. This in effect would be an increase of \$ 3 750 000 for the first biennium, and another \$ 3.000.000 increase for the second biennium. That is the understanding of Mr Crowther. Maybe there is a misunderstanding. Maybe we should clarify this position first.

**Elio PASCARELLI (Italy):** Mr Chairman thank you for giving me the floor. But I have been quite clear. It is not a question of understanding English or not understanding English as this morning. I said very clearly that I did not care what happens from the 1st January 1990. I hope that God will help us and we will not need the second increase. My proposal was to make two instalments of the first increase; in other words to reach \$ 20 million for the next biennium in two instalments, the first instalment bringing the Working Capital Fund from \$ 13 250 000 to \$ 17 million for the year 1988, and this because it is quite believable - I mean realistic - to expect the first difficulties of the Organization in the first of the two years of the biennium and not in the second. Then to increase from 1st January 1989 for the remaining \$ 3 million, and to leave to God whether we need or do not need the extra \$ 6 million in the other biennium. This, I thought, was the sense of: my amendment: to take into account the views of some countries who think this is too much money to have to pay all of a sudden.

**CHAIRMAN:** I would like to give the floor to Mr Crowther so that he can clarify this matter and propose appropriate wording for it.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** If understand Mr Pascarelli correctly on this point - and I believe I do - the two changes in the amounts remain as they were, but there is a change in the date. The \$US 17 million as from 1 January 1988 would remain and the \$US 20 million would be as from 1 January 1989. That is the only other change I believe, Mr Chairman, except that in the last line we have the same date problem -instead of 1990, that should be 1989 as well. With those two changes in the date I believe we have the proposal to be considered and I think the Commission must decide whether it wants to take up the proposal before voting on the substance.

**CHAIRMAN:** Just to clarify matters, I shall read out again the amendment so that everyone has it. This refers to the last paragraph of C 87/LIM/12, on page 2 of the English text: "Decides" that the authorized level of the Working Capital Fund shall be \$US 17 million as from 1 January 1988 and \$US 20 million as from 1 January 1989 and that member nations shall be reassessed in accordance with the provisions of Financial Regulation 6.2(b) (iv) and (v) as from 1 January 1988 and 1 January 1989 on the basis of the Scales of Contributions then in effect." If that is agreeable to the delegate of Italy - I see him nodding -

**Yan HEIDSMA (Netherlands):** As a matter of clarification; it is my understanding that member states are supposed to pay their assessments also for the Working Capital Fund I take it at the beginning of the biennium, that is to say, certainly within the first year. My question is, if accepted what would this amendment mean for the actual assessment? Are countries going to be assessed again after the first year of the biennium, or will the assessment or the increase for the second year already be included in the assessment in the first year of the biennium? - which would not then make any difference if we had the amendment or not. I do not exactly understand what would be the consequence of this.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** Under the terms of this resolution as it has been amended this would mean a second call for contributions for the second tranche of the increase in 1989. So with regard to contributions due in January 1988, the first portion would be due at \$US 3 750 000, and the second \$US 3 000 000 would not be due until 1 January 1989. That is the way the resolution has been prepared. Therefore, the Organization would be bound by that resolution and would make a second call on 1 January 1989 for the second part as well.

**Sra. Doña Silvia CARBALLO VIVES (Cuba):** Muchas gracias, Sr. Presidente. Mi Delegación apoya la propuesta de la distinguida Delegación de Italia, la cual muestra interés en conseguir una posición conciliatoria para que la Organización de la FAO pueda contar con un Fondo de Operaciones que le permita hacer frente a las diversas actividades. Gracias, Sr. Presidente.

**CHAIRMAN:** At this stage I will remind delegations that I do not wish discussion to be reopened on this matter. We must proceed with the vote.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**Temei ISKIT (Turkey):** On a point of order concerning the vote, I do not want to complicate matters, but my impression is - and I do not know if my understanding is correct - that since we have an amendment we will first have to vote on that amendment. According to the results of that vote, whether the amendment is accepted or rejected, we will then vote on the resolution itself. I stand to be corrected.

**CHAIRMAN:** As I have just mentioned, we have a few alternatives. The first is whether we want to vote on the original resolution, to choose between the original resolution or the amendment. The delegation of the United Kingdom earlier made the suggestion that we vote on the amendment whether we agree or not to the amended resolution.

**Temei ISKIT (Turkey):** When I made this point of order my impression was that we did not have any choice. According to our rules we must first agree on the amendment and then vote or agree on the resolution itself. I do not think we have a choice. I stand to be corrected.

**CHAIRMAN:** We must vote on the amendment.

**A. Daniel WEYGANDT (United States of America):** I am sorry to take the floor again because on this item I have done so more often than I should; I recognize that. But I am in a little dilemma here because the understanding I came away with from the session this morning was different from that which we have before us now. I understand these things occur, but unfortunately I am in a position where I had gotten agreement from my delegation to support the position we had this morning. So I am wondering now whether I can give as an amendment to the amendment put by the Italian delegation that we revert to the position at the end of this morning. It was clear to those of us who were here what the amendment was, so I move that we take this amendment. I believe this should then be put forward as the first item for us to consider.

**CHAIRMAN:** At this stage I will call on the Legal Adviser to advise us on how to proceed.

**LEGAL COUNSEL:** Just before coming down to this meeting, I heard the delegate of the United Kingdom announcing the situation quite correctly. You have a proposal which is in the document before you. Another delegation has proposed an amendment to the original proposal. You vote first on the amendment. If that amendment is accepted, then the original proposal in this instance disappears -it is superseded. If the amendment is rejected then you vote on the original proposal. It is quite simple. I gather there is an amendment to the amendment. When there are a series of amendments, as we have had in other sessions during this Conference, you start with the amendment which is furthest removed from the original proposal and work backwards to the original proposal if that one is still valid. So of the three, you have a proposal and two amendments. I am not quite sure what the precise text is, but the one which is furthest removed from the original proposal is put to the vote first, and then you work backwards.

**CHAIRMAN:** I am not giving any more time for discussion otherwise this meeting will never end. I will ask Mr Crowther to clarify the first amendment made by the delegation of Italy and then the amendment to the amendment put forward by the delegation of the United States. After that we will have a vote. I do not want to delay this matter any longer.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

As I understand it, and I hope my understanding is correct, the original proposal that is included in the resolution called for increasing the Working Capital Fund to a level of \$US 20 million in 1988 and \$US 26 million in 1990. The first amendment that was proposed - although it may have been misunderstood, but nonetheless it was the first amendment that was proposed - was to increase the level to \$US 17 million only on 1 January 1988 and to \$US 20 million on 1 January 1990. No - the first amendment was 1990; it may be, but that is the way the proposition was put before the Organization. The delegation of Italy has clarified that, and that has now become the second amendment. If I understand correctly, that is the last amendment which should be determined first. I shall repeat that part of it. Therefore, the last amendment is the one read out last. It is that the Working Capital Fund would be increased to \$US 17 million as from 1 January 1988 and to \$US 20 million as from 1 January 1989. That was the last amendment proposed. That should be determined first. Then the earlier amendment, which is a change in the year only, is taken, and then you go back to the resolution. That is my understanding.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**Ismael DIAZ YUBERO (España):** Perdóneme; quizás esté confundido. Creo que lo que vamos a votar en estos momentos es una resolución; una resolución que ha tenido que seguir una tramitación determinada, pasar por un Comité de Resoluciones, etc., etc. Creo que es así. Que yo sepa, en estos momentos, por lo menos a la Delegación española no le ha llegado nada más que una resolución. Una resolución.

Yo no sé si se pueden votar enmiendas a resoluciones sin haber pasado previamente por el Comité. Si es así, le rogaría que lo aclarásemos, y entonces procederíamos en consecuencia. En caso contrario, Sr. Presidente, yo le pido que termine ya el debate y procedamos a votar las resoluciones que en estos momentos tenemos sobre la mesa.

**LEGAL COUNSEL:** In reply to the delegate of Spain, the voting on the amendment does not depend on the draft resolution going to the Resolutions Committee. The Resolutions Committee has a formal task. It deliberates on the receivability of the resolutions it has before it and questions of form, but not of substance. The amendments proposed now are questions of substance upon which the Resolutions Committee would not be competent to pass judgement.

**Ismael DIAZ YUBERO (España):** Después de la información que nos ha dado el Sr. Roche, yo le rogaría que procediésemos según establece el Reglamento, pero que procediésemos ya a votar. Cabe la posibilidad de que, dentro de un poquito de tiempo, como sigamos así, tampoco vamos a tener quorum, y no vamos a poder votar ni éstas ni ningunas otras. Muchas gracias, Sr. Presidente.

**CHAIRMAN:** Thank you very much. Definitely, that is my first intention, to put the matter to the vote straight away. Before we vote, we have to be clear because there is a resolution as presented to us and there are two amendments. There is the first amendment and then there is an amendment to that amendment. According to what Mr Roche said just now, the amendment furthest removed from the original resolution has to be voted on first. To make things clear, I would like Mr Crowther to read out the amendment furthest away from the resolution because that will be the amendment that we shall vote on.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** The amendment furthest away from the original resolution was the one that Ambassador Pascarelli explained just now, and I shall read it out to you. That is, therefore, the one we should take first. The amendment that is being considered would read, in the last paragraph of C 87/LIM/12:

"Decides that the authorized level of the Working Capital Fund shall be US\$ 17 million as :from 1 January 1988 and US\$ 20 million as from 1 January 1989 and that Member Nations shall be re-assessed in accordance with the provisions of Financial Regulation 6.2(b) (iv) and (v) as from 1 January 1988 and from 1 January 1989 on the basis of the Scales of Contributions then in effect".

**CHAIRMAN:** I hope all members are clear on what we are going to vote on now, that is on the amendment to the resolution as just read out by Mr Crowther.

Vote by show of hands

Vote à main levée

Votación a mano alzada

The amendment was aproved by 32 votes to 19 with 1"8 abstentions.

L'amendement est approuvé par 32 voix contre 19 et 18 abstentions.

Por 32 votos contra 19 y 18 abstenciones queda aprobada la enmienda.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**A. Daniel WEYGANDT (United States of America):** Please I am not questioning the outcome of the vote but I wish to refer to the Rules, the Basic Texts, page 32 of the English text of the Rules. Please correct me if I am wrong, Mr Roche. There it talks about a required majority for any decision being one more than half of the votes cast. It seems to me that we had certainly more than 52 votes cast. I do not know how you count absentions. That is my question. It seems to me that it should be more than half of the yes votes. I apologize for putting it so inelegantly.

**LEGAL COUNSEL:** The interpretation of what is meant by "votes cast" is defined in Rule XII, paragraph 4 (a) which reads: "For the purpose of the Constitution and these Rules, the phrase "votes cast" shall mean affirmative and negative votes, and shall not include abstentions or defective ballots".

**CHAIRMAN:** I hope that clarifies the matter.

**John LYNCH (Canada):** Just to avoid further confusion - and we are already really confused here - are there enough people in the room to have qualified for a vote? Is that a valid vote according to our rules?

**LEGAL COUNSEL:** Mr Chairman, when you began the voting the Secretariat did check to see whether you had a quorum. I do not know whether in the meantime, in the course of the voting, the quorum disappeared, but the number of votes for, against or abstaining does not necessarily mean that you do not have a quorum, because some delegations may have preferred not to vote at all.

**Vaasatia Poloma KOMITI (Samoa):** The distinguished delegate of Canada has made the point I was going to raise. According to the rules, the vote on a financial matter requires the majority of the members. According to my count, only 79 voted and that is one less than the majority that was required.

**Mourad BENCHEIKH (Algérie):** Je ne voudrais pas ajouter à la confusion, mais quand même; je suis en train de constater qu'il faut vraiment insister pour avoir la parole. Cela m'est arrivé ce matin, lorsqu'on a discuté du budget, cela m'arrive avec vous. Je ne sais pas si c'est une question de disposition de la salle, mais il semble que tout ce qu'il y a à votre gauche, vous ne le voyez pas.

Cela dit, je pose trois questions. La première: est-ce-que ce vote par pancarte . levée donne la garantie que ceux qui sont sur l'estrade ont vu toutes les pancartes qui ont été levées? Je n'en suis par sûr. Seconde question: est-cé-qu'il n'y aurait pas nécessité de procéder à un vote par appel nominal pour être tout à fait sûr? Troisième question: est-ce-que, s'agissant de problèmes financiers, le Règlement ne prévoit pas un vote aux deux tiers? Il s'agit après tout d'une augmentation de contribution. C'est un problème financier et je pose la question à notre jurisconsulte.

**CHAIRMAN:** Before I give the floor to other speakers, maybe I should refer the matter to Mr. Roche to respond.

**LEGAL COUNSEL:** To reply to the various questions of the delegate of Algeria in the order in which he presented them, the first one was whether a raising of hands guarantees that all hands raised are counted. I think we can trust the Secretariat, which has long experience in this matter, to see all the cards which are held well above the heads of the various delegates.

After all, you will bear in mind that this is the normal way of voting, both in the Council and in the Conference. This is the normal procedure, and I do not think it has created any problems in the past.

The second question was whether there was a quorum. As I said before, the Secretariat counted the delegations before the voting began and found that there was a quorum.



The third question is whether a two-thirds majority is required. This is not required in the Commission. Therefore, a simple majority vote is perfectly valid.

**Elio PASCARELLI (Italy):** I do not want to raise the same complaint as did my Algerian colleague, because I am very close to you, so I do not want to raise anything like a point of order: but I would like to make a brief remark on this vote. Ever since I was at primary school I was taught that a quorum must be verified if challenged before, but not after the vote.

**Mourad BENCHEIKH (Algérie):** J'ai écouté les explications de Monsieur Roche. Il a répondu: à une question que je n'ai pas posée. Je n'ai pas parlé de quorum. J'ai demandé s'il ne serait pas préférable, compte tenu des doutes que j'avais exprimés sur la capacité du Secrétariat ou de l'estrade de voir toutes les pancartes, s'il ne serait pas préférable de procéder à un vote par appel nominal afin d'avoir la certitude que tout le monde dit bien ce qu'il veut bien dire.

**T.F.F.MALUZA (Zambia):** My question is very simple - where do we go from here? Are we still going to vote on this one and the next proposal? - or is this the last one? I understood you to say when we began that we would deal with the one furthestest. away-and' then with the;second one, and I am not very clear as to whether this is the last vote or whether there is another one.

**CHAIRMAN:** I think we should have the matter clarified by Mr Roche.

**LEGAL COUNSEL:** Perhaps I should answer the last question. Under the Rule - paragraph 26 of Rule \_ XII - if the adoption of an amendment implies the rejection of the other proposals, then they are not put to the vote. I believe in this particular case that it is fairly clear that the amendment which was adopted does exclude the others, because certainly both the figures \$17 million in 1988 and \$20 million in 1989 are different from the original proposal; therefore, if you have accepted \$17 million in 1988 and \$20 million in 1989, you have quite clearly discarded the original proposal. The intermediate proposal was \$17 million in 1988 and \$20 million in 1990. The first two figures are the same, so that means that half of the intermediate proposal was accepted automatically, because it is the same; and \$20 million in 1989 clearly excludes \$20 million in 1990. So much for that particular point.

I do not know whether the delegate of Algeria is wishing to challenge the results of the vote that has just been taken. I do not believe that that is the case. I think - if I interpret him correctly - that he is just wondering whether that was the best way of carrying out the vote. Had he at the time believed that a roll call would have been more appropriate in the circumstances, then he was of course free to propose that, and under Rule XII.7(a) it would have been compulsory to have followed the roll call vote procedure.

**CHAIRMAN:** If everyone is agreeable with that clarification by Mr Roche, I take it that this Commission has agreed. to this amendment and that there is no further need to vote on either the original resolution or on the intermediate resolution.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**Ronald DEARE (United Kingdom):** We voted on the amendment - we have not yet voted on the substantive resolution as amended. Surely we proceed now to a vote on the resolution as a whole as amended. If it will assist the delegate of Algeria, I would be prepared to support a call for a roll call vote on it.

**CHAIRMAN:** I beg the delegates in this room not to leave the room! We may need to vote again. The Secretariat is making a count now; I am told that there is now a problem with the quorum. The numbers present have fluctuated, and some people have left the room. There are now 76, and we are short of a quorum for a vote. In that case, we shall have to wait for a while and make some effort to bring more people into the room to try to finish with this matter.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**Carlos DELPIAZZO (Uruguay):** Es una cuestión de orden. Esta' Comisión se ha pronunciado en una votación perfectamente legítima, nos guste o no nos guste su resultado. De modo que para poderla revisar, la única vía sería reconsiderar esa votación y votar, por lo tanto, que se reconsidere lo que se ha resuelto. De lo contrario, esta Comisión se ha pronunciado con un quorum perfecto y con una mayoría suficiente.

Muchas gracias.

**CHAIRMAN:** If I had my way I would like to agree with what you have just said! Unfortunately though there is some disagreement.

**Igor KIPMAN (Brazil)** I cannot agree with the distinguished delegate from Uruguay. I would however support the view of the distinguished delegate of the United Kingdom. According to this vote, which was done in a room with an adequate quorum, we have approved the amendment, and now we should put to the vote the resolution as amended. This is just a procedural form of bringing the resolution to approval.

**Sra. Maria Eulalia JIMENEZ (El Salvador):** Muchas gracias, Sr. Presidente: Mi delegación está de acuerdo con lo que acaba de expresar el delegado de Brasil. Tenemos que votar el texto completo de la resolución. Hemos votado únicamente esta modificación propuesta por Italia.

Gracias.

**CHAIRMAN:** I have been discussing this matter with Mr Roche, and he also thinks that another vote can take place on the amendment itself. It is quite true though that we have now voted on the procedure .

**Assefa YILALA (Ethiopia):** I also feel the same way as the previous three speakers, United Kingdom, Brazil and El Salvador. We have voted on the amendment and so will still have to go through the endorsement of the amendment itself.

**CHAIRMAN:** As we are waiting for a quorum perhaps Mr Roche could clarify the matter of this procedure.

**LEGAL COUNSEL:** The way I understand it is that the vote that you have now taken is on what the operative paragraph is going to look like - what the figures are that you are going to have in that paragraph. If you are all in agreement with the rest of it, and there was a majority in favour of the operative paragraph, it is likely that it will be carried; but that is something which can only be told once you have voted on the resolution as a whole. There may be other parts which are not acceptable to certain delegations and you may get a different result when you vote on the entirety of the resolution.

Therefore, in my view, the decision that you have reached is on what you would like the operative paragraph to contain, provided that the resolution as a whole is acceptable. Then, when a quorum is achieved, you will vote on the resolution as presented, with the operative paragraph as amended as a result of the vote which has just been taken.

**CHAIRMAN:** I hope that that explanation has clarified the matter to the members of this Commission.

**A. Daniel WEYGANDT (United States of America):** I have a question. I take it that until we have a quorum this resolution cannot go anywhere - we cannot do anything with it? I suggest that we ask the Secretariat once again to spread the word through Commission I and Commission II to try to find some people to join us, because I am somewhat appalled to see that one of the sponsors of one of the amendments has apparently decided to absent himself from the room. In the time spent deciding whether we have a quorum, we could have had four or five roll call votes. Not that I am calling for a roll call vote but I think we should get on with it, and try to finish -our business.

**Antoine SAINTRÁINT (Belgique):** Je crois que cette proposition est très satisfaisante. Je proposerai également que l'on discute de tous les points différents qui sont à l'ordre du jour de notre Commission et que nous groupions ultérieurement le vote sur tous les différents points sur lesquels on n'a pas encore voté. Cela permettra d'atteindre un quorum et ce quorum servira pour tous les votes sur les différents points sur lesquels nous avons à nous prononcer. On pourrait ouvrir la discussion sur le fonds de réserve spécial et les autres points qui sont soumis à notre ordre du jour et nous grouperions tous les votes ensemble et à ce moment-là on battra le rappel pour avoir une fois pour toute un quorum qui permettra une série de votes groupés.

**CHAIRMAN:** Thank you very much, distinguished delegate of Belgium. As a matter of fact, there was such a suggestion previously, but there was also some disagreement on that suggestion. The idea is to dispose of this matter first and then go ahead with the other matter next so as to avoid further confusion.

Ladies and gentlemen, we just had the quorum. We have one extra, 81. Before we proceed I would like to give the floor to Mr Roche who will clarify what we are voting for and how we are going-to proceed with it.

**LEGAL COUNSEL:** Mr Chairman, you are now about to vote on the resolution contained in Document LIM/12, the last paragraph of which is amended in accordance with the vote that you have just had a little while ago before we lost the quorum. So it is on the resolution as a whole. The question of how you are going to vote - I do not know whether a roll call vote has been formally proposed. If it is not proposed, then the normal way of voting is by a show of hands.

**Mourad BENCHEIKH (Algérie):** Je voudrais simplement dire que j'ai cru entendre, et je le remercie de son aide, le représentant du Royaume-Uni proposer un vote par appel nominal. On ne peut pas passer sous silence la proposition qui a été faite.

**Ronald DEARE (United Kingdom):** Mr Chairman, there was obviously a slight misunderstanding in the interpretation. What I said was that I would be willing to support the delegate of Algeria if he called for a roll call vote. I am not myself calling for a roll call vote but I would die in a ditch to defend the right of any other delegate to call for a roll call vote.

**CHAIRMAN:** Thank you very much distinguished delegate of the United Kingdom. If there is no formal move; from any other country for a roll call vote then I suggest that we proceed in the normal way of voting which is by a show of hands. I give the floor to the delegate of Barbados.

**Clifton E. MAYNARD (Barbados):** Mr Chairman, I am voting.

**CHAIRMAN:** We have waited for a long time for this. Okay, in that case we will proceed with the vote.

**Sra. Mercedes FERMIN-GOMEZ (Venezuela):** Gracias, Sr. Presidente. Usted no tiene que hacer sugerencias. Usted pone a votación, si está sugiriendo; usted es el Presidente. Eso es lo que estamos esperando que haga. Gracias.

**CHAIRMAN:** Thank you very much distinguished delegate of Venezuela.

Vote by show of hands

Vote à main levée

Votación a mano alzada

The resolution as amended was approved by 53 votes to 19 with 11 abstentions.  
La résolution telle qu'amendée est approuvée par 53 voix contre 19 et 11 abstentions.  
Por 53 votos contra 19 y 11 abtenciones queda aprobada la resolución con la enmienda.

**CHAIRMAN:** Thank you very much Secretary. Before I give the floor to member countries I would like to get Mr Roche to say whether the vote is according to the rules of the Organization.

**LEGAL COUNSEL:** I do not think there is very much I can add to what has been said by the Secretary. The required majority has been obtained and therefore the Resolution has been adopted in this Commission.

**CHAIRMAN:** Thank you very much Mr Roche. Then I declare that the Resolution as amended, is approved.

The Resolution as amended, was approved  
La résolution, ainsi amendée, est adoptée  
La resolución, así enmendada, es aprobada

- 25.6. Personnel matters
- 25.6. Questions de personnel
- 25.6. Asuntos de personal

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** I would like to take the opportunity to introduce document C 87/14 which I believe each of the delegations have before them. I would like to make a statement on this very important matter relating to staff on behalf of the Director-General.

The Director-General in his opening remarks to the Conference, and similarly to Council and to several other bodies, has evidenced his strong concern over the deterioration of conditions of service for the staff. He is very worried about the unfavourable and worsening conditions of the professional and higher categories. As the Director-General stated in his opening remarks, it has also been recognized by members of Council and Conference that the real capital of the Organization lies in the expertise and experience of its personnel, without whom the Programme of Work approved by the Conference could not be carried out. Efforts to improve the effectiveness of staff service are continuous through personnel management programmes, including staff evaluation, training, career development, planning, etc.

Nevertheless, we are facing at present a steady exodus of our most experienced staff through resignation or early retirement, due almost entirely to the continuing erosion of conditions of service and certainly of possible future position, with further adverse effects on conditions of service.

For the same reason, it is becoming evermore difficult to contract suitably qualified persons to serve the Organization. As delegations will be aware, our Constitution enjoins us to recruit from all our Member Nations in an effort to achieve and maintain an equitable geographical distribution among staff. The terms and conditions of service we are able to offer are becoming less attractive and in some professional categories we are no longer competitive in a considerable number of countries. Yet we cannot consider lowering the quality of expertise we need.

The staff of this Organization are not seeking a privileged status in the common system, but simply recognition of the economic difficulties the staff face, particularly when working in field locations. The staff are only too well aware of the financial difficulties the Organization is facing and the need for stringency, but as the Director-General has constantly pointed out both in the FAO governing bodies and in other competent United Nations organs, it is shortsighted and ultimately counterproductive to seek to counter difficulties at the expense of the staff.

Therefore, the Director-General wishes to appeal to Conference through Commission III that Member Nations perceive and respond positively to the situation of staff in the political fora where personnel matters are discussed. As the governing body of the Organization, the Director-General also wishes to be assured of your full support when he addresses these matters in the appropriate bodies in which he represents the Organization. Such expression of support for the staff by the Conference would engender a climate of confidence among the staff that their continued dedication is appreciated and consciously rewarded.

As part of the deliberations this afternoon we thought it would be helpful, with your permission, to have a representative of the Association of Professional Staff here at FAO to address the audience and to describe the level of difficulties as the staff organizations see it. I believe Mr Freeman, the Executive Secretary, is here and would be willing to address you, if that would be useful, before the discussion on the paper or following it, whichever delegations would prefer. Otherwise, we are perfectly willing to answer any questions that the debate might bring.

**E. J. FREEMAN (General Secretary, Association of Professional Staff):** Mr Chairman, distinguished members of this Commission, Mr Director-General, on behalf of the President of the Association of Professional Staff, Mr Michael Taylor, myself as the Association's General Secretary and Mr Egbert Conze, Chairman of the Field Staff Association, I wish to thank you for the invitation to address this meeting and to thank the Director-General for making it possible.

The meeting was sought by our Associations to inform you, our governing body and as such our employer, of the crisis - if not the collapse - of staff morale brought about by the continuing erosion of our terms of service and to caution that if this is not halted the Organization's performance must deteriorate, perhaps irreversibly. The Administrative Committee on Coordination, a body which comprises the heads of all United Nations organs, recently warned that the true worth of the organizations to Member States, developed and developing alike, is entirely dependent on the quality of the services and the expertise they provide. The Committee said that executive heads were faced with an increasing number of resignations and early retirements of senior advisers, technical specialists and programme managers, depriving the organizations of valuable expertise which adversely affected their work, particularly in the field.

The Fifth Committee of the UN General Assembly, which determines our terms and conditions of service knows little about the specialized agencies such as FAO. Time after time the Fifth Committee has made decisions based purely upon political considerations.

There are now many, many FAO field staff who are having serious personal financial problems. In July 1987 post adjustment was negative in no fewer than 41 duty stations: staff there receive even less than the base salary, which itself has not been increased since 1975. In various major duty stations, the real value of professional salaries has fallen by 20 per cent or more since the early 1970s, a trend aggravated in the last three years by the post adjustment freeze imposed by the General Assembly and by the weakening of the US dollar vis-à-vis the local currency.

There has been no increase in professional salaries since 1975 and the number of years that professionals have been without a real increase now stands at 12. The results of this "freeze" policy on the salaries of FAO professionals in Rome is that there has been a 17 per cent loss in purchasing power (uncompensated) in the past four years. Recommendations to improve the education grant and child allowance were not even considered.

In 1985 the General Assembly did nothing to correct the continuing deterioration and erosion of our salaries but made things worse by illegally reducing our pensionable remuneration. In 1986 they turned their attention to a second reduction in pensions which, coupled with the loss in the value of the U.S. dollar, has meant a substantial decline in local currency pensions for professional staff at most major duty stations. If the present decline continues, by 1990 benefits expressed in

terms of several European currencies will have fallen by more than 30 percent from their January 1986 level. In other words, these two reductions in the pensionable remuneration for the professional and higher category staff mean that the longer they remain in service the lower will be their pensions. At the same time the Group of 18 in New York urged the General Assembly to reduce the applicability of the education grant to secondary schools only and lower the number of leave days per annum, while throughout the world employers were doing just the opposite by increasing the number of leave days.

As you well know, the professional's salary is compared with that of the most favourable national civil service. This comparison is called the Noblemaire principle. For many years, that is since 1945, the comparator civil service has been that of the United States, although reliable information in our possession today indicates that it is no longer so. Since 1975 the comparator civil service has received seven salary increases and is scheduled for another, effective 1 January 1988, while UN professional officers' salaries have remained static, since 1975.

The overlap in salaries between General Service and Professional categories has so grown in recent years that the overall FAO grade structure has become meaningless and results in gross inequities. In fact, officers in grades P/1, P/2 and P/3 receive a compensation considerably lower than that of the General Service staff they are supervising. In many cases an incredible situation has arisen by which those staff promoted in the past from the General Service to the Professional category receive a remuneration which is actually lower than if they had not been promoted. The different treatment of the two categories of FAO staff members has resulted in an unacceptable, inequitable and degrading situation which finds no equal in any other pay system and is in contrast with the basic principle of the right to equal treatment of staff. Yet certain member governments systematically criticise the salary levels of international professional staff. At the same time no one has been able to explain why it is so difficult to hire the nationals of these countries and why it has become impossible to satisfy their quotas unless they receive substantial sums of money as supplementary payments. To illustrate this point we may mention the case of a D2 Director in this Organization who returned to his former civil service post after 4 1/2 years service and found a supplement of the order of U.S.\$ 80,000 awaiting him. Similar supplementary payments are being made to nationals of several other governments working, or willing to work, in the UN system. The International Civil Service Commission has requested these governments to cease this practice but so far without results. Comparisons of total compensation, including expatriate benefits, show that in duty stations like Geneva, United Nations remuneration is only about 80 percent of that of United States civil servants, and in field duty stations, such as Bogota, may be as little as 54 percent.

Many of the expatriate FAO staff are seriously reconsidering whether they can remain in service due to the enormous increases, particularly for English-speaking schools, in education costs that have taken place since 1983. To be precise, these costs have increased by 85 percent whereas the education grant has remained unaltered.

On 5 June this year we received a major setback when the International Labour Office Administrative Tribunal, our independent court of appeal, gave its decision on the appeal against the reduction of pensionable remuneration. The Tribunal's judgement has placed us in the position of having no legal recourse against decisions which are in violation of established legal principles, not least the concept of acquired rights, at least when such decisions are made by the General Assembly.

Therefore, it should now come as no surprise that in early September the APS held an Extraordinary Assembly (the first in our thirteen years of operation) and all Professional staff from both FAO and WFP mandated us (by acclamation) to obtain approval from the Director-General to address you on these matters. The colleagues we represent are no longer willing to accept the continuing deterioration in our terms and conditions of service to the detriment of both the professional staff and the organizations which they serve.

In the limited time available to us we have endeavoured to impress on you the extremely serious situation for the staff and the Organizations arising from the present unfavourable and noncompetitive terms and conditions of service in the UN in general and FAO/WFP in particular.

We ask this Commission to express its concern about the present situation in the interest of its employees who have until now disregarded their security and their personal obligations and suffered serious economic losses to maintain the programmes of FAO. Firstly, we suggest a cable be sent to Mr Amnaeus, Chairman of the Fifth Committee, stating the importance the FAO Conference gives to a positive reaction to the ICSC and Pension Board recommendations which were formulated at the Twenty-sixth Session of the ICSC meeting in New York in July.

The recommendations are: first, the Washington/New York cost-of-living differential should be retained and the other changes in the margin methodology decided in 1986 should be implemented; the effect of this recommendation will be to end the post adjustment freeze in New York early in 1988.

Second, the post adjustment system should be modified, so as to soften its adverse impact on field duty stations with low or negative post adjustment, and in no case should the post adjustment be allowed to fall below minus five.

Third, annual leave and the scope of the education grant should remain unchanged, notwithstanding the cuts recommended by the Group of Eighteen.

Fourth, as an interim measure, floor exchange rates for calculating local currency pensions should be established, based on the average ratio between local currency and dollar pensions in 1987, thus ending the absurd state of affairs in which the pension gets smaller the longer the official works.

Fifth, the level of education grant should be increased to US \$8 000 per child per year from the present level of US \$6 000, which would mean an additional US 500 to those staff members who qualify.

Secondly, we ask you to be fully informed of the serious state of staff morale and the inability of many of us to continue our work under the old phrase "business as usual".

Mr Chairman, Commission members, we want to work with FAO Management and with you its governing body, without political middlemen in faraway places. We are proud to be part of FAO, but we have our self-respect to maintain and our personal commitments to honour. We cannot help others if we cannot help ourselves. We wish to have our conditions of service at a level where we may again dedicate our full experience and efforts to ensure that the ideals and goals for which the FAO was formed will be carried out. The sands of time are running out rapidly.

We have explored every other avenue without success. You, our employers, at this stage seem to be almost the last court of appeal for FAO's professional officers.

We urge you to support and endorse, in the ways we have outlined, the dedicated work of those who provide what the heads of UN agencies have described as "the Organization's true worth".

Copies of this statement will be available in English outside the Plenary Hall. We regret however that there was not sufficient time to effect translation into the other official languages.

**CHAIRMAN:** Thank you very much Mr Freeman. I would now like to open the item for discussion. Are there any comments?

**John LYNCH (Canada):** I would like merely to indicate my Government's appreciation for the work of international civil servants, including those of the Food and Agricultural Organization of the United Nations, and to express the commitment that we must all be alert to the need to improve the conditions of employees and staff. We will, of course, take the comments made by the representative of the Professional Staff today, and bring them back to our headquarters and our representatives on the Fifth Committee who deal with these matters.



If I may at the same time under this agenda item refer to something which is related, but for which no presentation has been made: As you are probably aware and as many delegates in this room are probably aware, my Government is strongly committed to the improvement of the status of women in the United Nations Specialized Agencies - this has been one of my Government's highest priorities of action. In this context, we would appreciate receiving from the Secretariat, additional information, which perhaps Mr Crowther could provide after dealing with the situation of employment of staff and their remuneration, as to the status of professional women within the Secretariat of ' the FAO, particularly with respect to any comparisons you may like to make with the fact that the United Nations itself, in the General Assembly, has established a target figure of 30 percent of women professionals, in the United Nations Secretariat by the year 1990.

**A. Daniel WEYGANDT (United States of America):** I would like to express my appreciation to the Secretariat for arranging this presentation made by the representative of the APS, and also directly to Mr Freeman for his presentation. It frankly would have been helpful to me if we had perhaps been informed in advance that there was going to be a statement along these lines - I think this is true, not only because it is difficult to react to something when you hear it for the first time, but also because the points that have been made are, I think, relatively detailed points, and most of my colleagues here, like myself, are not completely familiar with all the aspects of statements just made . It is therefore difficult for me to address my mind to the question of whether we, as a Conference, should undertake any action in the way of communicating with the Fifth Committee or anything like that. However, I think it is a very constructive element if the APS make a direct representation to the governing bodies. I believe that there is a need for dialogue between government and staff, and I can certainly say that on the part of my delegation we place very high importance on high staff morale because, after all, FAO is nothing if it is not a dedicated staff of professionals.

That being said, there are some points raised in the presentation with which I did not entirely agree. I think it is perhaps not exactly appropriate to compare expatriate benefits with the benefits received by civil service in itself - but that is perhaps not something that we need to spend time on here. In my opinion we should focus as a Commission on the fact that there is a need for dialogue between the staff and governmental bodies, and we welcome the opportunity that we have had to hear this presentation. There is also a need I think for us, as a governing body, to perhaps urge the Secretariat to look into measures which are within the scope of our Organization in order to improve staff morale.

My delegation believes that FAO should maintain its adherence to the common system, and nothing should be undertaken that may lead to a departure from the common system. It seems to me, however, that there are avenues which could be explored within the house which would lead to improved morale. These may seem quite trivial things - perhaps expanding the commissary or something which may have a physic input, if you like - I know that is not exactly what the representative of the APS says, but I do believe that it is difficult for us as the governing body of FAO to react to something which has an impact in New York. Certainly, I, like the representative of Canada, will convey to my colleagues in New York the views which have been expressed here.

I must say that this is an important step that we have taken today: as far as I know it is the first time that such a presentation has been made. We will therefore look at it as a positive development, and we hope to continue this dialogue in the future.

**Mrs Astrid BERGQUIST (Sweden):** Like my previous colleagues from the United States and Canada, I would like to express the appreciation of my delegation for the work of the FAO staff. We know that they are very hard working and dedicated, and we certainly appreciate all the constraints they have suffered because of the financial situation. As for my delegation, I shall certainly promise to convey the message back to my Government, and through it to the Chairman of the Fifth Committee, who happens to be a compatriot of mine.

Finally, I would like to associate myself with the question raised by the delegate of Canada on female/male ratios within the FAO staff, and what measures are taken to increase the number of female staff within FAO. This is a question which has been brought up by my delegation over the years, and which was also referred to by a colleague of mine within Commission II when the budget issue was discussed.

**Manuel DE GUZMAN PEREZ (Ecuador):** La verdad es que escuchar informes como los que nos han presentado en la tarde de hoy los señores empleados de la FAO debe llevar una meditación profunda de cuál es el sistema de reorientación que debe primar a nivel administrativo. Desgraciadamente, yo comprendo que la posición, al haber realizado una exposición pública por parte de la Asociación de Empleados ante esta Comisión; debe de buscar el que esta Comisión dé un soporte a la Asociación de Empleados, o a los empleados de la FAO en general.

Muy lamentablemente, como Comisión, no estamos nosotros en posibilidad de establecer ningún mecanismo que permita adoptar medidas que pongan solución a este tipo de problemas. De ahí que mi recomendación es, única y exclusivamente, en el sentido de que se solicite al Comité de Redacción de esta Comisión que incluya en su informe un párrafo mediante el cuál, vista la exposición realizada por los señores empleados de la FAO, inste a la Asamblea General, o a la Conferencia, en el Plenario, a que la Administración de la FAO tome en cuenta la situación financiera que están viviendo los empleados y se tomen las soluciones pertinentes, a través los distintos comités.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** The Government of my country agrees with the previous speaker, that the staff of FAO has over the past years done excellent work. I would gladly support the argument put forward by the representatives of the United States and Sweden. The problems described by Mr Freeman just now were submitted a couple of days ago to Mr Kiechle, our Minister by German staff members, so we were already aware of the situation. Federal Minister Kiechle promised that the Government would look into the problems and difficulties of FAO staff. We will investigate this: we cannot of course commit ourselves at this point.

Here I must concur with previous speakers, who have remarked that we have no instructions at this point, no briefing to enable us to make any promises at this stage, today. Nevertheless it is a problem which we shall not forget, and certainly in the appropriate fora and committees which are competent to deal with these matters, we should continue our considerations. I believe that this concerns the International Civil Service Commission and the General Assembly of the United Nations - I think that they are competent to discuss and ponder on these matters.

**Mounir KHORAYCH (Liban) (interpretation de l'arabe):** La déclaration que nous venons d'écouter il y a quelques instants au nom des fonctionnaires de la FAO nous indique que la situation dans laquelle se trouvent les fonctionnaires n'est pas encourageante. Comme l'a dit Monsieur Crowther les fonctionnaires de la FAO constituent notre capital le plus précieux au sein de cette Organisation et si les conditions adéquates ne leur sont pas fournies pour accomplir leur tâche ceci ne manquera pas d'avoir des effets négatifs sur l'action de l'Organisation. Nous sommes attristés par cette situation et nous nous engageons à appuyer tous les efforts que le Directeur général consentira pour résoudre ces problèmes, car nous considérons qu'il s'agit de problèmes cruciaux pour l'intérêt général de l'Organisation.

**Clifton E. MAYNARD (Barbados):** I am particularly grateful to Mr Freeman for this statement. The staff of the Organization, or indeed all international organizations, work hard and they are entitled to adequate reward for their labour. I cannot believe we could sit by and allow 12 years to pass without improving the emoluments of the staff in any place, I have to say so because in my system

there is an understanding that every two years public servants get an increase in salary, Indeed, one is due from the 1st of April 1988, and we know whatever the situation, it is going to come. The most difficult part to accept is that people, after having put in long years of service, find that at the end of it the value of their pension, when they need the money most, has been eroded to nothing. I see no reason why this body, this Conference should not accept the responsibility to send a message to the 5th Committee in New York of the importance of looking positively at the proposals that they have before them. I can see absolutely no reason why it cannot be done.

**Srta.Mery Cecilia SALAMANCA (Colombia):** La delegación de Colombia agradece al Sr. Presidente la oportunidad que le ha brindado como Secretario de la Asociación de Personal para que, a través de él, como vocero de las justas causas, explique a esta Asamblea las condiciones desventajosas y desmotivadoras que padece el personal de la FAO.

El buen administrador no sólo debe tener en cuenta el capital, sino también el lado humano de su empresa. Un personal motivado, con servicios y beneficios, producirá más en favor de la Organización. Apoyamos entonces todos los esfuerzos del Director General en pro de las justas causas de los trabajadores.

**T.F.F. MALUZA (Zambia):** Mr Freeman has given us a very good insight to the problems which are facing the professional staff in FAO. We are all aware of the good work, the quality work which FAO has been doing in our respective countries. We all know that in most developing countries FAO is taken as an Organization of excellence. The deteriorating conditions of service of FAO professional staff I think will have a very bad effect on the future work of the FAO staff. There is every reason for the Conference to take action on this matter. It is unfortunate that the document before us did not actually suggest what this Conference should do, with the exception of paragraph 12 which reads, "In view of the importance of this matter for the future of FAO, the Conference may wish to urge member nations when participating in discussions of these matters in the convening bodies of the UN Common System to be alert to the need to improve the conditions of employment of the staff, in particular those working in the field."

To my delegation, Mr Chairman, it appears as if this Conference or the governing body of FAO has nothing it can do to further the cause of the FAO professional staff. I do not know, but that is the notion I am getting. I would suggest that maybe the Secretariat actually could advise exactly what role could be taken. In addition to this, my delegation is suggesting that the Director-General of FAO should do everything possible. I know he has been doing a lot on this. He has addressed us on many occasions during the Council and the other Committees on the deteriorating conditions of the service. But I think we should give him more mandate to further his efforts in the quest for a solution to this problem.

**Antoine SAINTRAIT (Belgique):** Quelques mots rapidement si vous le permettez. Je désire insister sur l'importance que revêtent les problèmes du personnel. Comme tout le monde le sait, et nos collègues le savent pertinemment, les décisions ne sont pas à prendre dans le cadre de cette enceinte. Je crois que tout le monde est d'accord sur les problèmes qui se posent. Nous savons aussi que les services de la FAO, et notamment le Directeur du personnel, Monsieur Bel Adj Amor, sont parfaitement conscients des problèmes et des difficultés que le personnel de la FAO, tant sur le terrain qu'au siège, rencontre actuellement; nous souhaitons vivement pour tous, que les discussions à New York se poursuivent de façon à ce qu'elles puissent aboutir dans les meilleurs délais afin de remédier à un certain nombre de problèmes qui se posent. Je crois que nous n'avons pas à examiner le détail de ces problèmes. Nous les connaissons dans leur ensemble. Nous insistons pour que les représentants de la FAO qui discutent des questions du personnel à New York puissent obtenir satisfaction dans un délai raisonnable. Il nous appartient de communiquer cette information à nos gouvernements de façon à ce que nos représentants à New York soient sensibilisés comme ils doivent l'être aux problèmes du personnel non seulement à la FAO mais dans l'ensemble de la famille des Nations Unies.

**Ernst ZIMMERL (Austria):** I think that the reasons for the staff today are very important, and some of those have already gone into retirement and left FAO. Those who have remained should be taken care of. If they are not satisfied with the situation in the future, then the situation will not improve and people will leave. Now as someone said, what can we do? We can make beautiful words here, but that does not help the staff. What can the Commission do? Perhaps someone could give us some suggestions.

**Jar ORZESZKO (Poland):** My delegation is grateful for having the possibility of hearing at this forum the competent presentation about the situation of the FAO professional staff. We share the opinion expressed by many speakers about the necessity to take necessary action by the Conference as it was proposed by the distinguished delegates from Ecuador and Barbados.

**Ismael DIAZ YUBERO (España):** Yo también comparto la opinión de Ecuador y de algunos otros países que se han expresado en estos mismos términos, pero creo que el representante de Zambia ha hecho una pregunta que a mi parecer es muy importante, y me gustaría que fuese contestada. El representante de Zambia ha dicho qué podemos hacer y dónde lo podemos hacer: en esta Comisión, en el Plenario, en qué circunstancias.

Creo que no es un momento de hacer bellas palabras, de pensar en lo importante que son los funcionarios y qué es lo que esta Asamblea, esta Comisión, el Plenario, pueden hacer por los funcionarios y qué necesidades exactas y concretas pueden ser solucionadas por nosotros, si es que pueden serlo, o si no, en Naciones Unidas.

**CHAIRMAN:** Thank you very much, distinguished delegate of Spain. Are there any more speakers who wish to take the floor on this matter? Since there are none, I would now like to give the floor to Mr Crowther to answer some of the questions raised.

**Dean K. CROWTHER:** (Assistant Director-General, Administrative and Finance Department): "I would like to say that we deeply appreciate the receptivity to the problem that has been raised before you. We also deeply appreciate the response given to having the General Secretary of the APS come here and address the Commission. There have been some very specific questions asked that I would like to respond to. One is, what can this Commission do to assist FAO and its staff in the problem that it faces? Another relates to what has been done and what is being done with relation to the problem of improving the number of women within the Organization.

On the first question, there are probably three very specific things this Commission could do. The first, in fact all three, relate to the problem that is in New York rather than in Washington. But each of the delegates here has representatives in New York. Under the Common System, I am sure that most of you are aware that the decisions on staff emoluments are taken either at one of two levels. The International Civil Service Commission has the authority to take a decision on a number of emoluments, but there are some that it does not, including such matters as pay, pensionable remuneration and some other rather important emolument matters. Those decisions ultimately are taken by the General Assembly in New York. There are several questions that will be before the Fifth Committee first for deliberation and reporting to the General Assembly. And secondly, the General Assembly will take those matters up and decide upon them in this current Session. Influence from anyone of the membership here directly to your counterpart representative and your colleagues in New York certainly will make a difference. It is difficult for a representative housed in New York to understand the problems of conditions of service in FAO or any other of the specialized agencies, and more particularly of the problems that we face with our field staff and the conditions of service there. So obviously, contact in New York with your respective colleagues is a very important aspect.

Secondly, with regard to the International Civil Service Commission itself there are a number of decisions that the International Civil Service Commission can take. The Commission is composed of 15 representatives and those representatives come from countries, most of which are represented here in Rome today. The President of the Commission Mr Richard M. Akwei is from Ghana. The Vice-Chairman of the Commission Mr Carlos S. Vegega is from Argentina. There is a representative on the Commission from the Union of Soviet Socialist Republic, from Japan, from Pakistan, from France, from the United States, from Mauritania, Nigeria, Czechoslovakia, Brazil, Belgium, Egypt, Greece and India. These represent the Commission that in fact decides upon a number of emoluments directly, and those that they do not have competent authority to decide upon, they do make specific recommendations to the Fifth Committee and ultimately then to the General Assembly. Contact with those representatives who may come from their respective governments could also be extremely important.

Finally, I think, Mr Chairman, the part that the FAO must play in all of this is to constantly sensitize the Governing Bodies here. We have not made efforts to sensitize at the Conference level other than just to bring the matter of the Finance Committee Report to you each conference. However, the matter of personnel salaries and staff emoluments is brought to the Finance Committee at every session. The details, the difficulties, the problems that FAO faces are brought before each session. The Finance Committee deliberately then reports these to each session of the Council. I must say that certainly the last two sessions of the Council have had very strong messages included in their report about their concern for the deteriorating conditions of service. I think the part that each of you may play, or the representative who represents you on Council plays, in emphasizing this problem is an extremely important one.

The Director-General has shown continued concern and has asked that the ACC, the Administrative Coordinating Council which is composed of the heads of all the independent agencies and is chaired by the Secretary-General of the United Nations, has asked that this Body in each of its meetings include as a continuing item on its agenda the problems of personnel. They had a special session in Geneva of the ACC heads last June, in fact during our Council meeting, and the Director-General had to leave the Council meeting and go to Geneva and spend a day to discuss these items.

I think every effort is being made from the FAO's point of view but frankly it is not enough. As the secretary of APS has reported to you the conditions of service continue to be deteriorated. The decisions that are taken in New York by the Fifth Committee and the General Assembly have constantly deteriorated these conditions of service to a point where it is very difficult for us now to hire members from a number of countries. There are a number of countries represented here who are dramatically under-represented. Recruiting from those countries has become a very difficult task. Getting people who are here from those countries as staff members to stay on and continue in their position is equally as difficult.

I think those are the suggestions I would have, that either you contact your representative in the Fifth Committee or the General Assembly, or, if you have a representative from your country in the International Civil Service Commission it could be most helpful. And secondly, if we can include an item in the Commission's report to the Conference, that too would emphasize the problem and certainly would support the hand both of the Secretariat and the Director-General in his efforts to make everything possible that he can to improve the conditions of service.

Turning to the other question that was raised concerning the status of women in the FAO actually as at this point. Well I have the specific figures and I have them for a number of years. I would like to preface this with a very brief remark Mr Chairman, that hiring women in FAO is complicated by the problems that I have just mentioned for all staff. It seems it is doubly complicated because in many instances we are looking for technical people in categories that in many instances women are not attracted to, whether it is forestry or fisheries or in our agricultural areas. However, there are a few areas in FAO that we find women are attracted to, and we make a very strong effort to recruit professional staff members who are female in those various categories. We have been successful in increasing our percentage each year during the past several years, and at the beginning of 1987 we had a percent of professional staff of 16.5 percent. That is a very low percentage but in comparative terms it is probably much higher than many others. It is certainly not the highest.

Mr Chairman, every effort will continue to be made to find ways in which we can improve both our conditions of service and the opportunities that are available in FAO for women, whether at headquarters or in the field. Attempts will be made to find better ways of recruiting, and with the help of those members who are here from those countries, if they can put good candidates forward for vacancies that are announced and can considerably concentrate on the need to improve the numbers of women that we have in the professional categories, that too would be most helpful. Every effort will continue to be made to recruit more women and improve the percentage that are here. While we are certainly not ashamed of the figure of the percentage of women that are here, we certainly would like to see it improved, but unfortunately we cannot do that alone; it does require a great deal of recruiting from a number of countries.

I think that concludes the questions that were raised, and again I wish to thank the delegates for the strong sentiments of support that were given, and I hope those indications of some actions that can be taken will be helpful.

**CHAIRMAN:** Thank you very much Mr Crowther. I do not wish to sum up the debate on this matter because it is very clear that many of the delegates who have spoken have given a sympathetic ear to the plight of the professional staff of FAO, and I believe this Commission can do something, as suggested by Mr Crowther, to make contact with the Fifth Committee members of the General Assembly and also maybe this Commission can put up a small report to the Conference regarding this matter so that the Conference might be aware of this problem.

I see the delegate of Zambia asking for the floor. I hope this is the last speaker on this item because I would like to proceed to the vote on the previous item as soon as possible.

**T.F.F. MALUZA (Zambia):** In the light of what has been said by Mr Crowther and in addition to the proposal that our Commission should have a paragraph on the issue, I am proposing that the proposals which have been put down by Mr Freeman in his statement should also be included in the report of this Commission. I think he made a number of proposals which could be forwarded to either the Fifth Committee or the International Civil Service Commission or something like that. That is my proposal.

**CHAIRMAN:** Thank you very much for your constructive intervention. I believe we can leave that to the Drafting Committee to work out.

**Clifton E. MAYNARD (Barbados):** I would just like to thank Mr Crowther for the information he gave, but I wonder whether he could advise me whether one further effort is not possible, i.e., that this Commission requests the Director-General to convey its concerns, the concerns expressed here, to the Secretary-General of the United Nations immediately so that he can bring them to the attention of the Fifth Committee before it continues its work for this Session.

**CHAIRMAN:** Thank you very much for your very constructive proposal. I give the floor to Mr. Crowther.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** The answer is certainly an unqualified yes. That would be an excellent gesture and we could do that, and hopefully it will be a good way of bringing it before the Fifth Committee. But it is also helpful, when the Fifth Committee discusses it, if their delegates have an understanding of the problem that is here in Rome as well.

**CHAIRMAN:** From what I have announced just now, the interpreters' time is actually over. They only agreed to proceed to the voting and I think we have to respect their request that we adjourn this meeting right now and meet again on Monday as scheduled. In that case I give the floor to the Secretary to announce the coming programmes for this Commission.

**F.M. MIFSUD (Secretary of Commission III):** On Monday morning we will simply continue the programme set for today which has not been completed. So the next item is 25.3 - Replenishment of the Special Reserve Account.

**CHAIRMAN:** We do not have any interpretation services now. I leave it to the Secretary. Maybe if there is any question regarding the meetings you can privately ask Mr Mifsud.

The meeting rose at 18.15 hours

La séance est levée à 18 h 15

Se levanta la sesión a las 18.15 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

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C 87/III/PV/6

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Twenty-fourth Session  
COMMISSION III

Vingt-quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

**SIXTH MEETING  
SIXIEME SEANCE  
SEXTA SESION**

(23 November 1987)

The Sixth Meeting was opened at 10.30 hours,  
Jozef Wiejacz, Chairman of Commission III, presiding

La sixième séance est ouverte à 10 h 30  
sous la présidence de Jozef Wiejacz, Président de la Commission III

Se abre la sexta sesión a las 10.30 horas  
bajo la presidencia de Jozef Wiejacz, Presidente de la Comisión III



**CHAIRMAN:** I declare the Sixth Meeting of Commission III opened. Since we do not have the required quorum to proceed with Agenda Items 25.3 and 25.4 I propose to start with Item 25.5, if there are no objections.

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

PARTIE III - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

B. Administrative and Financial Matters (continued)

B. Questions administratives et financières (suite)

B. Asuntos administrativos y financieros (continuación)

25. Other Administrative and Financial Matters (continued)

25. Autres questions administratives et financières (suite)

25. Otros asuntos administrativos y financieros (continuación)

25.2. Replenishment and Level of the Working Capital Fund (continued)

25.2. Reconstitution et niveau du Fonds de roulement (suite)

25.2. Reposición y cuantía del Fondo de Operaciones (continuación)

**Igor KIPMAN (Brazil):** I am sorry to interrupt, but last Friday at the end of the Session when we voted on the Resolution as amended by the distinguished delegate of Italy, I requested the opportunity to speak in order to justify my vote. The Chairman at that stage was not able to allow me that opportunity because there was no time left for the interpretation. I beg your indulgence, Mr Chairman. I would like to justify my vote today.

My delegation abstained from voting on that Resolution last Friday and I would like to explain why we had to abstain.

My delegation is perfectly aware of the need for an increase in the level of the Working Capital Fund, and we fully recognize that its present level has proved to be insufficient in times of financial difficulties. However, an increase in its level, together with the increase in our assessed contributions to the Regular Budget, due to adverse fluctuations of the exchange rate, will amount to a level which my country foresees difficulty in managing to absorb.

My delegation has repeatedly mentioned during this Conference the external debt crisis and the difficult economic situation that my country is dealing with. We have particularly referred to the roots of such a situation which is affecting not only our country but many developing nations. Since our views in relation to those problems are well known, Mr Chairman, I shall refrain from tiring you and the delegates attending this Commission with a repetition of old arguments.

In view of the above I regret not having been able to endorse the Draft Resolution as amended by the delegate of Italy.

25.5. Headquarters Accommodation

25.5. Locaux du siège

25.5. Locales de oficina en la Sede

**Dean K. GROWTHER (Assistant Director-General, Administration and Finance Department):**

Delegates have before them document C 87/LIM/37 dealing with Headquarters Accommodation. It has been the Secretariat's duty and privilege to report on the question of Headquarters Accommodation to the Conference and other governing bodies of the Organization over the past years. It is therefore in order to inform the Conference that the LIM document before you has been prepared and distributed to bring everyone up to date on this item.

In introducing this document, I should like to stress that the overall picture of Headquarters Accommodation as reported in this document has taken a positive turn during this biennium. In the Secretariat's view, this development is linked with two events, as reported in document LIM/37: one related to the finalization of a rental contract for Building F; and the other the restructuring project of the Caracalla Complex which is about to be initiated.

The whole biennium has been characterized, as delegations know, by financial difficulties. I wish to record the constant strenuous and generous support received by the Organization from the host Government, and particularly from the Permanent Representative of Italy.

Whilst I am at the disposal of the Conference to provide further information, I hope Conference will agree with and support the remarks I have made regarding Headquarters Accommodation. The document is before the group, and I or my colleague will be very happy to answer any further questions. Perhaps the delegate of Italy may have some response that he may wish to make.

**CHAIRMAN:** I thank the Assistant Director-General for his introductory remarks. Are there any questions on this information or any comments.

**Elio PASCARELLI (Italy):** I am able to add some information that might be useful, to you here and to the distinguished delegates of this Commission, concerning the unfortunate circumstances that have led to this item taking some time to get the ratification of Parliament. You may know from the document and from other statements made in the past that we signed, with the Director-General, the agreement in June last year. Everything was ready and we got the necessary agreement of the different departments after the vacation. Usually Parliament does not work - and this is not unique to Italy - in the months of August and September. When we returned to Parliament to start work, from the Council of Ministers to the Government, all of a sudden we had the financial law. The Bill was shifted to the House, and when it reached the House and was ready to be given to the Committees, we had the crisis - elections, new Parliament, new Government - and then again we had the summer holiday. When we resumed we were ready to start, and, before the Prime Minister took the floor at the World Food Day Ceremony on 16th October, the Council of Ministers again passed the Bill because all Bills lying before Parliament are considered as extinct as soon as Parliament is dissolved. We had to start the whole procedure from the beginning.

On 9th October this document was passed to the House and just as it was about to be given to the Committees to be processed, we had the referendum. Then we had, I cannot call it a crisis but we had certain difficulties that you may know of, and we have the same government as before.

What I can tell the Commission is that we shall give this simple ratification preferential treatment. Meanwhile, I have the assurance from the Treasury that the allotted amount which was Lit 25 billion - equivalent to almost \$20 million - has been allocated to the years 1988, 1989 and 1990. The appropriation is there, and I must add for your information that if this money proves not sufficient because of the rate of inflation and the cost increase, the Italian government will provide extra funds to accomplish the works needed by the guest Organization here.

May I underline once again that Italy is proud of being one of the two countries that gives free hospitality to international organizations. All the rest rent their premises to the Organization. Just for the information for some people who have been in doubt, the rent for this complex would be around \$8 million a year. We do not plan to change this system. Sometimes we are paid late, \$1 per year by cheque; we are satisfied with it.

Concerning the premises that the Organization has meanwhile been forced to rent at via Cristoforo Colombo, Mr Crowther probably said something about this. I was late coming here, for which I apologise but there is a plenary going on for voting on the Council. This rent - and he may correct me if I am wrong - has for the last two years been completely covered by Italian contributions and so it costs the Organization nothing. Nevertheless, in the new budget you will find the sum. I will do my level best, as they say in India - I do not know whether it is pure English or Indian English! - to get some special contribution again because we realise that it is not the Organization's fault if the enlargement of the buildings has not yet started. Therefore, we will do our best to relieve the burden on the Organization for the remaining buildings outside this complex.

I have nothing more to add, and I am ready, as is Mr Crowther, to give any answer to requests for clarification.

**CHAIRMAN:** I thank Ambassador Pascarelli of Italy for his explanatory remarks and may I add that I trust he will use his influence to speed up the parliamentary procedure.

If there are no further questions to be addressed to Mr Crowther or to Ambassador Pascarelli, may I state that Item 25.5 is concluded?

I will ask the Secretariat in the meantime if we have the required quorum. Apparently we have the requested quorum for the discussion but not yet for a vote. Perhaps there will be no need to vote. If there are no objections, we will now start on Item 25.3.

25.3. Replenishment of the Special Reserve Account

25.3. Reconstitution du Compte de réserve spécial

25.3. Reposición de la Cuenta Especial de Reserva

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

This Agenda Item involves the replenishment of the Special Reserve Account and it refers to document C 87/LIM/13.

Members of the Commission will recall that the Special Reserve Account was established by Conference Resolution 18/31 to protect the Programme of Work and Budget against unbudgeted additional costs to cover losses on exchange on staff costs resulting from movements in the lira/dollar rate as compared with the adopted budget rate. The level of this account is established at 5% of the total effective working budget for the biennium. For the 1986/1987 biennium it was US\$ 21,850,000. Due to the additional staff costs arising from the weakening of the US dollar against the Italian lira, the account was entirely exhausted in July of this year. In fact, the forecast deficit on the account at 31 December 1987 is estimated to be approximately US\$ 7,5 million, which would be charged against the account.

The Council discussed possible ways to replenish this Account and decided, on the advice of the Finance Committee, that the best solution was to propose the replenishment of the Special Reserve Account with a special assessment of up to one-half of its level and the balance from the application of receipts from arrears contributions, or from future savings. Following extensive discussion, during which several members agreed with the proposal while others agreed only to replenish through arrears or savings, or reserved their position, the majority of members supported the recommendation. We therefore submit, as recommended by the Council, the draft resolution contained in document C 87/LIM/13 to the Conference for adoption.

The Draft Resolution has on the back a blank space for the amount that would be included. If I could ask members to turn to page 2 of the Resolution, in the penultimate paragraph which has the figure "I.", they can insert in the blank space in that paragraph the amount of "\$US 12 309 000". The very brief explanation of this is that the level of the Programme of Work and Budget voted on Friday was \$US 492 360 000, and the Director-General has in his wisdom, as I had just explained, requested that the Council agree to two and a half percent, or one-half, of the normal amount of replenishment of the Special Reserve Account. Two and a half percent of that level of the Programme of Work and Budget is \$US 12 309 000. This amount would be assessed against the call for contributions that would go out for payment early next year.

I cannot emphasize too greatly the importance of the Special Reserve Account to our being able to carry out effectively the Programme of Work and Budget. The main reason there is because we cannot determine in advance what might happen to the lire/dollar relationship. In prior biennia, when the dollar has strengthened it has created a surplus which has been distributed to the membership, and in the biennium that has just finished the dollar has, as everybody knows, weakened dramatically and so reduced the account.

Replenishment gives us some degree of assurance, and therefore protection against further weakening of the dollar during the year to come. No-one really knows what is likely to happen. It is forecasted that the possibility certainly exists that the dollar will continue to weaken for at least some part of 1988. We have no way of knowing - but in order to protect the Organization against such losses we, together with the wisdom of Council, are recommending favourable consideration of this amount by the Commission.

**CHAIRMAN:** I thank Mr Crowther for his statement, and open the floor for remarks, questions and discussions on item 25.3.

**Elio PASCARELLI (Italy):** I shall give you the reason why I hastened to request the floor on this item: As Mr Crowther said, behind this proposal is the wisdom of the Council, and I would say that

behind the wisdom of the Council was the wisdom of the Finance Committee. We had a long debate on it, and what you see in "1.", the operative part of the Resolution, is the result of our discussions within the Finance Committee. As host country, we have a very deep concern for the prospects, and it would show tremendous lassitude if we did not take care of the Special Reserve Account.

I would like to be more optimistic than Mr Crowther and hope that after the drastic measures taken on the United States budget the dollar will not fall any further - I see some encouraging signs in the first reaction of the world market. I do fervently hope that the dollar will recover the level of 1300 - but only God knows, and we do not know if God is going to help us. I think that this twelve and a half million that we forecast is a must, and I would like some countries to explain to me how we can use the savings unless we cut the programme. It is a preposterous position to use savings to fill the Special Reserve Account, as the first to suffer would be the overall situation of the FAO. If I am not wrong, we exhausted the previous Special Reserve Account in the month of July, and for six months we went on spending, so that by the end of the year it was minus seven, or even eight, because the dollar has fallen further in the last month. I believe that every fifty lire that the dollar loses is the equivalent of over two million dollars in our overall budget.

Italy could not support with more vigour the adoption of this half measure, because we do not replenish as we should and we keep our fingers crossed that this money will never be used.

**Y. HEIDSMA (Netherlands):** At first sight this Resolution deals with a matter which is entirely different to that which we discussed last week, the Working Capital Fund. It relates to unforeseen and therefore unbudgeted cost increases which are mainly due to exchange rate fluctuations - which are not, of course, really anyone's fault. However, when one looks at the Resolution before us it seems clear to our delegation that the Special Reserve Account was really never intended to be filled through an assessment. It was intended to be filled through, as we understand it, three other means; one, from the cash surplus; two, from payment of arrears; three, if these two should fail, from the general fund. While we understand the difficult position in which FAO finds itself at present, and while we fully agree that one cannot really predict exchange rate fluctuations during the next biennium, nevertheless in a final analysis what this amounts to is that we are being asked for a special assessment, basically, because other member states did not meet their financial obligations - be it the largest contributor or any other member states in arrears. As we said, I believe, very clearly at the time when we discussed the Working Capital Fund, the Netherlands is not prepared in principle to pay such an amount, because other members do not fulfil their obligations.

I should like to explain that our position on both the Working Capital Fund and the Special Reserve Account bears no relationship to the confidence we have in the financial management of the Organization. On the contrary, we appreciate the way in which the Organization has so far confronted the issue of the financial crisis. We also want to make our contribution to the difficult process of finding widely acceptable and effective ways of resolving the crisis and if we cannot go along with either this proposal or the proposal on the Working Capital Fund it is because we consider this to be in the longer term interests of the Organization.

Let me assure you, Mr Chairman, that for the Netherlands the financial well-being of the Organization is in fact a minimal condition for a proper discharge of the tasks which member states have set in the Organization; but in order to achieve a healthy financial state the member states should focus on durable solutions, not on, as we see it, stop-gap measures such as the one now before us. The conclusion for my delegation cannot be but that we unfortunately will not be able to support this resolution, and will have to vote against it.

**A. Daniel WEYGANDT (United States of America):** Mr Chairman, the other day your Vice-Chairman ventured the opinion that those who speak in opposition tend to speak for longer than those in favour of a proposal. Therefore, I shall try to be as brief as I can, even though I have to say from the outset that my delegation continues the opposition to this proposal that we have already expressed in the Council. The reason for that is that we basically feel that this is not the time for an additional assessment to be levied on member states and that the replenishment of the Special Reserve Account should be achieved by savings in the programme.

I can really conclude my statement on that note, as we have already explained our position elsewhere, and I gather that we are behind in our schedule - so I have tried to be as brief as possible.

**André REGLI (Suisse):** Ma délégation n'a pas de problèmes à accepter la proposition de reconstituer le compte de réserve spécial pour le prochain biennium. Il n'y a donc pas de problèmes quant à l'acceptation du projet de résolution qui nous est soumis. L'objectif principal de ce Compte consiste à équilibrer les pertes causées par des fluctuations des taux de change. Ce sont là des contraintes dont le Secrétariat n'est pas responsable. C'est pourquoi, nous avons, à notre avis, le devoir de l'aider à résoudre ce problème.

Dans ce contexte, nous aimerions rappeler la suggestion que nous avons faite antérieurement devant la Commission II et qui a été reprise par d'autres délégations, c'est-à-dire que le Secrétariat étudie sérieusement la possibilité de calculer une partie du montant du budget en liras, et en fonction de cela les contributions respectives des Etats Membres dans la valeur nationale du pays hôte. Ainsi, nous mettrions à l'abri des fluctuations monétaires, la grande partie du budget étant dépensée dans le pays hôte. C'est d'ailleurs une méthode qui va être adoptée par l'ONUDI à partir de l'année prochaine.

**Ronald DEARE (United Kingdom):** I think that it is perhaps a matter for some regret that we did not discuss Item 25.4, about the general financial situation of the Organization first, before we discussed this item and the item we have already completed on the Working Capital Fund. I think that it would have been a more logical way of dealing with things. We will certainly have something more to say on the general financial position when we get to Item 25.4. I think that this point was underlined to a great extent by what our distinguished colleague from the Netherlands said in his intervention just now.

But coming to this resolution before us, my delegation believes that when forwarding it to Conference this Commission should recommend formally that the Finance Committee be instructed to take up again with all urgency the question of a dual currency budget for FAO. This point was touched upon by the Swiss delegation who spoke immediately before me. We were recently told - I think it was by Mr Shah - that the expenditure of this Organization is split roughly 40 percent in US Dollars, 40 percent in Italian lire and 20 percent in other currencies. The major exchange problem has arisen on the 40 percent of expenditure incurred in lire. That is my understanding, but I stand to be corrected if I am wrong. It has arisen because the dollar equivalent established for this expenditure as long ago as November 1985 has proved to be woefully inadequate. It seems to my delegation that FAO could at least eliminate this particular problem if the lira element of the budget were to be retained in that currency with assessments on member states being raised in lire for that element. Thus, each member state would receive an assessment in US dollars in respect of 60 percent of the approved expenditure level and in Italian lire for the balance of 40 percent. In this way, the Organization could hopefully avoid the gamble which is at present involved in converting this substantial element of expenditure to US dollars on an exchange rate ruling on one particular morning in November, a morning some three years or so in advance of the date by which expenditure is required to be completed. Indeed, Mr Chairman, it is four years ahead in the case of TCP expenditure.

It seems to us that the introduction of a dual currency budget along these lines could remove one of the major problems of the Special Reserve Account and introduce a welcome degree of improved stability to the programme and budget process.

In conclusion, I would urge that this Commission should make this recommendation to the Conference with a view to an examination by the Finance Committee and hopefully a decision on this matter by the next Conference.

**Ms Anne-Lise PETERSEN (Denmark):** The Danish delegation appreciates the Organization's need for sufficient funds to meet the current financial obligations. We also voted in favour of the increase in the Working Capital Fund because we accept the argument that the present level of the fund is not sufficient to support the General Fund at the current budget level.

Concerning the replenishment of the Special Reserve Account, my delegation realizes that the currency situation has exhausted the fund. We have previously, as other delegations, mentioned that long-term solutions to the currency problems ought to be dealt with. However, concerning the proposed model for the replenishment, we have especially noted paragraph 3.55 in the report of the Sixty-first Session of the Finance Committee where the committee expresses concern at the prospect of additional assessments being levied on all member nations, as the payment of arrears for previous biennia would provide substantially for the replenishment of the account.

As already stated on previous occasions, the Danish delegation is opposed to solutions where the non-fulfillment of obligations by some member states causes extra financial burdens for other members, having paid their contributions. During the last Council meeting, my delegation therefore expressed its reservations concerning the proposed model for the replenishment of the Special Reserve Account where 50 percent of the replenishment shall be provided by making a special assessment on member states. Not being against the replenishment of the Special Reserve Account as such - for instance, from receipts of arrears of contributions - our reservation concerning the proposed model still remains, and consequently my delegation cannot vote in favour of the resolution as presented.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** Since 1950 my country has been a member of FAO, and since 1973 it is also a member of the United Nations. Our positive approach to the United Nations and its specialized agencies is very well-known. We shall certainly continue our very fruitful cooperation with the United Nations and its specialized agencies. In this respect we have constantly stressed the fact that the Organization of the United Nations must receive the necessary means in order to be able to fulfil their very important tasks. In this respect we have to consider financial matters, and it seems to me that the colleagues in this room of the Secretariat and the delegations of the member states are far more competent than myself to do so. As to the suggested increase of the fund, we had expressed our views recently. In our delegation we have come to the conclusion that as regards the replenishment of the Special Reserve Account, this should also apply, in fact, as to the working capital fund. We feel that the replenishment by special contributions is not defensible as long as there are a series of member states who have not yet in fact paid their arrears. When these arrears are paid they will amount to about one-quarter of the 2-year budget in 1986, US dollars 24.9 million. Thanks to the payment of these arrears, the replenishment of the Special Reserve Account could automatically be accomplished without any special assessment.

In the draft resolution it is suggested to replenish the Special Reserve Account only up to 50 percent. But here again, I think that my previous comments apply also. Therefore, as regards the suggested draft resolution as set out in C 87/LIM 13, I am afraid we cannot agree with it. I should like to go along with the observations of the Netherlands and Denmark.

**Jean-Luc GRAEVE: (France):** Ma délégation souhaite marquer certaines réserves face à la proposition du Secrétariat d'une reconstitution du Compte de réserve spécial par des contributions exceptionnelles des Etats.

Ma délégation fait observer qu'en donnant son accord et en votant le budget proposé par le Directeur général, elle a accepté pleinement de financer un effet change responsable d'une hausse de plus de 40 millions de dollars du budget. Aussi nous paraît-il prématuré d'envisager maintenant une contribution exceptionnelle au compte de réserve spécial, qui ne pourrait être justifiée que par une baisse durable du dollar par rapport au niveau actuel. Or l'existence éventuelle de cette baisse ne pourra être constatée que beaucoup plus tard, au cours du prochain biennium.

Par ailleurs ma délégation donne son appui aux remarques faites par plusieurs délégations, notamment celles de l'Allemagne, du Danemark, des Pays-Bas et du Royaume-Uni, concernant le transfert de charge sur les Etats qui s'acquittent promptement de leurs obligations financières à l'égard de la FAO.

Ma délégation souhaiterait finalement appuyer les propositions faites par le Royaume-Uni et je crois aussi par les Pays-Bas, visant à ce qui soit étudiée la possibilité que la partie du budget dépensée en livres soit comptabilisée et versée en livres par les Etats Membres.

**JOHN LYNCH (Canada):** Most of what I was going to say has already been said. We can support those delegations who have intervened to indicate their reluctance to support this particular proposal, not because of the principle involved - the principle of having both Working Capital Fund and Special Reserve Accounts which are adequate to meet the Organization's needs - is one which my country supports. However, it is more the circumstances or context surrounding this particular proposal. First of all, as some delegations have already noted, the FAO - that includes the Secretariat and the membership - has considerable work to do on an urgent basis with respect to the use of alternative currencies, either a package basket of currencies or a split currency. We believe that that work should have been followed up even more quickly than it has, and we would give priority to it in the future.

Secondly, we are concerned by the combined effect which the increase in the Working Capital Fund, the increase in the Special Reserve Account, and the increase in the Budget itself will have upon many countries, including our own. Thirdly, we would like to indicate that with respect to all of these measures, there seems to be an unwillingness to deal with the budget and the related financial measures in an integrated fashion. We do not yet know whether we at this Conference are going to be able to deal with the question of possible adjustments in programmes. It appears strange that we have got everything ready - to use a farming analogy - for the planting of a spring crop except to know how big an area of ground we are going to actually seed. We have spent a great deal of time here polishing up the equipment, oiling the machinery, but when we actually sit down to it, we do not know whether we are going to be seeding an acre or more than that.

We believe that it is very important for this Conference to look actually at that missing element of our work here, which is exactly what programme adjustments we are going to adopt in this Organization to deal with the financial crisis which is fast approaching us. I would point out in this context that the next financial year begins approximately one month and one week from now. I believe that if we can take measures with respect to the Working Capital Fund, the special Reserve Account, the withholding of the cash surplus and the other items being declared, that it would be possible for this Conference to look at programme adjustments which will be incumbent upon this Organization beginning January 1, 1988. I would encourage us later on in our Agenda to attempt to take a look at those necessary items of our Agenda.

**Ms Josephine KAMSVAG (New Zealand):** The delegation of New Zealand would like to associate itself with the comments made on the Special Reserve Account by the distinguished delegate of the Netherlands, and has drawn the same conclusion. My delegation will therefore not be supporting the draft resolution before us.

**Antonio C. DE ALMEIDA RIBEIRO (Portugal):** Mr Chairman, my delegation's position remains basically the same as the one we have pointed out for the replenishment of the Working Capital Fund. We do understand the reasons the Organization has to ask us now for the replenishment of the Special Reserve Account, and we strongly support the efforts that the Director-General is doing to cut expenditures in those cases in which it is possible to do it, but unfortunately we deeply regret not to be in a position to support extra contributions to the Regular Budget, and therefore at this stage our position is again for an abstention in this matter.

**Mounir KHORAYCH: (Liban): (Langue originale arabe):** Je voudrais poser une question au sujet du premier paragraphe du projet de résolution. Je citerai le texte arabe mais je pense qu'il est tout à fait conforme au texte dans les autres langues. Le texte stipule:

"la Conférence, notant que le Compte de réserve spécial a été complètement épuisé au cours de l'exercice 1986-87 à cause des pertes sur les dépenses de personnel due à la baisse du dollar par rapport au taux de 1760 liras pour un dollar utilisé pour le calcul du budget.."

Il me semble que l'inverse est vrai, car le taux de change du dollar a baissé par rapport au taux de la lire italienne. C'est ce que j'ai compris d'après le texte qui nous est soumis, si je me trompe corrigez-moi.

En ce qui concerne le projet de résolution dans son ensemble, nous l'appuyons, étant donné la situation financière difficile que connaît l'Organisation et que nous connaissons tous, pour permettre à l'Organisation d'assumer ses obligations jusqu'à ce que la situation s'améliore. Ceci est tout à fait conforme à notre position à l'égard de l'augmentation du Fonds de roulement que nous avons approuvé la semaine dernière.

**CHAIRMAN:** I would ask Mr Crowther to give certain remarks related to the question, and maybe to other remarks which have been presented in the statements and interventions of the delegations.

**Dean J. CROWTHER (Assistant Director-General, Administration and Finance Department):**

Perhaps I could answer the last question first since it is fresh in everyone's mind. The wording in the resolution concerning the exchange rate fluctuation in the English text and therefore I gather in the Arabic text makes reference to the Lira/Dollar exchange rate. I think the important matter here is the fact that it is the exchange rate that has fluctuated. Whether or not you take the dollar as compared to the lira or the lira compared to the dollar, in either event the dollar has weakened and the percentage either way works out to a decrease on the dollar side, and the most important aspect in the wording I think is the fact that we refer to the exchange rate and these two currencies that have been involved. In that sense I think the wording is accurate Mr Chairman, but we certainly do take the point of the representative from Lebanon.

Mr Chairman, I would like to make reference to a few points that have been raised during the debate this morning, and I do appreciate the concern and interest that have been shown by the delegate. I think that there may be some distinctions drawn that are perhaps not as clear as they should be.

First off I think it is important to make reference to the work that has been done by the Finance Committee and by the Council. I have the impression from several delegates that as a matter of urgency we should go back and study a basket of currencies of various types, a split assessment and perhaps some other measures. I am sure that most of the delegates will recall such measures being discussed in the June Council following a report by the Finance Committee, and that this matter has again been taken up with the Finance Committee even as late as September. Mr Chairman, the Finance Committee has studied I think at least four different options for correcting this problem and it made certain suggestions to the Council, but the final results of the Council have been included both in the Council's report and are reflected ultimately in this resolution before you. I would not want to leave the impression that these matters have not been studied. Quite frankly they have been studied very thoroughly. There are arguments for and against each of the alternatives that have been suggested, for example on the split payment in lire and dollars. While again this would solve the situation in certain cases it would be the reverse when the dollar was strong, but to the Organization this creates an enormous cost. We literally have to run two accounting systems. For all those assessments paid in dollars we have to run all of the set of books in dollars. For those assessments that are received in lire we have to run them in lire, because if you are not to convert from one to the other you literally have to have a complete set of records. As you know our financial regulations call for us to retain our official records in dollars. That does require us, when we receive contributions in lire, to literally make a conversion as of the exchange rate at that day and record them in our official records in dollars. If we were not to do this it would require a change, not just in the financial regulations but in our method of record keeping, at fairly substantial cost. I am not at all sure that that substantial cost would be offset by the savings that may be incurred. Mr Chairman, if we look back on the number of biennia when we have had a particular problem of assessment in Special Reserve Account I think we would find, other than the original establishment, that this is the first time the Organization has presented a proposal through the Finance Committee and the Council to the Conference to replenish through assessment. In prior years there has been sufficient fluctuation which has created improvements in the lire/dollar exchange rate to allow the topping off in most instances of the Special Reserve Account by way of a surplus, and the surplus therefore has been distributed. At that time, of course, there were no recommendations coming forward that we should make a change. I think it is important, Mr Chairman, that the fact that the dollar has weakened so dramatically during the past two years has created this situation, and while certainly none of us expect the dollar to continue to weaken at that rate during the next biennium, we still think that there is a need for some degree of protection.



The proposals made to say that the Organization should absorb the amount of the replenishment of the Special Reserve Account is in effect a request to the Organization to reduce its budget by that amount. Since the Programme of Work and Budget has been carried out, has been voted upon at the existing level, literally we have no authority to reduce that budget. Mr Chairman, our hands are tied; we have very little option at this point, and we therefore must come to this position of requesting some replenishment. We thought that a request for one half would be an appropriate one, and certainly the Finance Committee wholeheartedly supported that and ultimately the Council supported that. It is certainly right for debate; it is certainly right for a complete and full understanding, but unless we have some degree of protection in the Special Reserve Account I do not see any way that the Organization can carry out its Programme of Work and Budget and at the same time not be protected against exchange rate fluctuations, particularly on staff costs. Every effort will be made, and I can give the assurance certainly of the Director-General, that everything will be done to alleviate and to minimize exchange rate fluctuations. Every management effort will be taken to gain the highest amount of interest on deposits that are received to avoid any other possible offset on exchange rate fluctuations, but there is no way that we can guarantee there will not be fluctuations in excess of those that we are able to accommodate.

Mr Chairman, there has been reference made to the concern that the good payers have against those who do not pay, and there again it depends a little on who is not paying at the time of course, because there is a difference in the mix of those who are not paying in the last biennium versus prior biennium. Nonetheless I think it is fair to say that with the exception of the unusual situation that the United States finds itself in, most other countries find that they are able to pay, if not in the current biennium then in the subsequent biennium. We normally run a rate of arrears of between 8 and 10 percent other than that of the United States. We do expect that all countries will pay their portion eventually. That means certainly that we will not receive the entire one half replenishment during the next biennium and we must come to the realization that that is the case. That really means that we have to protect ourselves from currency fluctuations by some other means by the amount that is not received. Again every effort will be made to minimize those fluctuations so that we do not have to take other measures.

The sum and substance, Mr Chairman, is that the replenishment of the Special Reserve Account as a minimum to the one half level is absolutely essential for the Organization to use to carry out its Programme of Work and Budget. We take that very seriously and will make every effort to make the most efficient use of all monies received and to avoid any further fluctuation to the degree that we have any control over them. Most of the fluctuation itself we cannot control.

I think, Mr Chairman, that addresses the issues that I have raised. Perhaps there are some that Mr Shah has picked up that I have not, and with your permission perhaps we can have him address those. Thank you, Mr Chairman.

**Ms Janet Lesley TOMI (Australia):** I originally just wanted to strongly associate the delegation of Australia with the very lucid explanations that have been given by a number of delegations. I refer to the reasons provided by the Netherlands, France, United Kingdom, United States and Canada because all of the issues they canvassed explained the difficulty the Australia delegation had with this proposal, and we will be voting against this draft resolution.

Beyond that I would like to take up one point made now by Mr Crowther that the Secretariat's hands are now tied because the budget has been approved. This indeed is a point that I think a number of delegations made in Commission II, that it would have been far more we think desirable that we could have looked at this range of various proposals to deal with the financial difficulties facing the Organization if they could have been taken first, and then we would have had the opportunity to look at the Programme of Work and Budget in toto.

Unfortunately, this has not been the case, and therefore we feel the discussion now going on with regard to this particular Item is in some sense very meaningless.

I have also a question to ask that may derive from my ignorance, I understand from what was said by an earlier delegation - I think the Netherlands - that there is provision to replenish the SRA from the drawing-down of general funds. I note from document C 87/LIM/41 that as at 31 December 1987

there is going to be an unobligated balance of some \$25 million. I am wondering whether this money in some way cannot be drawn down to replenish the Special Reserve Account rather than looking to additional levies.

My only other point is that although Australia is a member both of the Finance Committee and the Council we here are attracted to the proposal of the delegate of the United Kingdom that the Finance Committee be asked to study the feasibility of split currency assessments. I appreciate from what Mr Crowther has said that apparently this has already been done, but it may have been done in the absence of full knowledge of the ration of actual currency disbursements.

**Patrick Oliver RYAN (Ireland):** We are not very happy with the proposal that the Special Reserve Account be partially replenished on this occasion by special assessment. Equally on the other hand we cannot accept that it be replenished from programme cuts. Therefore we support this resolution. We were also going to support the suggestion from the delegation of Switzerland and the United Kingdom that the Finance Committee examine as a matter of urgency the payment of assessment in special currencies, but following the explanation by Mr Crowther of the difficulties, we suggest that States continue to protect the Organization against currency fluctuations, by not missing payments.

**Ansoumane SAGNO (Guinee):** Après examen du Document C 87/LIM/13 j'éprouve vraiment quelques inquiétudes quant au point 1, du projet de résolution. Mon pays ne siège pas au Comité financier et au Conseil. Ces organes méritent tout notre respect, comme l'avait dit lors d'une de nos séances, le distingué Représentant de l'Italie, parce que tous les membres qui siègent ont été élus démocratiquement. Cependant la crise financière que traverse la FAO découle du fait que certains Etats Membres n'arrivent pas à s'acquitter de leurs obligations. Il est clairement dit dans le Document C 87/LIM/11 au paragraphe 4 que 22 Etats ont effectués des versements partiels et 45 n'ont fait aucun versement en 1987.

Ce qui signifie que 68 Etats sont en situation irrégulière, soit 43% de l'ensemble des Etats Membres. En plus, le projet de résolution qui nous est soumis notifie des inquiétudes concernant le versement des contributions du plus gros bailleur de fonds, autant cette année que durant le prochain biennium de l'exercice.

Dans ces conditions, est-ce possible de demander à ces Etats Membres de faire une contribution extraordinaire? Et ce, étant donné que l'ordinaire n'est pas réglé? Ou alors cette demande s'adresse-t-elle seulement aux Pays Membres capables de s'en acquitter? Si tel est le cas, le projet de résolution devrait en tenir compte pour éviter à cette demande un caractère obligatoire.

Je pense qu'un appel volontaire pour reconstituer le compte de réserve spécial dont l'importance n'est pas à démontrer serait favorablement accueilli auprès des Etats Membres.

Nous devons user de toute l'action nécessaire pour porter le Compte de réserve spécial à son niveau statutaire à condition que cela n'entraîne pas des obligations financières supplémentaires pour les Etats Membres qui auront des difficultés pour s'en acquitter. Pour cela nous devons compter sur les services du Secrétariat qui grâce à ses initiatives très habiles a toujours réussi à nous tirer de l'impasse.

**Masahiko YASUMURO (Japan):** Concerning the replenishment of the Special Reserve Account for 1988-89 my delegation considers that the Special Reserve Account is an important system for securing the full implementation of the programme of work in cases where it may be affected by dollar fluctuations. We believe that long-term financial measures of this kind should be studied and considered as soon as possible. We believe that the replenishment of the SRA is clearly needed at this stage, so my country has no difficulty in supporting the draft resolution.

**Pedro SEBASTIAO (Angola):** Nous serons très bref. Mon pays appuie le projet de la résolution qui nous est soumise. C'est tout.

**Milan KARIC (Yougoslavie):** En ce qui concerne la proposition de la reconstitution du compte de réserve spécial, je voudrais rappeler l'intervention précédente de ma délégation sur l'augmentation du Fonds de roulement. C'est pour ces mêmes raisons que ma délégation, dans les grandes lignes, ne peut pas accepter cette résolution parce qu'il s'agit de nouveau d'une augmentation 'financière supplémentaire' des pays membres.

**Amilcar Spencer LOPES (Cap-Vert):** Je serai très bref, la délégation cap-verdienne appuie le projet de résolution pour la reconstitution du Compte de réserve spécial pour 1988-89, tel qu'il est annoncé dans le document C 87/LIM/13, et ce, pour les mêmes raisons qu'elle avait appuyé une augmentation du Fonds de roulement.

**Ernst ZIMMERL (Austria) (original language German):** We have difficulty in giving our agreement to the new contribution when many countries are in arrears. I think we should take up the proposal of the delegate of Switzerland in order to consider the special currency assessment. In that case, replenishment may become absolutely unnecessary.

If I may say a few words regarding the comments about the financial regulations, they can be modified we think. There is also the fact that two budgets make things even more expensive. A calculation in two different currencies costs more, but in view of the fact that one is asking for additional contributions from Member States we should consider whether these additional costs should be borne or not.

In this respect, I would like to make a suggestion. In trade between countries or states, an importer who orders a product at a given price in a given country can have a system of insurance against exchange rate fluctuations. This might also be possible for FAO contributions - or something along those lines.

**Mourad BENCHEIKH (Algérie):** Je vous remercie d'autant plus volontiers que vendredi soir, lorsque l'Algérie voulait expliquer son vote concernant le Fonds de roulement, le Secrétariat avait fait état, ou le Président qui présidait, de l'impossibilité qu'avaient les interprètes de rester au-delà de 18 heures. Chose qui m'avait beaucoup frappée dans la mesure où des interprètes assumaient la Commission I et la Commission II. Toujours est-il que mon intervention ici voudrait constituer plutôt une réponse immédiate au problème du compte de réserve spécial et faire une réflexion à haute voix sur la démarche qui nous est proposée ici et qui consiste en quelque sorte à demander aux Etats Membres des contributions supplémentaires.

La délégation algérienne avait démontré qu'elle était tout à fait opposée à l'augmentation du Fonds de roulement et ceci pour plusieurs raisons:

- La première est la plus évidente; c'est que l'Algérie traverse à l'heure actuelle un certain nombre de difficultés économiques qui la conduisent à une politique d'austérité très stricte.
- La seconde c'est que l'Algérie en votant favorablement pour le budget, a consenti un sacrifice supplémentaire et a voulu, ce faisant, montrer son attachement à la coopération multilatérale.
- La troisième raison, qui me paraît non moins importante, c'est qu'en définitive, la démarche qui nous est proposée tend à occulter le véritable problème des arriérés. L'Algérie est en effet persuadée que si tous les pays faisaient face à leurs arriérés (et faisaient face régulièrement à leurs arriérés), et si tous les pays prenaient l'engagement de régler leurs contributions dans les délais, le problème auquel nous sommes confrontés à l'heure actuelle n'aurait pas lieu d'être.

En conclusion de cette réflexion générale, je voudrais dire que cette augmentation de contributions comme augmentation du Fonds de roulement de réserve spéciale, ainsi que d'autres mesures, pose le problème qui est le suivant: qui est de demander aux bons payeurs de continuer à payer pour les mauvais payeurs et cette démarche est inacceptable pour mon pays.

Or je ne sais pas dans quelle mesure une question aussi importante que cette augmentation des contributions ne ferait pas l'objet en plénière d'un vote au deux tiers. C'est une façon je crois, qui serait tout à fait en harmonie avec le Règlement général, avec la coutume de l'Assemblée générale des Nations Unies. C'est une décision qui serait très importante et très grave et l'Algérie souhaite qu'on la traite avec toute l'attention qui lui est due.

Je conclus en disant qu'il faut bien comprendre que ceux qui ne payent pas et ceux qui ont décidé de ne pas payer ne paieront pas davantage ces contributions supplémentaires. Ceux qui ont l'habitude de payer pourraient être fortement incités à s'engager aussi sur la voie des arriérés surtout si on les obligeait à répondre d'une façon ou d'une autre, aux résolutions qui risqueraient d'être adoptées.

**Antoine SAINTRAINT (Belgique):** Je vous remercie de me donner la parole. Ma délégation souhaite justifier son vote d'abstention à propos de la reconstitution du Fonds de roulement. Nous avons expliqué que notre délégation estimait que les bons payeurs ne pouvaient se substituer aux débiteurs défaillants. En ce qui concerne la reconstitution du fonds du compte de réserve nous émettrons le mime vote que celui que nous avons émis à propos du Fonds de roulement pour la raison que j'ai déjà eu l'occasion d'exprimer. En fait et en pratique un minimum de 40% des dépenses de la FAO se font, au Siège, en liras italiennes. La Belgique est un membre fidèle et actif de la Communauté économique européenne et elle estime qu'il serait souhaitable que dans un très proche avenir on puisse étudier la possibilité d'un budget qui puisse être partiellement libellé en liras italiennes ou en monnaie européenne, par exemple, l'ECU, de façon à ce que soient couvertes dans de bonnes conditions les dépenses faites au Siège. Il est clair pour les pays européens, payeurs en monnaie européenne soulageraient la FAO qui ne réglerait qu'en partie les fluctuations des taux de change actuels du dollar. C'est une idée qu'en tant que Membre fidèle de la Communauté économique européenne nous défendons et nous souhaitons que dans un très proche avenir on puisse en arriver à cette formule qui est déjà retenue dans d'autres Organisations internationales (peut-être pas parmi les plus importantes), mais dans certaines Organisations à Genève, la formule est déjà retenue à l'heure actuelle. Nous souhaiterions que le problème soit très rapidement étudié par le Comité des finances de façon à ce que les pays de la CEE puissent apporter leurs contributions dans une monnaie pour laquelle les soubressauts des taux de change n'interviennent que de façon beaucoup plus réduite. Il est clair que le problème serait en grande partie réglé si les pays européens pouvaient apporter leurs contributions en liras italiennes ou en ECUS européens. C'est la raison pour laquelle, sur la reconstitution du compte de réserve spécial, nous émettrions un vote d'abstention qui ne doit pas être interprété comme une position de principe opposée à la reconstitution du Compte de réserve puisque nous savons qu'il y a un problème qui se pose. Nous voudrions également souligner l'importance qu'il y a d'apporter une solution à la question de l'entière du budget par rapport au dollar américain.

**Elio PASCARELLI (Italy):** After the various interventions here, I have some remarks and some questions. First of all I want to assure the distinguished delegate of Belgium that the idea of using a basket of currencies - for instance, ECU - was examined in two sittings of the Finance Committee. The objection then was that with ECU we do not have the dollar in the basket. What our distinguished friend Saintraint has just said, that we should use ECU for half of it and dollars for the rest of it, seems really attractive. We plan to pursue this idea urgently in the Finance Committee.

As Mr Crowther said, the lira/dollar has also been discussed there. I am sorry to hear again that the Secretariat is against it, but we would like the Secretariat to work a little more, and since they have Finsys/Persys, and plenty of new devices to make calculations very rapidly, I think that they ought also to help their own Organization to find a way out of its difficulties.

On the substance of the matter, I am sorry to hear even some members of the Finance Committee, who have decided to find a compromise solution of the 50 percent replenishment, now changing their minds. I do not know whether they are our to wreck the Organization or to keep it safe and sound. If I saw my roof falling on my head I would not look at what the others were doing, I would hold it up. That is

my view. I am sorry to repeat once again the slogan of a Prime Minister of Italy 90 years ago, Sidney Sonnino, who used to say "Quod Aliis licet tibi non". In other words, we do not follow the example of the worst but we try to follow the example of the best. May I remind you that if just one-third of the last cash surplus had been put aside we would be able to cover this special Reserve Account because many of the countries present in this hall hastened to get back their part of the cash surplus in the fat years and now in the lean years they refuse the Organization the means that it needs to protect its programme. Fat years and lean years: this Organization has lived on fat years for many biennia

casn surplus. Mr Crowther can say

mai. they uuc less than a couple of million dollars that the Organization received from us in the fat years and distributed as cash surplus. I can speak loudly because my country was the first to encourage the other member countries for the sake of the Organization not to claim back now the cash surplus of 1984/85 since it is equitable to leave in the hands of the Organization what the Organization gave back in the fat years.

Now we have had a terrible biennium which exhausted completely in one-and-a-half years all the protection that the Organization had. By the month of July we had nothing more in the Special Reserve Account. Italy went beyond that. We did not defer the claim, but abandoned that in the hands of the Organization. It would be very easy to say: "For replenishing \$625 000, we left in your hands \$1 600; use that money!" No, Sir, we are going to pay that because we believe we have to sustain, to support, this Organization to overcome its difficulties. We pray to God that the difficulties will not be so severe as they proved in the last biennium, but it would be unfair not to give the funds to the Organization that is obliged to fulfil and execute the approved programme.

I would like the Secretariat to explain to my friends here how much of the cash surplus accumulated because of the fluctuations, because the reason for the depletion of the Special Reserve Account is not the non-payment of arrears; it is the fluctuation of the dollar mainly. You can say what were the percentages that caused this depletion and what is the percentage of the cash surplus that accumulated because of the fluctuation of the dollar.

**Ronald DEARE (United Kingdom):** Like my distinguished colleague from Italy, I must say that I was somewhat surprised at the apparent lack of flexibility in the response of Mr Crowther to the point that had been raised about a dual currency budget. I am well aware, of course, of the work that has been carried out in the Finance Committee and in the Council, but I for one do not accept that that should be the end of the matter. I think this is an on-going problem that needs, on-going study. As was noted by the distinguished Ambassador from Belgium, this split currency budget has been adopted by other agencies in the UN system and has just been adopted by UNIDO at its recent General Conference in Bangkok.

Again, I share the surprise of the distinguished Ambassador of Italy that with all the sophisticated and expensive computer equipment in which the Organization has invested for, amongst other purposes, financial accounting, it is not possible to contemplate the introduction of a dual currency budget.

I can understand the difficulties, but it seems to me that the suggestion that has been made that this matter should be given further study is one that everyone in this room, I would have thought, would support.

Whilst I have the floor, could I say that I too would be interested to hear the answer to the question put by the distinguished representative of Australia about unobligated balances. My delegation fully accepts the need for the Organization to have a Special Reserve Account, but we do not necessarily at this stage accept that it needs to be replenished by a special assessment on members. We are not convinced that there are not other ways in which this might be achieved. As I say, the distinguished delegate of Australia has asked a question and I would be very interested to hear the answer to that.

**V. J. SHAH (Director, Office of Programme, Budget and Evaluation):** One of the questions raised in this very lively debate was about the surpluses in earlier biennia which can be attributed to favourable movements of exchange rates.

In 1984/85 the excess of income over expenditure was \$34.7 million, and the balance of the Special Reserve Account in excess of the 5 percent required for the subsequent biennium was \$9.8 million.

In 1982/83, when the excessive over expenditure was US\$ 46.2 million, the excess balance of the Special Reserve Account was US\$ 13.7 million. In 1980/81, the excess of income over expenditure was only US\$ 6 million, and the balance of the Special Reserve Account in excess of the five percent was US\$ 1.1 million. That is as far back as we go.

One question which has been repeatedly raised in the debate is: why a special assessment? The distinguished delegate of the Netherlands in fact started off by saying that a Special assessment was not even intended by resolution 13/81 referring to the Special Reserve Fund. Allow me to try and explain.

There are several ways in which that resolution foresees the replenishment of the Special Reserve Account for the subsequent biennium. The first course is that any balance of funds remaining in the Special Reserve Account would be carried forward; we are in a situation where the funds were used up in July. The second method is that any portion of the cash surplus would be withheld and credited to the Special Reserve Account; we are not going to have a cash surplus. The third is the use of sums received in payment of arrears.

This is certainly a possibility which is envisaged, and is part of the proposal before you. To rely entirely on arrears involves two major dangers: firstly, that we do not know what part of the arrears - and especially the arrears of the largest contributor - will be paid in the next biennium: we just do not know; secondly, there is the danger that even if they were going to be paid, or there was a good chance that they would be paid, unless these arrears during the next biennium are paid right at the beginning of the biennium, we start the biennium very open, very vulnerable to risks.

The possibility of any other means of replenishing the Special Reserve Account is provided in the operative paragraph, paragraph 6 of resolution 13/81, which foresees the possibility, and permits the Director-General to submit proposals to the Conference through the Finance Committee and the Council concerning ways and means of bringing the Special Reserve Account up to the level of five percent. That is the operative paragraph. The Director-General of course considered the possibility of replenishing the Special Reserve Account up to its entire level by special assessment, and it is precisely because of his recognition that the burden on Member Nations would be heavy, together with the other burdens involving other proposals before the Conference, that he decided on submitting a proposal which would involve a special assessment for half the amount of the replenishment necessary. It is entirely in recognition of this. The response of many delegations has been to say that if we had had arrears paid we would not have a problem, because we could then use them to replenish the Special Reserve Account: but here I think in all sobriety that it is a question of distinguishing between individual obligations and communal obligations.

It is certainly an individual obligation of every Member Nation to honour its dues; but when the payment of these dues is delayed, does it help the Organization to say "Well, it's not my problem, Jim - you go to Harry, or you go to John and ask him to solve it for you"?

We then come to the question of the communal obligation. Is it the will of the Conference that this Organization should begin the next biennium with an approved programme of work and budget, true, but one which would be exposed to the adverse affects of currency exchange rates? We are not saying that we will spend this money - of course not. If the exchange movements are stabilized, or move in favour of the United States dollar, not only would we not use this money, but the Special Reserve Account would get credits from favourable movements of exchange rates.

This is the balance of the arguments which I would ask the Commission to consider.

May I now turn to the question of alternative solutions? - and I hope my colleague Mr Crowther will not only join me in this, but that we are going to speak with one voice on this because we work very closely together. The Finance Committee has indeed already been instructed by the Council to return to the examination of a system of split assessment in dual currencies, as well as other measures which might be examined. Even if the Finance Committee were to proceed with this with all due speed - and Mr Crowther has assured you that there is the fullest possible intention on the part of the Secretariat to give it every support in its examination - what is possible, in time? In time

we would get a solution, or several solutions, submitted by the Finance Committee, coming through the Council, coming to you, to the Conference in two years time. Fine - in two years time, the Commission may then be in a position to take any decisions about whether it intends to maintain the Special Reserve Account, with what characteristics, at what level, or find other solutions. But we are addressing the needs of this next biennium beginning in January 1988 and I hope that all those who have suggested that alternative solutions be studied will recognize that, even if other solutions are found - and I am sure that study will lead to other solutions - we need to have some solutions. for application now in the coming biennium.

To dispel any doubt about the attitude of the Secretariat in this matter: we know that the International Atomic Energy Agency was the first to apply the system of dual assessment. UNIDO, as the distinguished delegate of the United Kingdom has pointed out, has only now, at its General Conference, decided to use that. When I last saw the proposals of Unesco for their General Conference - which has just about concluded now - they were proposing to establish a Special Reserve Account. I am sorry that our contributions to this Conference have not permitted us to find out what the outcome was, but that was the proposal going to the Unesco General Conference. In all of the intersecretariat discussions in which my colleague Mr Heim participates in the Consultative Committee on Administrative Questions - finance and budget questions - all of the organizations are agreed that this is something which they are jointly pursuing. So there is no doubt that the matter is under examination and is being pursued by all organizations who do not apply a system yet.

The distinguished delegate of Australia enquired whether the Special Reserve Account should not be replenished from the unobligated funds at the end of this biennium. The figure the delegates mentioned was US\$ 25 million, which is the figure mentioned in the document which you will be considering under the next agenda item. However, this figure refers to the cash balance in the general fund, and not to the unobligated funds. I have no doubt that Mr Crowther and Mr Heim will certainly wish to respond in greater detail on this.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

Further to the question raised by the distinguished delegate of Australia: reference was made to the unobligated balances shown in the statement of US\$ 25 million, which is composed of two specific figures, one, the bills that will be owed at the end of the year to unpaid obligations - contracts, purchase orders, other obligations which have been entered into - of roughly US\$ 17 million, to which an additional amount of US\$ 7 million for obligations for similar kinds of things on the TCP Programme - that is, not just to carry forward appropriations, but actual obligations that have been entered into for equipment, personnel, and other items - must be added. The two together comprise US\$ 25 million. These are unpaid bills - it would be nice to offset other things against unpaid bills, but I do not think our vendors would be too happy about that!

The idea that we can use other funds for replenishing the Special Reserve Account is certainly one that occupies a great deal of attention - finding every way we can to improve the collection of arrears, finding every way we can of savings where possible, is certainly the objective of the Organization; but I am afraid the figure in obligation balances would not be possible.

One last comment on the United Kingdom statement: I certainly did not intend to infer that we would be inflexible. In my earlier comments I did want to explain the discussions that were held in both the Finance Committee and later in the Council on the various proposals which had been prepared. From the Secretariat's point of view, certainly we are perfectly willing and hopefully inflexible, in that sense - we are perfectly willing to accept whatever judgements are made by the governing body. We are at your disposal, and will certainly continue to be so. We do however intend to offer the benefit of the information that has been gained from the studies that have been made and the discussions held by the Finance Committee and Council - but I do not want to imply that the Secretariat would be inflexible on this kind of matter.

Those are the two points I wish to touch on at this stage. I believe that the others have been answered, but we can perhaps continue with the discussion and if there is anything further we will happily respond to it.

**Ms Janet Lesley TOMI (Australia):** I would like to thank Mr Shah for his explanation. I was confused by the fact that this document clearly states that the balance is unobligated: I of course understand the difference between unobligated monies and outstanding obligations, and I do wonder why, if this money is obligated, it should be listed in the document as unobligated.

**Dean K. CROWTHER (Assistant Director—General, Administration and Finance Department):** I am sorry, Mr Chairman, while I have the document, I am not sure of the precise figure. I had thought that the amount I had referred to earlier was the obligated figure. Perhaps the way to overcome this would be for us, following the meeting, just to discuss this specifically, and unless there is further interest we would be happy to. Mr Shah has the answer.

**V. J. SHAH (Director, Office of Programme Budget and Evaluation):** I believe, if we have the right reference to the statement of the distinguished delegate of Australia, she was referring to an unobligated balance of 25 million dollars. That is in the table at the top of page 2 of Document LIM/42. That unobligated balance of \$ US 25 million is the \$ US 25 million of savings, programme adjustments leading to savings. That is what we have reduced from the approved Programme of Work and Budget in order to achieve the savings.

**Khaldoun SUBAIHI (Jordan) (original language Arabic):** Jordan feels that the subject we are discussing at present is a very technical one and falls within the framework of the treatment of a financial situation of the Organization. Therefore, it is perfectly normal for the Organization to turn to the Member States so as to be able in future, for reasons which are beyond the responsibility of the Organization, to meet the needs of the Organization.

An effort, I think, is necessary so as to be able to live up to the expectations of the Organization. My delegation supports the draft resolution.

**A. Daniel WEYGANDT (United States of America):** Thank you for giving me the floor a second time, Mr Chairman. I hope I am not preempting other speakers who have not yet taken the floor. I simply wanted to intervene at this point to support what was expressed by our colleague the distinguished representative of Algeria with respect to the treatment that we should give this issue when we come to Plenary. I would note that previous speakers have pointed out that the financial regulations would not normally provide for replenishment of the Special Reserve Account by a special assessment. I realize that it is within the scope of our regulations, but it is not a normal procedure, if I may express that opinion. I would also note that in Article XVIII Section 5 of the Constitution we talk about decisions on the level of the budget being taken by a two-thirds majority. I think that the only reason it would be phrased that way, the level of the budget as opposed to the budget as a whole, is because we are talking about the level of assessments that will result from any decisions that we take. It seems to me that our colleague from Algeria has made a very important point here. When we are talking about approving measures that will require an increase in assessments, I think as general matter we should refer this to a two-thirds majority. I have no illusions about the outcome of any vote on this question, but I do think it is an important question of principle that any decisions bearing on increased assessments should have a clear support behind them. That is just my point at this stage.

**J. HEIDSMA (Netherlands):** I just want to react to one or two things that Mr Shah said in his explanation. First, of course he is entirely right that in the resolution from 1981 there is included in the text the possibility of taking any measure, including a special assessment. What I wanted to say, though, is what contrary to what was stated in the case of the Working Capital Fund where it is explicitly mentioned that there is a possibility of a reassessment, in the case of the Special Reserve Account the word "assessment" does not as such appear in the resolution.



Secondly, I believe Mr Shah said that we all have two types of obligations, one an individual one and secondly a communal one. I am not entirely sure what he meant by that, but as far as my delegation is concerned we certainly believe that we do fulfil our communal obligations. Certainly, by opposing this resolution we do not think that we do not fulfil this communal obligation.

The third point I wanted to make is, as a matter of information, that of course two organizations have now adopted the dual currency system. There are a few organizations in Geneva, if I am not mistaken - that have a third system, so to speak, by assessing the Member States in the local currency, which is yet another method. I am not proposing it; I am just giving it as a form of information.

Finally, on the two-thirds majority issue, I am inclined, without being an expert on these matters at all, to agree with the United States delegate. But I think it would be helpful if we got some sort of legal opinion on this as well.

**CHAIRMAN:** Of course it is hard to sum up this discussion, and it is not my intention to do so except by stating that there were different views, and in the four groups of views I have registered some voices for the draft resolution, some other voices for the resolution with certain reservations, some other countries clearly against the draft resolution and some delegations have announced that they would abstain. In that situation, we will ask Mr Crowther to have the floor now with certain suggestions, providing that we have almost the required quorum at this point.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** We have asked for the Legal Counsel to come to the hall to address this issue of a two-thirds majority. Since there is not a clear consensus, I would expect the important thing would be to put the matter therefore to a vote, depending on the chair's wishes. I think the Secretariat probably should make a quick count just to see what the numbers are. When the Legal Counsel arrives he can make a judgement as to which rule should be in effect. It seems to me that should be in order.

**J. LYNCH (Canada):** This is just about a procedural matter which I think I have voiced before. First of all, I would like to take this opportunity to thank you and your colleagues on the way you have been chairing our sessions. However, as I think you are aware and most of us here are, we have been losing a lot of time in this Commission and also in other Commissions. In this Commission it has not necessarily been because of differences of view about procedural items. It is mainly because we do not have enough people to field a quorum. If I could suggest this, given the limited time available to us, we are going to have to look very seriously at whether or not we are going to be able to finish our work. In general my delegation believes that the Organization of this particular Conference into three Commissions is perhaps a mistaken idea. There appear not to be enough delegations who have sufficient people to man three different Commissions at the same time. Therefore, I would make the suggestion on a specific basis that there not be overlapping meetings of Commissions because it appears that we are unable to meet the minimum number required. In future, I would suggest - and we will hopefully make this suggestion - that with respect to some of the items being discussed in this Commission it would make more sense and also help us in achieving a quorum if these items could be dealt with in Commission II or whatever Commission dealt with the Programme of Work and Budget. This particular suggestion is made because, one, we seem to be awaiting events, and one of the events we are awaiting is sufficient numbers, and it appears to be appropriate to raise it that it appears from previous things that we have lost at least two or three hours waiting for sufficient people to be available for a quorum. This is a feeling I have from talking to some delegates that other people sensed that we are not quite working properly. This is not in any way intended to be a criticism of your Chairmanship because I think both you and your colleague have been very, very fair and firm in your Chairmanship. It is just a question that the bodies will not come .

**CHAIRMAN:** I thank the distinguished delegate of Canada for his kind words' addressed to the Chair. Of course, we do our best and I share your view that we waste too much of our time waiting until a quorum will be ensured, etc. We have to realize that we are beyond the schedule so it is my intention to do whatever is possible to conclude this item, which is a very important one. Again, I will ask the Secretariat to count the present delegations to see whether we have reached the quorum or not. We have now exactly 69 delegations.

**J. HEIDSMA (Netherlands):** I am thinking aloud together with the Chair about how we can solve this issue. I do not know if it is procedurally possible, but why do we not just continue with the next item, and as soon as we have a quorum we interrupt the discussion on that item, take the vote and continue with the item? I am not sure if it is possible, but it would be helpful in view of the time we have left.

**CHAIRMAN:** Theoretically it is possible, but we are so close to reaching the quorum that I am afraid that if we postpone the vote, for instance to the afternoon session, we may have a situation much worse, that is fewer delegations present than we have now. Maybe we shall again ask the Secretariat to try to find whether in the other Commissions there are some other delegations available. To make certain of the reply to your suggestion, I will ask Legal Counsel.

**LEGAL COUNSEL:** I understand that the question which has been asked is, in view of the fact that the Constitution provides that a two-thirds majority vote is required to determine the level of the budget, whether a two-thirds majority vote is also required in order to adopt the resolution that you have before you. The Constitution and the General Rules of the Organization do not lay down any specific rule on the rather exceptional measure that you are in the process of considering. However, it is quite clear that certain specific items do require a two-thirds majority, and these are listed in the General Rules in a footnote on page 32 of the English version of the Basic Texts. There is no specific requirement applying to the Special Reserve Account and in the absence of, shall we say, an exceptional provision - because a two-thirds majority is an exception to the normal rule, which is a simple majority - I do not believe that a two-thirds majority is required in this particular case.

**A. WEYGANDT (United States of America):** I would like to thank Mr. Roche for his response to my question. In fact my question was not exactly as he put it however. My point was simply to say that the intent that I see in Article XVIII Section 5, requiring a two-thirds majority clearly talks about the level of the budget, and the only rationale that I could come up with for such a phraseology, would be that in terms of dealing with the levels of the budget you are dealing with the level of assessment. Here we are dealing with a measure that requires additional assessment and I was wondering whether there are any provisions elsewhere in the text. I am familiar with the provisions that he has listed for us on page 32 of the English text, but if there are any other provisions dealing with matters of assessment requiring a particular majority I have, over the weekend, tried to find such a reference and I am unable to find anything, and it seems to me that in general legal practice you take the nearest equivalent precedent as the basis for your decision.

The other question I think is simply a matter of principle, and that is that if we have one clear precedent requiring two-thirds majority when you are establishing assessments, does it not make sense to continue to require that, even if the assessment in question is a relatively small one? I would simply also, recalling the statement made by my distinguished colleague from Algeria who was noting that elsewhere in the UN system on important questions there is a provision for two-thirds majority, so it seems to me that there is a certain amount of ambiguity about this situation, and I think it really should be something that perhaps deserves additional thought if you would allow me Mr Chairman.

**CHAIRMAN:** I have just been informed by my colleagues that we are trying to increase the number of the delegations and asking some people to come in from Commission II, so maybe we can have few minutes more of patience.

**Elio PASCARELLI (Italy):** Since we have some time to waste I would like to bring my contribution. I have been trying to recall everything I learned at the university on international law, company laws and the statutory prescription of majorities. I am rather inclined to agree with my American colleague that eventually we might need a two-thirds majority, but this is a Commission and we have a Plenary that has to approve our report. We can postpone, if need be, the vote to that Plenary, and there I can assure you that no Commission will be meeting when the Plenary discusses this point.

This is my personal idea to help you spend the time.

**A. Daniel WEYGANDT (United States of America):** Indeed it has been pointed out to me, both over the microphone and without the benefit of the microphone, that I was not sufficiently clear on where I was asking for the two-thirds majority. I had thought that in my first intervention on this subject I made it relatively clear that I was talking about the Plenary. I am not talking about the Commission. We cannot get half the people here so there is no sense in looking for a two-thirds majority at any event. I am really only talking about the Plenary, and I certainly thank my Italian colleague for making that addition to my proposal.

**Leopoldo ARIZA HIDALGO (Cuba):** También en la misma línea del colega de Italia, quisiéramos aprovechar estos minutos para explicar un criterio: la Dirección Legal no ha dado una clara respuesta sobre si se necesitan los dos tercios o la mayoría, aquí, en la Comisión. Yo creo que debería precisarse esa situación antes de seguir adelante, porque la delegación que impugna esta situación tampoco ha explicado si eso es producto de que están los textos básicos, sino que él considera que es así, pero aquí no estamos en consideraciones individuales, sino con textos que dicen sobre esta situación gráficamente, o no dicen nada.

**LEGAL COUNSEL:** I assumed that it was generally accepted that the question of a two-thirds majority did not arise in terms of the discussion in this Commission. The reply I gave was in fact a reply to the point as explained just now by the delegate of the United States. My reply was directed to what would happen in the Plenary.

**Ronald DEARE (United Kingdom):** I thought I would take this opportunity to speak in support of what was said earlier by our distinguished colleague from the United States on my right. Far be it from me to take issue with our distinguished Legal Counsel since I am not a lawyer, but I always understood that if there is no specific provision for a particular circumstance, one would go to the nearest possible relationship or precedent. It is quite clear that our distinguished forebears who drew up these Basic Texts certainly envisaged the need for a two-thirds majority in the case of the budget assessment by virtue of the specific wording of the provision to which the delegate of the United States referred, and I would argue that since there is no specific provision which says that a supplementary assessment for the Special Reserve Account - or the Working Capital Fund for that matter - is subject only to a simple majority, the precedent of the two-thirds majority required for the level of the budget is very relevant to this question. Therefore I would support very much the arguments advanced by my distinguished friend on the right.

**Michel MOMBOULI (Congo):** J'arrive un peu tard de la Commission II pour venir compléter le collège des Membres de cette Commission afin d'atteindre le quorum.

Entre-temps, j'ai pu profiter des interventions de certains de nos collègues pour essayer de comprendre de quoi il s'agissait.

Si j'ai bien compris, nous sommes en train de poser la question de savoir si nous allons procéder maintenant au vote pour la reconstitution du compte de réserve spécial, et si en la matière il existe des dispositions dans les textes de base de l'Organisation.

Je formule la question suivante:

Est-ce que le Conseiller juridique pourrait nous dire clairement s'il existe des dispositions dans les textes de base qui concernent la reconstitution du compte de réserve spécial, selon lesquelles il serait nécessaire de procéder à un vote?

Si la réponse est affirmative, nous pensons que dans ce cas-là le vote pourrait avoir lieu en plénière et pas en Commission.

Si par contre il n'y avait aucune disposition concernant un vote pour la reconstitution du Fonds de réserve, on pourrait peut-être dans ce dernier cas se contenter d'un simple consensus.

Nous demandons donc au Conseiller juridique de clarifier la situation. Est-ce que pour reconstituer le compte de réserve il est nécessaire de procéder à un vote? Si c'est oui, nous sommes obligés de nous soumettre à cette disposition. S'il n'y a pas de dispositions, dans ce cas, à moins que certaines délégations n'exigent un vote, il faudrait peut-être accepter le consensus.

J'aimerais donc avoir l'avis du Conseiller juridique pour savoir ce qu'il y a lieu de faire.

**CONSEILLER JURIDIQUE:** Je crois que la réponse que j'ai donnée au distingué délégué des Etats-Unis est très claire. Il n'y a aucune disposition, dans les Textes fondamentaux, prévoyant un vote exceptionnel nécessitant une majorité des deux tiers dans un cas pareil.

Le délégué du Royaume-Uni a soulevé la question de faire une comparaison entre un vote sur le niveau du budget et la résolution qui est devant vous. Il a estimé qu'étant donné qu'il n'y avait rien de précis dans les textes, il fallait suivre la procédure qui était prévue dans un cas qu'il estime similaire.

En dernière analyse, surtout quand il s'agit d'une question qui n'est pas spécifiquement réglementée, il appartiendra à la Conférence en séance plénière de décider la majorité requise.

Toutefois, j'aimerais préciser qu'un vote à la majorité des deux tiers est une exception et n'est prévu que dans certains cas qui sont spécifiés dans les textes.

En l'absence d'un texte régissant précisément la question qui est devant vous, s'il y a une divergence d'opinions entre les Etats Membres ici représentés, il faudra que la Conférence prenne une décision sur la question de savoir si, dans ce cas, un vote à la majorité des deux tiers est nécessaire.

**Michel MOMBOULI (Congo):** Je voudrais tout d'abord remercier M. Roche de ce complément d'information qui était très utile. Après l'avoir entendu, nous ne pouvons pas demander davantage. Puisque nous sommes ici en Commission III et non pas en séance plénière, d'après les explications que M. Roche nous a données, c'est la séance plénière qui devra choisir quel est le mode de sanction à donner à cette opération que nous voulons effectuer. Tout ce que nous pouvons faire, c'est conduire le problème à la séance plénière qui décidera s'il faut procéder par un vote aux deux tiers, ou par un vote à la majorité, ou par simple consensus. Pour le moment, nous ne pouvons pas faire plus. Nous laissons la question ouverte. La Commission présentera le problème à la séance plénière qui devra se prononcer sur la procédure qu'elle jugera la meilleure. Lorsque le choix aura été fait, nous nous contenterons de suivre en fonction de ce choix.

**Leopoldo ARIZA HIDALGO (Cuba):** Nosotros estaríamos de acuerdo en todas sus partes con la propuesta del Congo; sin embargo, de la respuesta del Sr. Roche se puede inferir claramente que no hay nada legislado. Lo que no está jurídicamente legislado no creo que pueda inventarse, y no podemos convertir esto tampoco en una asamblea legislativa nueva para los textos básicos.

Las ideas, las interpretaciones, pueden ser libres, y muy variadas; por lo tanto creo que hay que atenerse a lo que ha explicado el Sr. Roche y a lo que ha ratificado ahora el distinguido representante del Congo: no estamos en un Plenario; estamos en una Comisión y por lo tanto no está legislado que aquí tengan que exigirse dos tercios.

**CHAIRMAN:** We have finally achieved a quorum so now we can vote on this draft resolution. I remind delegations that this draft resolution is contained in document C 87/LIM/ 13. The precise amount was given by Mr. Crowther, and is US\$ 12 309 000. We will vote by show of hands.

Vote by show of hands

Vote à main levée

Votación a mano alzada

The draft resolution was adopted by 36 votes to 17 with 23 abstentions

Le projet de résolution est adopté par 36 voix contre 17 et 23 abstentions

Por 36 votos contra 17 y 23 abstenciones queda aprobado el proyecto de resolución

Applause

Applaudissements

Aplausos

The meeting rose at 12.45 hours

La séance est levée à 12 h 45

Se levanta la sesión a las 12.45 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 87/III/PV/7

Twenty-fourth Session  
COMMISSION III

Vingt-quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

SEVENTH MEETING  
SEPTIEME SEANCE  
SEPTIMA SESION

(23 November 1987)

The Seventh Meeting was opened at 15.45 hours  
Jozef Wiejacz, Chairman of Commission III, presiding

La septième séance est ouverte à 15 h. 45  
sous la présidence de Jozef Wiejacz, Président de la Commission III

Se abre la séptima sesión a las 15.45 horas  
bajo la presidencia de Jozef Wiejacz, Presidente de la Comisión III

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

- B. Administrative and Financial Matters (continued)
- B. Questions administratives et financières (suite)
- B. Asuntos administrativos y financieros (continuación)
- 25. Other Administrative and Financial Matters (continued)
- 25. Autres questions administratives et financières (suite)
- 25. Otros asuntos administrativos y financieros (continuación)
- 25.4 Other Measures to deal with Budgetary Uncertainties
- 25.4 Autres mesures destinées à faire face aux incertitudes budgétaires
- 25.4 Otras medidas para hacer frente a las incertidumbres presupuestarias

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

Mr Chairman, I have a rather lengthy introductory statement because, in addition to introducing the two resolutions that relate to cash surplus or its distribution, we have included a status of cash flow and other information on the financial position that, I believe, will be helpful to the understanding of the two resolutions. With your forbearance, I will make the statement and give a briefing so that it is fairly clear what the status of our cash flow and our financial problems are, and perhaps it will also be useful in understanding the two resolutions.

The Commission has received from the Council the recommendations regarding the replenishments of the Special Reserve Account and the increase in the level of the Working Fund, which are two very indispensable management tools to ensure the smooth implementation of the voted Programme of Work and Budget, in spite of the actual currency movements and verified delays in payments of assessed contributions. With a view to complementing the approaches to deal with financial uncertainties, the Council also retained as valid two additional preventive measures aimed at inducing timely payment of assessed contributions due and providing cash flow relief if so required.

These two measures deal with problems of delayed payment of assessed contributions in Document C 87/LIM/14 and the amendment of the procedures for application of cash surplus in Document C 87/LIM/9.

I would like to come back to these two documents at the conclusion of my introductory remarks so that it is clear in the members' eyes exactly what the resolutions are.

In addition to these two measures, we are submitting to the Commission supplementary financial information regarding the current status of cash flow and other information on the financial position under Document C 87/LIM/42, as well as a summary of budget appropriation and expenditure by programme under Document C 87/LIM/41 which was requested by a Member Nation.

Concerning the status of cash flow and other information on the financial position in document LIM/42, I would like to provide somewhat of a briefing on the methodology that is used. The purpose of the cash flow forecast is to generate our best estimates of the Organization's future liquidity and foresee in advance any possible liquidity problems that might arise. The paper is prepared for management and submitted to the Finance Committee on a regular basis.

The method used is to forecast individually income and expenditure and the movements on asset and liability accounts for each month to the end of the financial period, then using this data to calculate the effect on the cash resources.

A brief description of the methodology used for estimating the amounts follows. First, on contributions, the total current amount assessed to Member Nations is reduced by its normal short fall which has historically been in the range of 8 percent. When it is known that a major contributor will not pay his contribution, this amount too is taken into account. Having established the totals of current contributions and arrears of contributions expected to be received, these are

then spread over the period based on historical trends of receipt of contributions and any other known information from major contributors as to the time of payment.

With respect to miscellaneous income, this item is composed of interest income - normally the largest portion - and other income such as rebates from travel agents, rents, lapses of outstanding obligations and related income. In order to calculate the interest income portion, which is the largest portion, it is necessary to establish a rate of interest according to market trends and the amount of funds available for investment. Since interest on bank deposits is normally credited three months later when the deposit falls due, this calculation is possible and the forecast is reasonably accurate. Other miscellaneous income is estimated and distributed over the period based upon historical trends up to the date of the forecast.

With respect to the Regular Programme and the TCP expenditures, initially the total budget is considered as spent during the period as the months progress. Any programme adjustments are taken into consideration. The expenditures are then spread over the months in the same historical pattern as the previous corresponding period. You will note on the LIM document that there are items for such things as "Receivables" and "Payables" which must be very carefully recorded in the accounts. In order to simplify matters, we have merely combined the two and netted them out. With respect to the TCP, the amount that is unspent, the balance remaining of prior period TCP appropriation is included in the document. This amount is considered to be spent in the same pattern as the unspent TCP of the last period. In other words, we merely take the normal trends and make the projection in accordance with those trends.

With respect to outstanding obligations, the obligations can be retained for up to one year of the next biennium before the actual cash expenditure is made, and that period is dependent solely on the delivery of goods and/or services by a vendor, an individual, a consultant or an expert. When the services have been delivered, received and accepted, then the final payment is made against those outstanding obligations.

Mr Chairman, the cash surplus of a biennium, which we do not see arising in this biennium, is credited to the contributions account for the 'Member Nations as of 1 January of the year following the audit of accounts. As the Commission will recall, the cash surplus that arose out of the 1984/85 biennium was distributed on 1 January 1987, one year after the closure of the account.

We have spent some time discussing the Working Capital Fund and the Special Reserve Account so there is no need to go into further detail on those specific items. I would, however, like to make reference to the financial regulation regarding the General Fund itself. The General Fund-is, for all practical purposes, the overall account or balance sheet, if you will, of the Regular Programme itself.

In financial regulation 6.1 it is stated that: "There shall be established a General Fund to which shall be credited receipts from contributions of Member Nations, whether current or arrears, Miscellaneous Income and advances made from the Working Capital Fund; and from which shall be made all general expenditures and reimbursements to the Working Capital Fund under Financial Regulation 6.5 (a)." This is a simplified version of saying that all the income and expenditures must go through the General Fund, and anything that remains at the end goes into surplus, if there is a surplus; if not it goes into a deficit.

"Any cash surplus in the General Fund at the close of any financial period shall be allocated among Member Nations in accordance with the Scale of Contributions applicable to that period and, as of 1 January following the year in which the audit of the final accounts of the financial period is completed, shall be released and applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of contributions; and thirdly, contributions for the calendar year following the year in which the audit of the final accounts of the financial period is completed, shall be released and applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of contributions; and thirdly, contributions for the calendar year following the year in which the audit is completed."

I would like to return momentarily to the question of contributions, to say that contributions to the FAO Regular Programme are of two kinds: firstly, the assessed contribution to the Programme of Work and Budget in proportion to the United Nations Scale of Contributions which is established by this Conference and secondly, contributions to the Working Capital Fund, more correctly called "advances". These are also proportionate to the United Nations Scale of Contributions. These are recorded into income as they are received. Unfortunately, at the end of the year, we could not record as income amounts not received, which puts us into a deficit at the end of this specific period.



If I could now ask members to turn quickly to document C 87/LIM/42, which is the Status of Cash Flow and other Information on the Financial Position, there are a couple of items there which I would like to highlight.

In paragraph 3 on the first page reference is made to the position at the end of 1986/87 biennium, excluding the TCP Programme, and it is forecast in the schedule that follows. There you will note that the effective working budget for the present biennium was US\$437 000 000; after taking out the TCP, you can easily see the balance of US\$375 000 000. The expenditure level from January 1986 through to December 1987, which includes two months of estimates, will be approximately US\$333 400 000, and will have unpaid bills at the end, other than TCP, of US\$170 000, showing a total expenditure, or outstanding obligation at the end of the year of US\$350 579 000, and therefore an amount that represents unobligated balance of US\$25 000 000. This amount is, as you will recall, a result of the efforts taken by the Director-General to make programme adjustments in the amount of US\$25 000 000, which really is a deduction in the amount of expenditures because of the lack of receipts.

The 1986/87 appropriation for the TCP, US\$61 000 000, will be completely set aside by the end of this year.

If you now go to paragraph 7 and look at the Income Forecast for the remainder of 1986/87, reference is made there to the USA contribution, of which we have received two amounts each of US\$10 271 000, received in September and October 1987. After recording those receipts the USA will have a balance of contributions outstanding of about US\$67 373 000. There is still great uncertainty about the level of contributions for 1987 but for the purpose of making cash projections we have assumed that there would be an amount of approximately US\$25 000 000 paid sometime in 1988. It may be a good or a bad assumption and a representative of the United States could certainly give us the benefit of his predictions there. We had to come up with some figure, and we felt that, as we have received US\$4.8 million in January 1987 and about US\$20 500 000 in September and October, it was a reasonable assumption that there would be perhaps US\$25 000 000 paid next year.

On paragraph 10 there are, I think, some rather important figures which should be brought to the attention of the Commission. First, after utilization of the Working Capital Fund of US\$13.3 million, there will be a deficit in the General Fund, which is the excess of expenditure over income, of about US\$35.1 million. Also, understanding all the other balances - the outstanding obligations, the carry forward, TCP and so forth - after having received those amounts from the USA, an amount recently from Japan, an amount recently from Brazil, and the amount which Italy has decided to forego for the cash surplus, we can now firmly state that we will end the year with approximately US\$27 000 000 - worth of cash. We will have outstanding obligations much greater than that but we will still have cash at the end of the year.

One final thought, and that is one rather of caution than anything else: I shall not go through the hypothetical outlook for 1988/89, which is fairly clear - you can see that we have been as realistic as possible and yet as conservative as possible - but I do want to caution members that 1988/89 is at this moment very hypothetical for a number of reasons.

We do not know exactly how the lire/dollar will go. We do not know what interests will end up doing, nor do we know that contributions will come in at the same rate as last year or some other rate. It is very difficult for us to predict accurately, particularly month by month, what the cash flow is likely to look like, but some assumptions have to be made in order to give the Commission some insight into the direction that we would see the cash flow taking in 1988/89. That is included in the paper, and the graphs which you see as the attachments - appendices A and B - indicate the rates of estimated receipts, rates of major disbursements, and the balances beginning and ending, and they are shown on a month by month basis - but again, for the 1988/89 period they must be taken as being very hypothetical.

If we could now return to the two resolutions related to the cash surplus, I would ask members to look at document C 87/LIM/9, the draft resolution for the Conference, to amend procedures for application of cash surplus. This resolution has been put forward after discussion by the Finance Committee and the Council, and is now available for discussion in this Commission. It provides the possibility for the Council to be delegated authority to decide, in the event of a significant delay in the receipt of contributions, that cash surplus which may arise in future biennia maybe withheld in full or in part with a view to ensuring that sufficient funds are made available to implement in full the current approved programme and Work and Budget. This is an effort to allow the Council the opportunity to look at the rate of receipt of contributions as they are coming in. As you know, in the next biennium the Council will be meeting in November. Although there will not be a cash flow to be considered for application at the point, if there had been the Council should then have reviewed the rate of receipt to determine whether or not cash surplus should be distributed the following January, or withheld. The purpose of this is to give that authority to the Council. If you will recall, the Conference in 1983 took a similar decision, but it was for one Session. This resolution would provide for continuing authority to the Council.

Next, C 87/LIM/14, dealing with Measures to Deal with Problems of Delayed Payment of Assessed Contributions. This is an effort to provide an incentive to all countries to pay their contributions in a timely manner. This is a problem which has been studied several times by the Finance Committee and the result is this proposal. It has been reviewed by the Council. I would add that this is a subject that has been reviewed by most of the other UN agencies and similar presentations are being prepared, or have been prepared, for their governing bodies.

The proposal includes a weighted distribution of some part of the cash surplus when it arises in future biennia; that portion of the cash surplus that arises which relates directly to the time and amount of payment has to do with interest income. This proposal therefore includes an operative paragraph that we provide a weighting of distribution of cash surplus as to the time and amount of distribution, but weighted only on the interest income portion.

There are two parts of the operative paragraph, Part a) and Part b).

Part a) relates only to the weighted process - and here I think there has been some degree of confusion. It has appeared to me at least that it is not well understood what the formula might say that it is intended to be as simple as possible; it has two factors only, the timing and the amount of contribution for those countries which would be available to receive cash surplus in later biennia. In this case, you would have to have paid up contributions, and then distribution of the cash surplus would be decided upon a very simple formula. The formula is that the interest income portion of the cash surplus would be weighted on the basis and the timing and contributions. It is simple and straightforward - it is a straight line, linear formula. There are no other hypothetical curves included in the formula. If the contributions were received on the first day of January, obviously you would receive the full amount of the weight; if they are received half way through the year you would receive half the weight. It is as simple as that: it is based purely on timing and amount of contribution. There is no intention to work out other curves, such as have been discussed in some United Nations agencies. This is a linear formula, and based on those two factors only.

The second part of the cash surplus distribution shown in b) on page 2 merely recites that all the rest of the elements of cash surplus other than interest in income would continue to be allocated on the same basis, and that is the Scale of Contributions as it has been in the past. So there is only one factor of cash surplus which would change, and that is the interest income portion, which could be weighted on the time and amount of receipt of contribution. All the other factors of cash surplus would be distributed in just the same way.

The motivation behind this is to encourage Member Nations to pay earlier and to pay the full amount. By so doing, they therefore have the opportunity of receiving cash surplus in future years in the full amount with the highest weight, and by receipt later, on in the year they would receive a lesser amount because of the weight.

That concludes all the introductory remarks I would like to make Mr Chairman. Perhaps you would like to take up the two resolutions separately one by one, but that depends upon your own decision. We have given you a lot of information, but I was hopeful that it would be useful in understanding the resolutions that are before you.

**CHAIRMAN:** I thank the Assistant Director-General for his lengthy and well elaborated introductory remarks. Now I open the floor for questions, remarks, discussion. I am going to follow the suggestion as far as the order of taking up the resolutions, so please limit yourself as far as the draft resolution is concerned only to the draft contained in document C 87/LIM/9. Who wants to speak? Delegate of Malaysia, you have the floor.

**Mohd. Mazlan JUSOH (Malaysia):** My delegation wishes to congratulate Mr. Crowther for his very comprehensive introduction to the subject. We wish to tackle both resolutions, but in reverse order. The first thing is the resolution regarding the measures to deal with the problem of delayed payment of contributions. My delegation feels that the adoption of this resolution is long overdue. There is a dire need for payment of contributions to be early. Many countries do recognize this need and do make their payments promptly. We have to encourage these countries to keep on doing so while attempting to persuade others to do the same. The resolution before us definitely is a good incentive. In no way can it be regarded as a punitive measure against those who pay late. It may not be applicable to one or two countries with their own domestic legislations that prevent them from answering the call for early payments, but definitely the resolution is applicable to us and to many other member countries here. Therefore, my delegation fully supports the draft resolution before us.

On the resolution entitled Amending Present Procedures for the Application of Cash Surplus, my delegation also has no hesitation to support it. Malaysia is one of the 20-odd countries that already deferred their claim to the cash surplus. Our position is very clear. We feel that it is our duty and responsibility to help this Organization in its time of crisis, in any case it is just a deferral and the cash, under more favourable circumstances, may still be available at a later date.

**Karl NORD (Norway):** My delegation cannot support the draft resolution contained in document LIM/9. The reason for this is that although my country fully agrees with the need for improving the financial situation of the Organization, this should not be arrived at through procedures which constitute a penalizing of member countries which have paid their contributions to the regular budget in time. It can only be reiterated here that the best way to solve the present financial difficulties is that outstanding contributions from member countries be paid in without undue delay. In light of what I have just stated, my delegation will have to vote against the draft resolution in document LIM/9.

**Elio PASCARELLI (Italy):** We will have probably the same pattern that we had on the approval of the resolution on the Finance Committee: minority and majority. I think we are wasting plenty of time, but anyhow everybody has the right to intervene and manifest the pros and cons. In my case it is quite obvious, a hundred percent obvious that being a member of the Finance Committee, we will vote for. I am sorry that they do not appreciate our work and would throw into the waste paper basket a paper that is so important for the life of the Organization. I think this is very just, fair and meditated, by us only. That was another Conference. Now the only thing is theoretical because there will be no cash surplus. So we are dividing something which is nonexistent. But anything can happen. The dollar jumped from 2 200 on one so-called black Friday in Italy. It may not reach that height, but anything can happen. We might have another cash surplus. But this time, believe me, Italy will see to it that no Italian special contribution will fall in the cash surplus to benefit those who do not want to accept reasonable measures.

**Atif Y. BUKHARI (Saudi Arabia, Kingdom of) (original language Arabic):** First I should like fully and unreservedly to support what His Excellency the ambassador from Italy has just said. We are convinced that all Member States have the duty to help to improve the Organization's financial situation. When we discussed this draft resolution in the Finance Committee and in the Council we said very clearly and frankly that this draft resolution is not intended to in any way penalize any Member State. It is simply a question of giving those who deserve it the right to obtain what is their due. This draft resolution is therefore very reasonable. It is not intended to save the Organization. It cannot save the Organization, but it can help to make the financial situation of the Organization more stable. In conclusion, I support this draft resolution contained in LIM/9. I also support the second draft resolution. We unreservedly support both draft resolutions.

**Pedro SEBASTIAO (Angola):** Nous appuyons sans réserve le projet de résolution contenu dans le document C 87/LIM/9.

**Antonio C. DE ALMEIDA RIBEIRO (Portugal):** Being very brief, I would like to second the intervention of the distinguished Representative of Italy. Therefore, my delegation is able to support this draft resolution.

**Ms Janet Lesley TOMI (Australia):** I will also be very brief. Australia has indicated that it will be unable to accept the deferral of the return of cash surplus in biennia whereby cash surplus is available. I would just like to associate Australia with the remarks made by the delegate of Norway that in fact we believe that a deferral of cash surplus when it is available is a penalty imposed on prompt full-in payers as compensation for those countries which are non-payers to the Organization.

**Jean—Luc GRAEVE (France):** Je voudrais commencer par une question: est-ce que nous pouvons aborder l'ensemble des points qui sont à l'ordre du jour de cette réunion de cet après-midi, ou devons-nous aborder les points résolution par résolution? Je suis dans les mains du Président.

**CHAIRMAN:** I have suggested already that we take one resolution after another because that is the normal procedure which does not limit the distinguished delegates to speaking on the same resolution at the same time. That is my proposal. Now the floor is given to the distinguished delegate of the United Kingdom.

**James AITKEN (United Kingdom):** In this intervention I would like to touch upon documents C 87/LIM/41 and 42, we would very much welcome these documents, and we give our sincere thanks to the Secretariat for producing them. We ourselves certainly have found them extremely interesting, and they have helped us in our attempts to consider the situation before us.

We have a number of questions raised by C 87/LIM/41 and C 87/LIM/42 which I would like to put before I comment on LIM/9. Beginning with LIM/42 and the expenditure side, here my delegation finds it particularly poignant that we did not have this before the budget debate because if we had had this document and we could have drawn attention to certain parts of it, then there might not have been so much confusion over our footnote in relation to the Technical Cooperation Programme where we commented there about the slow rate of spending of the Technical Cooperation Programme, to point out its vulnerability.

Coming to document LIM/41 which shows actual spending, we see first of all that we have a table for the biennium 84-85. That is the biennium that closed in December 85. If we look there at the line for technical cooperation, we see that in the budget there was, I think - and here you must excuse me; the printing is rather difficult in my copy - but I think it is US\$ 2 million was appropriated for TCP. In this biennium US\$ 20 million was actually spent and a further US\$ 6 million was in the form of contractual obligations. So we start off with a figure of 72. I think Mr Crowther is nodding his head at this point. It goes on the US\$ 20 million spent and US\$ 6 million legally obligated. So this is a spending rate of US\$ 13 million a year out of a programme which we set aside - remember, TCP is earmarked - US\$ 72 million. We then come to the end of the line and we see that at December 1985 the total obligation was US\$ 27 million and the balance, unobligated though perhaps committed in some way-or another, was something like US\$ 45 million. I think two things stem from this. I think again it really does point up the slow rate of spending in TCP. I think it does justify our concern that it takes such a long time to spend what is not, as we were continually reminded, a very vast amount of money. But our first question on this is that we would like to know, of this US\$ 45.6 million which was outstanding at the end of 1985, what has actually happened to it? How much of it has been spent since then? Because we know that legally that money can be spent during the past two years. So our first question is really how much of that has been spent?

Turning now to the current biennium, when we look at TCP again we see that there is an estimate that this time, out of an appropriation of US\$ 63 million, more than half - perhaps 35 million - will remain unspent at the end of the biennium. Again, this is a very slow spending programme, and it does raise some interesting issues, especially when the Organization is under financial pressure.

Putting it very crudely we have always accepted and worked on the basis that TCP would be set aside for the use of developing countries and field programmes. Then if it was not spent at the end of two years, after the end of the biennium in which it was appropriated, it would return into general revenue. The problem that now faces the Organization surely is that if the cash flow projections are not as optimistic as projected in C 87/LIM/41, in very crude terms we believe that the Organization will be faced with a choice between keeping TCP isolated and meeting the salaries of the staff. I would ask the people here to think quite seriously about this. If the Organization is faced with the question of whether or not we continue to have TCP isolated and start paying off members of the staff, or whether we come out with some emergency measures to use the surplus TCP money to meet that sort of expenditure, what the outcome will be, and this goes back to a point we made continually about the need to ensure that TCP is committed, is programmed, and is spend as quickly as possible. Otherwise it is so vulnerable to just this sort of situation.

The question here again is can we have some estimate of how the Secretariat see TCP spending from the current biennium over the next biennium. This would be very helpful. This is the \$ 35 million which we see will not be spent by the end of this year. What sort of spending profile do they see over the next two years for the spending of this money?

Mr Chairman I would now like to turn to the next paper we have which is the forecast cash flow and here I would go back to a question about TCP. I find it very difficult to deal with this paper Mr. Chairman, because I certainly have some trouble with paragraphs 11 and 12, and relating the assumptions used about the payment by the main contributor against the statements which that contributor has made in other commissions and in Council. So I think it would be very difficult for members to get a view on this, a view on the accuracy of the forecast for 88/89 until we have heard from my colleague here on the right, and I am very glad to see he has got his flag up. But the question I have here is, given what we have said about TCP and what happens to TCP from 84/85 at the end of this biennium, what assumptions were used about TCP in calculating the cash flow and income into general revenue. I notice in paragraph 3 of C 87/LIM/42 it specifically says excluding TCP. So I would like an explanation of the treatment of any outstanding balance of TCP from 84/85 in preparing the cash flow projections in C 87/LIM/42.

Finally, Mr Chairman, I would like to deal with C 87/LIM/9 and the proposals there. I have listened to this debate with considerable interest for reasons which I will explain later. I was particularly interested, intrigued and gratified I think by the intervention from the distinguished delegate of Italy if I heard him correctly; but I will come onto that in a minute. So far as the resolution as it stands is concerned, my delegation will oppose this resolution. We believe that the cash surplus accruing at the close of a biennium belongs to the Member States in proportion to their contribution, and should be returned to them unless they are prepared to relinquish their claims voluntarily. In our view it is inappropriate to seek a supplementary assessment like this through the back door which is what this proposal involves, so as to avoid programme adjustments which one required by shortfalls in contributions. The proposals if agreed would mean that the members would be paying extra to compensate for the failure of some members who have been unable, unwilling to pay their contributions in time. This, Mr Chairman, is clearly not acceptable to my Government and we have indicated this on every occasion this sort of issue has arisen.

Finally, Mr Chairman, in saying this I must say that when we spoke in Council we took the view that this was a rather academic exercise and we are rather surprised to see this resolution before us, because we said there will be no cash surplus this biennium and we suggested that this issue could be deferred for another-12 months. Unless my memory is failing, which perhaps it may be, in an intervention shortly after that the distinguished delegate of Italy, who is a member of the Finance Committee, questioned in fact whether there would be a cash surplus this biennium. He thought one prognosis was far too gloomy. "Who knows what might happen," he said.

It was therefore with some considerable gratification that I heard him say just now that he too now considers that there will be a cash surplus this biennium. So therefore, Mr Chairman, I am a bit perplexed. We now have the situation in which one of the members of the Finance Committee who, quite understandably at that time then supported this resolution, now comes round and explains that the cash surplus will materialize. I therefore must again pose the question, Mr Chairman, if that is the case why have we this resolution in front of us now, and why can it not be postponed for consideration by the next Conference?

**CHAIRMAN:** Is Mr Crowther or Mr Shah willing maybe to comment or give certain additional explanations?

**Elio PASCARELLI (Italy):** Mr Chairman, I will answer very quickly to the views of the minority. What I said is that it is not likely that we are going to have a cash surplus this biennium. But nobody can rule it out, I was very clear on it. We had it very clear in our minds, but is it a pity for us once in a lifetime to stand and take preventive measures should anything occur, or should we wait until it happens and we have the same troubles as we have this year? I would like the British colleague to answer.

**James AITKEN (United Kingdom):** I will be very pleased to answer the question raised by the distinguished delegate of Italy. There is quite a simple answer in management terms - one discounts uncertainty with time. In other words if the situation is uncertain, it is probably a better use of resources to do nothing and delay a decision, rather than take a decision that may be unnecessary. I am sure that there are many other things we could do that would be more relevant to the financial crisis than this particular activity, especially in view of the uncertainty over whether or not there will be a financial surplus.

**V.J. SHAH (Director, Office of Programme Budget and Evaluation):** Mr Chairman, as the Commission is well aware the provisions of the TCP appropriation are governed by financial regulation 4.3. I will not bother to read it out; I think everyone is well aware.

The specific question of the distinguished delegate of the United Kingdom was what happened to the 84-85 TCP, the amount which was not expended and committed or obligated at the end of 1985. The amount, Mr Chairman, is US\$45,606 000 as given in the document C 87/LIM/41, and that amount has been expended during this biennium. We expect at the end of this biennium the full amount to be expended and committed. That is the deadline. At the end of this biennium, by the end of 1987, the commitments have to be made. Any part of this amount which has not been committed by the end of 1987 is not available for further commitment to 1988, but the commitments which have been made by the end of 1987 have to be discharged during the 12 month period 1 January to 31 December 1988.

Mr Chairman, in the past biennia since the TCP was established in 1976, the amounts which have not been expended by the end of the period allowed under these provisions has been negligible. For the biennium 1978-79 the amount which was unutilized was, I believe, only some \$2 000. For the biennium after that the amount was somewhat greater - I do not have the figure with me - but whatever the amount (and these are really very small amounts) then revert to miscellaneous income.

The second question asked by the distinguished delegate of the United Kingdom was whether the TCP should be isolated and protected at a time of financial pressure. Mr Chairman, I can only respond to the actions during this biennium and the guidance given to us by our governing bodies so far. When the programme adjustments were first found to be necessary and were proposed by the Director-General to the session of the Council in November 1986, the package of programme adjustments of 16.4 million dollars did not include the TCP, and the Council was very clear in its guidance when it responded to this package of proposals. By an overwhelming majority the Council agreed that TCP should not be affected from the package of programme adjustments.

Mr Chairman, the questions about the assumptions of possible payments from the US - and I am sure Mr Crowther and even more the distinguished delegate of the United States of America will wish to reply too - but may I respond to one last comment made about the validity of the draft resolution, which is in document LIM 9, being submitted to the Conference at a time when there is no prospect of a cash surplus arising from this biennium. Now, Mr Chairman, I will not of course and I do not need to enter into any clarifications that the distinguished delegates may want to give each other about what they said, but I think from the Secretariat point of view I would emphasize that there is considerable merit in considering a proposal such as this when one can be detached, if I may put it that way, when one can be detached from the prospect of lucre affecting one's judgement, but if one were considering either a very substantial cash surplus, in which case Member Nations may be tempted to say "Well it is much too attractive to consider having this applied in accordance with the standard provisions to our arrears in contributions, and therefore we are not prepared to consider any measure affecting the distribution of this cash surplus". As against this we have a situation where Member Nations can, in all objectivity and dispassionately, consider the measure precisely at a time when you do not have to be swayed by such mundane factors.

I do not mean to be cynical. I do mean very soberly that there are many advantages in considering this measure at this time for the reasons I have tried to explain. That is all I need to say at this time.

**Rainer PRESTIEN (Germany, Federal Republic of)(original language German):** I would like to thank Mr Crowther for his very detailed and comprehensive introduction of this Item of the Agenda, and to say we go along with previous speakers who have spoken on these two draft resolutions.

First of all, I address myself to document C 87/LIM/14, measures regarding problems of delayed payment of assessed contributions. My Government is very open-minded with regard to the suggested draft resolution. We can agree provided that the envisaged new regulation in fact will lead to an early payment of the contributions of Member States. But of course, I think that all together we must place the Organization on such a footing that it may have a certain surplus at the end of a financial year.

As to the possibility of retaining a cash surplus, this would be a similar regulation as to that which was decided by the 22nd Conference of FAO at the time, but for the time being we see no possibility of having such a cash surplus. Also because of delayed provisions and means, we do not see any reason to modify the regulations, so we cannot agree with the draft resolution in document C 87/LIM/9.

I wish to express our thanks to the Secretariat for documents C 87/LIM/41 and C 87/LIM/42. We can see that the Secretariat is doing its very best to provide delegations with the most up-to-date figures. At some later point I should like to refer to these documents since, like the delegate of the United Kingdom, I have a few questions to raise regarding certain details.

I come back to one point which we have already discussed here, in particular this morning - that is, the question of the actual currency in relation to all the provisions we are discussing. We have a very open mind in this respect. As we know - and this came out of the discussion this morning - there are international organizations which in fact establish their budgets in several currencies. Some of them were actually named. The budget currency in the system of the United Nations is not compulsory. There are all kinds of financial combinations which are perfectly legal. I would merely draw attention to one point, that is, that even basket currencies are not completely protected against fluctuation. The ECU is an example. Before 1985 this currency lost quite a lot vis-à-vis the United States dollar. Now the situation is reversed and basket currency is not really a proper hedging procedure, shall we say, against exchange rate fluctuation. We must continue to discuss this matter, particularly in the Finance Committee and also in Council.

**An sournane SAGNO (Guinée):** Après examen du document relatif aux mesures destinées à faire face aux incertitudes budgétaires, qu'il me soit permis de remercier le Secrétariat pour ses initiatives fort intéressantes en vue d'aider notre Organisation dans cette situation inquiétante qu'est la crise financière. Il en va de même pour les délégations italienne et française qui ont respectivement présenté le projet de résolution sur l'exécution du programme et l'amendement au projet de résolution pour faire face aux problèmes de rapport dans le règlement des contributions. Il n'y a aucun doute quant à l'existence de ces incertitudes budgétaires; les documents C 87/LIM/41 et C 87/LIM/42 en témoignent éloquemment. S'agissant de l'excédent de trésorerie, je pense que le reste des Etats Membres, dont malheureusement mon pays fait partie, devra, à l'instar de 20 autres, accepter de différer le recouvrement de leur part d'excédent ou d'y renoncer. Si mon pays n'a pas pu se prononcer sur la gestion jusqu'à maintenant, la raison en incombe simplement aux procédures financières qui j'espère arriveront bientôt à terme en sa faveur. Enfin, ma délégation appuie tout projet de résolution et toute mesure visant à faire face aux incertitudes budgétaires de notre Organisation, exception faite des contributions extraordinaires.

**A. Daniel WEYGANDT (United States of America):** May I begin by apologizing for my departure a few moments ago. As a result, I did not quite catch the end of Mr Crowther's introduction, nor did I catch the first few interventions that were made. The reason I left was to take a call from Washington, do you believe? - a call with regard to the present situation on our contribution. This was something which was very much current because, as I am sure most delegates are aware, a rather important decision was taken in principle in Washington on Friday affecting our budgets. I was hoping - in vain as it turns out - to have more information as to what exactly the implications for our contributions to the international organizations might be out of the most recent budget compromise. But as I said, no information is at present available.

I simply recall what my delegation said earlier in Commission II when we were discussing the Programme of Work and Budget - this is by way of explanation - that the Administration had indeed asked Congress for the full appropriation for our assessed contributions to international organizations, and this amount was over US \$570 million. Congress has taken no final action on this request, even though our budget year has long since ended. It is expected, however, that the final figure will be somewhere, say, between US \$350 million and US \$370 million, significantly below the amount we requested. Precisely because this amount is so much below what we have requested, it is extremely difficult - indeed, impossible - to say how that money will be divided among some 46 organizations to which we pay this contribution. So unfortunately, I really cannot shed any more light on the status of the United States' contribution than we did earlier last week

With respect to the document before us with the hypothetical outlook for 1988-89, C 87/LIM/42, I have to say I appreciated the introduction by Mr Crowther when he said this is simply the most reasonable case that FAO can make. I do have to say, however, that the figures contained in subsection b. of paragraph 12 of the document will probably have to be considered as something like the best-case scenario. Probably the actual situation will be considerably worse than that, but Congress has not taken any official action so it is impossible to say exactly what the situation will be. I would point out to delegations that we do not expect final Congressional action on our appropriations until some time in December and there may still be something of a lack after that pending the final allocation of funds.

So it is difficult for both my delegation and the Secretariat to try to come up with a better picture of what is facing the Organization, except to say it is clear that uncertainty is facing it - and uncertainty on a rather large scale.

In view of the fact that there was some common doubt as to what the United States was likely to say I think I had better stop there, reserving the right to return on some of the resolutions we had before us. I would rather not mix up the technical points in some of these resolutions on what is likely to be the case with our contributions. With your indulgence, Mr Chairman, I reserve the right to return later in our debate. If anyone has any questions - I do not think I can give a good answer but I will certainly try.

**Jean-Luc GRAEVE (France):** Je me contenterai d'intervenir sur le projet de résolution contenu dans le document C 87/LIM/19. Ma délégation n'estime pas nécessaire, dans les circonstances actuelles, de modifier l'équilibre qui existe entre les attributions respectives de la Conférence et du Conseil. Equilibre auquel mon pays est très attaché.

Nous pensons par ailleurs que c'est aux Etats qu'il appartient de se décider sur la rétention éventuelle de leur part dans l'excédent de trésorerie. Je rappelle qu'un certain nombre d'entre eux ont annoncé, cette année, qu'ils acceptaient de différer le recouvrement de leur part dans l'excédent de trésorerie de 1984-85, et c'est le cas de la France. C'est pourquoi ma délégation s'est opposée à la proposition contenue dans le projet de résolution C 87/LIM/9 visant à ce que la Conférence délègue au Conseil le pouvoir de retenir, en tout ou partie, les excédents apparaissant à la fin d'un exercice.

**Raphaël RABE (Madagascar):** Ma délégation fait partie du Comité financier et au cours de plusieurs sessions de ce Comité, notamment à la soixante et unième session, la délégation de Madagascar a essayé de sauvegarder l'intérêt de toutes les instances. Comme nous l'avons toujours dit, il s'agit d'améliorer la situation de la trésorerie de l'Organisation.

Je voudrais mettre en accord mes pensées, mes actes, mes propos, mon attitude, car l'échéance de cette Conférence nous invite à envisager dès maintenant une perspective plus immédiate et plus concrète.

C'est pour cette raison que ma délégation, en toute objectivité et sans passion comme on nous l'a recommandé tout à l'heure, pour répondre d'une façon cohérente et utile aux mesures qui sont envisagées, dit de la façon la plus claire et la plus nette qu'elle appuie sans réserve les deux projets de résolution soumis à notre approbation.



**Ms Anne Lise PETERSEN (Denmark):** As a member of the Council, the Danish delegation has already had the opportunity to express its view on the proposal to amend the present procedures for application of cash surplus. Therefore, I only want to reiterate that my delegation is opposed to the proposed transfer of authority from the Conference to the Council in order to decide on possible deferment of the distribution of the cash surplus for the purpose of filling the gap caused by delayed payments of contributions.

My delegation is, therefore, not in a position to vote in favour of the proposed Draft Resolution in Document C 87/LIM/9.

**A. SAINTRAINT (Belgique):** Je voudrais tout d'abord vous dire combien nous nous félicitons des mesures proposées visant à régler les problèmes des retards dans les versements des contributions.

Comme vous le savez, il existe dans certaines Organisations internationales des plans d'incitation. Notamment à l'OACI il y a un plan d'incitation avec effet au premier janvier 1987 qui a été approuvé en septembre-octobre 1986. Il en existe un également à l'OMM où il a été décidé, en mai 1987, d'adopter un plan d'incitation entrant en vigueur en janvier 1988.

Il existe évidemment différentes formules, différentes modalités techniques, mais je crois que le principe est extrêmement sage, judicieux. Il permet de "favoriser" ceux qui versent régulièrement leurs contributions. Je crois que le système qui est qualifié de "système en S" est le meilleur, c'est-à-dire qu'il privilégie ceux qui versent leurs contributions durant les 4 ou 5 premiers mois de l'année, avec une nette inflexion allant vers la diminution des incitants et la suppression totale pour ceux qui ne versent pas leurs contributions au cours de l'exercice.

Je crois qu'il serait important d'étudier les différentes formules qui sont actuellement à l'examen. Je sais que la FAO a déjà entamé l'examen d'un plan d'incitation, conformément aux différentes formules qui ont été retenues ou qui sont à l'examen dans les autres organisations.

En ce qui nous concerne, nous pensons que, même si le document CL 87/LIM/14 ne contient à l'heure actuelle pas de mesures spécifiques, il contient une déclaration de principes qui ne peut que recevoir notre plein et entier agrément. Je crois qu'il serait important que ces mesures puissent être prises dans un délai extrêmement bref.

Nous avons écouté avec attention les interventions de nos collègues des Etats-Unis, de la République fédérale d'Allemagne, et de la France, et en ce qui nous concerne, sur le plan des principes, nous ne sommes pas d'accord *avec* une délégation de pouvoir de la Conférence au Conseil.

Je crois que les délégations de pouvoir sont extrêmement dangereuses, qu'elles doivent être limitées. La Conférence est souveraine et dispose de la totalité des pouvoirs. Dans la mesure où elle s'en dessaisit, la Conférence n'a plus beaucoup de raison d'être.

Or, dans la proposition du document CL 87/LIM/9: Modification des procédures d'allocation d'excédents de trésorerie, la proposition qui est faite est une proposition de délégation, non seulement pour le biennium qui vient, mais également pour l'exercice futur. Sous le point du considérant (page 2) il est prévu une délégation, non seulement pour les problèmes à court terme, donc les problèmes du prochain exercice, durant lequel les problèmes de trésorerie se posent avec acuité, mais la délégation est permanente pour les exercices futurs, ce qui veut dire qu'il s'agirait d'une délégation donnée sans limitation de temps.

Si on peut éventuellement - bien que nous y soyons opposés pour des questions de principe - examiner la possibilité d'une délégation dans le cadre des difficultés actuelles à court terme, je crois qu'une délégation permanente des pouvoirs de la Conférence vers le Conseil n'est pas une bonne chose. Il faut l'éviter. Un certain nombre de pays ne sont pas membres du Conseil, où-le .so'nt rarement. Ce serait extrêmement dangereux et regrettable, et cela viderait en partie la Conférence de son sens, qu'une délégation puisse être donnée.

Ce sont les quelques réflexions que je voulais faire au stade actuel de nos discussions. Nous avons sur d'autres points des arguments que nous désirons développer, mais je voulais simplement signaler que les mesures visant à régler le problème des retards sont des mesures qui devraient

être prises à très court terme qu'elles sont importantes et que le dossier est mûr pour recevoir une solution, et qu'en ce qui concerne le principe de la délégation des pouvoirs de la Conférence au Conseil, nous y sommes en principe opposés.

**Mounir KHORAYCH (Liban) (langue originale arabe):** Monsieur le Président, permettez-moi d'emblée de vous demander une faveur. Je voudrais que de temps en temps vous jetiez un regard vers cette partie de la salle. Cela fait plus d'une heure que je demande la parole alors que certains délégués ont déjà pu s'exprimer deux fois sur le même sujet pendant ce temps.

Ma délégation appuie la résolution.

**CHAIRMAN:** Thank you for your statement. I wish to clarify that I do not have on my list any country which has spoken twice during the afternoon session, except for certain clarification between two delegations.

I will undertake to look more often to that side of the room!

**J. LYNCH (Canada):** With respect to the incentive scheme, Canada is pleased to support. As for the other proposal, we regretfully find ourselves in a position of not being able to support it on the basis that we consider that the disposal of the cash surplus should be a voluntary matter for decision by states.

I have one small question with respect to C 87/LIM/42. In it I note that in para. 5 Mr Crowther has provided information about programme adjustments. This is talking about the historical situation. Then in the hypothetical outlook for 1988-89, a number of assumptions are made. There is no assumption about programme adjustments. I am wondering where they went in the hypothetical outlook. I am assuming there will be programme adjustments but it seems that they have somehow disappeared. As there were \$25 million in the historical and nothing in the hypothetical, it strikes me as a little strange.

As people here know by now, I usually get numbers wrong, but it strikes me that there is in the chart a pattern that shows itself, and that is that the most difficult part for the FAO, — at least according to the chart —, will come in the last few months of the last year of the coming biennium. I am wondering whether the negative amount there, the \$ -29 million, is a rough guide as to the amount of adjustments that will be required, and given that the cash flow in the Organization seems more or less in balance up until the last part, whether or not there can be some way of adjusting it out so that, if my assumption is correct, most of the cuts would have to be put in the last year of the biennium, they could not be thought of at the beginning and spread out in a more even way throughout the biennium.

**Mourad BENCHEIKH (Algérie):** En déclaration liminaire, je serai bref, et il est vrai que je vais l'être car il semblerait que des élections doivent suivre.

Tout comme elle l'a fait pour les projets de résolution concernant le Fonds de roulement et le Compte de réserve spécial, la délégation algérienne est opposée à la résolution figurant au Document C 87/LIM/9, en tant qu'elle constitue à ses yeux une augmentation indirecte de la contribution de l'Algérie.

En outre, le paragraphe 2 délègue au Conseil, de façon permanente, le pouvoir de décider la retenue partielle ou totale des excédents en espèces qui apparaîtraient à l'issue des exercices à venir.

La détermination du budget, comme de toutes les décisions en matière financière, doit rester, comme le veut le Règlement, du ressort exclusif de la Conférence qui doit donc en l' occurrence demeurer notre seul organe de décision.

**Likunde LI-BOTAYI (Zaïre):** Mon pays, la République du Zaïre, est membre du Conseil et se réjouit de l'estime et de la confiance manifestée vis-à-vis du Conseil par la Conférence. Mais nous tenons beaucoup au respect des textes fondamentaux qui régissent le fonctionnement de l'Organisation.

C'est pourquoi, Monsieur le Président, la délégation du Zaïre exprime sa réserve au sujet de ce projet de résolution et elle propose à la Commission de trouver d'autres mesures qui peuvent amener les Etats Membres à s'acquitter de leurs obligations, au lieu de déléguer d'une manière permanente les pouvoirs au Conseil. Une fois adoptée cette résolution, la délégation du Zaïre pense qu'il y aura un précédent très malheureux pour notre Organisation, parce que le Conseil pourrait, chaque fois que la situation l'y obligerait, agir sans se référer à l'organe suprême qui est la Conférence.

Nous sommes pour que notre Organisation puisse disposer de ressources financières suffisantes pour lui permettre d'exécuter comme il se doit, et à la satisfaction de tous les Etats Membres, les programmes déjà approuvés, mais nous ne sommes pas pour la délégation des pouvoirs de la Conférence au Conseil.

**Amilcar Spencer LOPES (Cap-Vert):** A l'instar des délégations, comme celle de Madagascar et d'autres, qui m'ont précédé, je voudrais déclarer devant cette Commission que la délégation du Cap-Vert appuie les deux projets de résolution qui lui sont soumis.

**Yan HEIDSMA (Netherlands):** My delegation cannot support the resolution contained in C 87/LIM/9, for reasons which are essentially the same as those that apply on the resolutions concerning the Working Capital Fund and the Special Reserve Account. Having said that, my country is one of those which has agreed to defer its share of the cash surplus, and I am fairly confident that should a need arise in the future we would positively look into this matter. But to delegate authority to the Council now to decide these matters is something which we could simply not agree on in relation to matters as important as cash surplus.

I am not sure whether we are supposed to speak on C 87/LIM/14 and C87/LIM/14-Sup.1 also at this point. My delegation is certainly in favour of C 87/LIM/14, but I am not sure if we have fully understood what C 87/LIM/14-Sup.1 is about. I take it however that we will perhaps return to that later.

**A. Daniel WEYGANDT (United States of America):** I am sorry to be taking the floor for a second time - I realize there is some sensitivity on that point. I did however want to keep the two interventions separate. I would like to support at this point the quite numerous previous speakers who had indicated that they are not in a position to support the resolution contained in C 87/LIM/9, and I am thinking particularly of Nigeria, Zaire, Belgium and Germany, for basically the same reasons that they have outlined. I would also like to echo the question put to you by the previous speaker, the delegate of the Netherlands: are we in fact supposed to be dealing with C 87/LIM/14 at this point? - because if so I would have some relatively detailed questions to put on that subject. I have however received the impression that C 87/LIM/14 will be discussed later - is this correct?

**CHAIRMAN:** This is correct. As I have no other speakers on my list today, from either the right side or the left side of the hall - perhaps the Assistant Director-General would like to answer some of the questions that have been raised.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** There are really not many questions to be answered, because I think the responses have been fairly clear - they have been either very positive or very negative. There are however a couple of points which I believe should be made and a couple of questions were raised.

I am not sure that it is completely clear, on C 87/LIM/9, just what the delegation of authority from the Conference to the Council entails. If I could draw delegates' attention to C 87/LIM/9, and more specifically paragraphs 2 and 3:

In paragraph 2, the authority contemplates the delegation of authority to the Council "To decide, in the event of a significant delay in the receipt of contributions, and notwithstanding Financial Regulation 6.1(b), that cash surpluses which may arise in the present and future biennia be withheld in full or in part" - and it is important to note the word "withheld" - "with a view to ensuring that sufficient funds are available.."

In paragraph 3. "it shall review the financial situation of the Organization after the Council has exercised the authority delegated to it in paragraph 2 above and determine the time of release of any cash surplus withheld". It is purely contemplated that this is a delay in the event of a very serious shortfall in contributions, but a delay only - it is not a relinquishment of cash surplus, under any circumstances. Consider for example if there were a cash surplus available at the end of this biennium, and you have delegated authority, the Council, which will meet a year from now - in November - could review the income situation of the Organization, and if there were at that time (next November) a very significant shortfall in receipt of contributions from Member Nations, the Council could decide to withhold, in whole or in part, the distribution of cash surplus until the following Conference. The Conference at that time then would decide when surplus should be released. It is only a delay, it is not suggested in any form or fashion that such surplus that may arise for review by the Council should be relinquished. I am not sure that that point was clearly understood, and I want to emphasize it.

Secondly, a question was raised by the distinguished delegate of Canada to determine the amount on the spread on 29.2 shortfall in cash, and whether or not there had been programme adjustments that had been determined. If the delegates would turn to C 87/LIM/42, and particularly to the very last page - and I would remind you that this is a very hypothetical situation in projecting for 1988/89, for all of the reasons I have been explaining, and it is therefore very difficult to draw very hard and fast conclusions. There are a few facts that in the event that this hypothetical situation were to become real would present themselves. For example, if you go to the very top figure there, that represents total disbursements - US\$ 242 000 000 on disbursements against US\$ 405 000 000 on receipts. That is a significant shortfall if that hypothetical situation did occur in the 1988/89 biennium, but the assumptions there regarding the receipt of contributions are explained, again very hypothetical - the situation with the United States has been explained. It also shows what happens to cash balances in those circumstances. If we end the present biennium with the estimated US\$ 27.1 million of positive cash balances, under the situation that is shown in the hypothetical suggestion we could end with a shortfall of cash of US\$ 29.2 million.

The distinguished delegate of Canada raised a question that it therefore looked as if the most difficult part for the Organization would come at the end of the biennium. The answer to that is: possibly, but it could easily occur in March or April of 1988, because - hypothetically again, we are projecting receipt of US\$ 25 million from the United States in early 1988. If that was not received, we could easily approach - if not get into - a cash deficit in early spring of next year. If no payment were received from the United States during that period of time, with the fluctuations and the interest rates, we could easily end the first year with a deficit. I am not trying to draw a more gloomy picture than exists but I am trying to point out that, since it is a hypothetical situation, it is very difficult to draw hard conclusions. To make resolutions that approve scenarios and approve terms that change all the lines on the curve - whether the shortfall would be the difference between the hypothetical expenditure or receipts or the amount of shortfall on cash receipts - is a matter for determining which assumption you really wish to follow. I think that probably the only real conclusion that can be drawn from the graph shown for the 1988/89 biennium is the difficult situation which the Organization is placed in as late as near the end of November, in not knowing what the contribution situation is likely to be, even during the very early part of January and February of 1988.

Accordingly, the programme adjustments have not been estimated, nor included, in deciding upon a scenario until we have better information from the United States; and as the delegate of the United States has just reported that that is not likely to be known until late in December of this year, we' must make projections again based upon the best available information at that time. If the scenario

which we have projected particularly for 1988/89 is, as was stated by the delegate of the United States, "the best case. scenario", obviously we could be in more serious trouble than the projected cash balance that is shown. We hope that that is not the case, and I am sure that he hopes that is not the case - but nonetheless we are in the hands of others at this point.

I would like to refer to a comment made by the distinguished delegate of the United Kingdom concerning C 87/LIM/9, in that he made reference to the fact that this deferral on an action seems to be a "back-door" method of not distributing the cash. I hope that that is not the case. The reason we have gone to the Finance Committee and the Council and are appearing here today in Commission II and will be appearing ultimately before the full Conference in Plenary is to make certain that every aspect of this has been fully and completely explained, so that it is clear that everyone has had a chance to express their opinion, and whatever the Conference decides will certainly be the dictate for the Organization to follow. But it is certainly not a back-door method of trying to find ways of spending money that we have not been authorized to spend. It is very clear that this would be a procedure by which a very serious liquidity problem could be almost alleviated - perhaps not prevented and certainly not in the next biennium when, of course, there will be no cash surplus, but in the following biennia when there may be cash surpluses with a hopefully strong dollar sometime in the future that could be used in the case of a liquidity problem of any nature.

But there too there would be the use of a legislative authority: it would not be only on the initiative of the Secretariat or the Director-General. It would be on the initiative taken by, first, the Finance Committee in a recommendation to the Council, and the Council again, to defer distribution of cash surplus until the time that the Conference met a year later. It is only a deferral action -it is not a relinquishment. I hope that is fully understood. I think most of the delegates who have spoken on this do understand this - that this is simply an effort on the part of everyone concerned starting with the Finance Committee, to find ways and means by which the Organization can better cope with liquidity problems that seem to be facing certainly FAO, and other United Nations agencies.

**Alejandro NDJOLI MEDIKO (Guinea Ecuatorial):** Voy a intentar ser muy breve en mi intervención, y a referirme a los documentos expuestos en el C 87/LIM/14 y C 87/LIM/9.

Nosotros pensamos que es una proposición justa y adecuada que ayudará a evitar el retraso en el pago de las cuotas, o al menos, a disminuir el período de retraso, y, consecuentemente, mi delegación apoya el proyecto de resolución C 87/LIM/14.

En lo que respecta a la propuesta contenida en el documento C 87/LIM/9 sobre superávit de tesorería, también la apoyamos, pero con una enmienda, y es que esta delegación que se propone dar y que está expuesta en el punto dos, no debería ser más allá de un bienio, decidiendo el Consejo siguiente la renovación de esta delegación o no.

**James AITKEN (United Kingdom):** I have some supplementary questions that follow on from the replies from Mr Shah and Mr Crowther. In fact, one question I asked in my original intervention has not been answered. With your agreement, would you like me to raise these questions now, or would you prefer me to leave them until the end of this debate? I shall carry on now.

The first thing is perhaps to correct a misinterpretation or misunderstanding by Mr Shah of our position on TCP. The whole thrust of our intervention as regards TCP has not been to question the propriety of keeping TCP separate and keeping it isolated from the other financial developments and the rest of the programme. It has been to point out - because we do accept that this is the case - that reality may be slightly different from this and there is a large amount of money which, unless it is programmed and programmed fairly quickly, is really vulnerable in a situation where there are cash flow problems. I would like to make it very clear without questioning propriety of isolating TCP - in fact, we fully support it - we are questioning the wisdom and realism of not programming it at this moment.

The second point I have follows Mr Shah's reply to my question about what was happening to the balance of TCP left at the end of 1984 - 1984/85 - referred to in LIM 41. Mr Shah said that he expected the full amount to be expended or committed by the end of this year. Now if I could, I would like from him a breakdown of how much he expects to have been spent and how much has been committed but not yet spent; i.e., will be spent sometime during 1988. I would also be very interested in Mr Shah's view of how regulation XLIII is being interpreted where it says that the funds transferred to the Technical Cooperation Programme shall remain available for obligations. Now when Mr Shah talks about commitments he is presumably using the word in terms of the word obligation in the basic text under Financial Regulations. Now are these obligations hard legal obligations in the sense that they are agreements signed with countries for this amount of TCP money and TCP money will be spent on projects? Are they legal obligations in terms of contracts, or are they internal obligations in which as part of the internal planning process the Administration has decided that TCP projects will have a certain amount of money and has earmarked them. So I would like, if Mr Shah could, to distinguish between obligations in terms of what is being said to countries informally, obligations in terms of the hiring process within the Organization, obligations in terms of formal project agreement and obligations with suppliers, etc. So that is all in TCP for 1988, the committed part.

My second question relates to TCP in the current biennium, 1986-87 and which I do not think was answered. Perhaps it would be easier if I rephrased it. The essence of the question was what proportion of the current biennium's TCP will remain unspent at the end of the current biennium, what proportions are expected to be spent in calendar years 88, 89 and 90, respectively? In other words, in the three years in which it can be legally spent.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**Elio PASCARELLI (Italy):** I am afraid that all these questions and answers between the Secretariat and the distinguished delegate of Britain have no bearing whatsoever on the resolution we are discussing. We have reached 5:35, Mr Chairman, we have plenty to do. I humbly submit that this has nothing to do with the subject, and we have no interest in it. That will come when we talk about TCP.

**CHAIRMAN:** The Chairman wants to be very tolerant towards all delegations, and it is not my intention to limit whatsoever the right of speaking, but of course I appeal to the distinguished colleagues to try to be brief, and when they put their questions they should be really questions up to the point that related to the matters which we are discussing.

**Dedan Robinson KAMAU (Kenya):** Following the elaboration given by the Assistant Director-General, the Kenya delegation supports the draft resolution in Document C 87/LIM/14. This is due to my delegation's observation that the adoption of the resolution will partially curtail the revenue shortfalls currently affecting the Organization owing to the incentives that it gives to timely contributions. It is my delegation's view that innovative decisions of this nature will create circumstances that will speed up remittance of several Member Nations' contributions, making it unnecessary for the Organization to resort to calls for additional contributions from Member Nations, as will be the case when the Organization implements the resolution adopted this morning on the replenishment of the Special Reserve Account for 1988/89 which my delegation had to abstain from as we were not convinced that all contingency measures had been adequately exhausted. My delegation is optimistic that with the adoption of the resolution in Document in C 87/LIM/14, the Organization may revert to a healthy cash position within the forthcoming biennium. With this optimism, the Kenya delegation will also support the resolution contained in Document C 87/LIM/9 amending present procedures for application of cash surplus.

The Kenya delegation will expect the Council to exercise the best judgement on matters delegated to the Council by the Conference if the resolution under Document C 87/LIM/9 is adopted. The Council reasonably represents the various member regions and we expect it to exercise its delegated authority appropriately.

**J. LYNCH (Canada):** Mr Chairman, with all due respect I think that the comments being made by the " representative of the United Kingdom are perfectly to the point. In fact, I would say that his comments are among the most useful and significant and relevant things we have heard here. To stress it again, he has pointed out that by exempting the Technical Cooperation Programme, the Programme itself is left open to the situation where people ask, "Why are we being asked? Why are our governments being asked to make up new sources of money when there is an existing untouched, unspent, unobligated large source of cash in the Organization?" I think that is the point, and I think it is relevant here when we are talking about cash-flow problems. If the Organization has -even if it is only not the full TCP, but a large amount of that money is available as cash, why should they turn to the member states for additional sources of new income when they can tap an already acquired, already accumulated, source of money? I for one agree with the statement by the United Kingdom that the TCP is a particularly vulnerable source of cash. I think, in fact, his questions are very useful, if only as guidance for the Council when they are looking at, during the course of the next biennium, what sources of income are available to the Secretariat without making new calls on member states.

**Ms Janet Lesley TOMI (Australia):** First of all, I want to say how much I appreciate your preparedness to let all members speak and also to express my appreciation to the Secretariat for the detailed information that has been provided in C 87/LIM/41 and C 87/LIM/42. The delegate of Canada somewhat preempted the remarks I was going to make, but I would certainly like to say how closely I would like to associate the Australian delegation with the very incisive questions that the delegate of the United Kingdom has asked. Since C 87/LIM/41 was only issued late on Friday, and this would appear to be the only Session at which we have the opportunity to ask these questions based on the information that has been provided, I certainly would welcome some detailed responses to the U.K. delegations' questions on these matters.

**V.J. SHAH (Director, Office of Programme, Budget and Evaluation):** I believe all delegations who have had any contact with the Secretariat knew, or I hope they know full well of the Secretariat's willingness to answer all queries. Let me welcome the questions raised by the distinguished delegate of the United Kingdom because I believe that in spite of many discussions we have had on this subject there still may be some misunderstandings and some serious misunderstandings which I would once again like to clarify.

First of all, the distinguished delegate referred to the need for programming TCP funds. Now if we take the appropriation for 86/87 and we take the table from the Document LIM/41, for 1986/87 we show that you of an appropriation of US\$ 61 million 421 thousand, there are cash expenditures of US\$ 19 million and outstanding obligations of US\$ 6.9 million, that is a total of US\$ 25.9 million, leaving a balance of US\$ 35 million 481 thousand. It is totally wrong to construe or imply that this amount of US\$ 35 million is unprogrammed. The full amount of US\$ 61 million appropriation by the end of this biennium will consist of projects which have been approved, projects which have been signed with the governments concerned. I hope this is enough indication to respond that this amount then is not unprogrammed. It is fully programmed. It is fully set aside for specific projects approved. That is the first point.

The second question, dealing with the 86/87 biennium and I will turn later to 84/85 is how much of the appropriation of US\$ 61.4 million will be spent or expended by the end of 1987? My answer is, according to our forecast, US\$ 23.5 million that will be expended. How much will be in outstanding obligations? Outstanding obligations, US\$ 7 million. Now these outstanding obligations represent commitments, contractual obligations for purchases, for supplies, for contracts of all kinds. The balance of US\$ 30.9 million which is financially not committed or financially obligated

is still a sum of money for which projects have been signed, projects have been approved. So we are obliged to implement those projects. But the sum of US\$ 30.9 million does not represent contracts for supplies or purchases which have been entered into. They are obligations of a legal, moral and contractual nature between the Organization and member governments. But they are not contractual obligations for the suppliers of services and goods. For 1984/85, the question was asked how much of the 1984/85 appropriation will be spent by the end of this year? My colleague from the Finance Division advises me that we expect an amount of under US\$ 1 million not to be spent. That is to say, a million dollars which would be obligated, committed, and those commitments would be discharged in the 12-month period from 1 January to 30 December 1988.

So, Mr Chairman, I hope I have not avoided any of the questions raised. I think it is important to understand once again that the full appropriation is programmed during the biennium of the appropriation. It is not that these funds are left hanging in the air; they are surplus funds which we do not know what to do with.

Secondly, that the amount of expenditures and financial commitments at the end of the first biennium represents roughly one half, and the remaining half is then financially committed during the second biennium with a minor sum left for the liquidation of the commitments there.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):**

I will be very brief; I think there is only one clarification further that is needed. The distinguished delegate from Canada made his statement with regard to the availability of TCP funds. That I think needs clarifying.

Mr Chairman, at the end of this biennium as you can see from the graph, we will have 27.1 million dollars. Within that 27.1 million dollars we will have 17.2 million dollars of outstanding bills that have to be paid other than TCP. Of the 35 million dollars carried over to the next biennium from TCP, 7 million there has been obligated in contractual obligations, amounting therefore to 25 million dollars in contractual obligations that have to be paid out of this 27 million dollars.

Mr Chairman, in addition we have a payroll to meet very shortly thereafter. Now if there were somehow an additional 35 million dollars attached to that carryover TCP that we could use to meet that payroll we would all be very pleased but it does not exist. I feel somehow the feeling is that as long as there are carryforward appropriations on TCP, there is cash attached to it. I wish that were the case because as we go forward this year with the carryforward that is there, there is just not sufficient cash to support it. Quite frankly, that amount like all the appropriations, is totally dependent upon the receipt of contributions and the receipt of arrears. We have to finance each of these bienniums from only those sources. The amount of interest and miscellaneous income cannot be depended upon to support those programmes. I am sorry to say that the carry over balance will probably not be enough to get us completely through January and much less pay all of the TCP and the unobligated balances that will remain. I would not want the delegates to have the feeling that either we are flush with cash or the fact that there is a carry over appropriation in TCP is going to be a fall back position for us. It is just not the case. The money is not there I am sorry.

**James AITKEN (United Kingdom):** Mr Chairman, just very briefly to thank the Secretariat and Mr Shah in particular, very much for their very clear reply. I take it that when he referred to 'moral obligations' he was of course referring to obligations in the current biennium, because obviously obligations in the 84/85 biennium by now have to be legal obligations rather than moral obligations, so I take that point.

I think that we do get information on TCP projects and we do find this very useful because we are very concerned about the shape of the spending profile, and I think it would help all of us if perhaps on a regular basis Council could receive, perhaps on a quarterly basis, lists of TCP projects together with details of when the agreements were signed and the sort of spending profiles you are expecting because, to do you justice, at present it does look as if the TCP programme is not



programmed, and we do seem to be getting conflicting signals on the one hand being told it is not possible to programme it and it is there for emergency purposes, and on the other hand to be told that it has been programmed. So perhaps it would be helpful if we could have a greater understanding, not just between the UK and the Secretariat but between a broader constituency of Council.

**CHAIRMAN:** It is my pleasure to state that the UK delegation is satisfied with the explanations given by the Assistant Director-Generals.

**Elio PASCARELLI (Italy):** Mr Chairman, I think I have read in the regulations of this Organization that when there is a point of order the first thing that the Chairman should do is to put it to the vote.

Now I repeat once again all these questions and answers were completely out of the picture that we were examining. It has no relevance whatsoever to the cash surplus, the flow or not the flow. We are discussing a draft resolution, not on the TCP of 84/85, because these questions have been very well understood by all of us except some delegations. So please would you kindly rule that these questions were completely out of order, and if needed let us ask what the Commission thinks about it.

**CHAIRMAN:** I think, as this matter has been clarified in the meantime.. not to your satisfaction. So be so kind enough Ambassador to formulate again to put your request, your proposal.

**Elio PASCARELLI (Italy):** Mr Chairman, I would like you to ask the Commission whether the Commission thinks that this question and answer on the TCP of 84/85 etcetera is in order with the discussion we are having on a draft resolution on the flow of cash surplus.

**CHAIRMAN:** Thank you. I understand that all delegates have understood the formulation of the question. So my question to you now is whether you are in favour of the proposal made by the distinguished representative. Do you recognize the point of order?

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**J. LYNCH (Canada):** Mr Chairman, if this is a vote, do we have a quorum for a vote? Mr Chairman, I have the impression that we are in the midst of a vote. If we are in the midst of a vote do we have a quorum for a vote?

**CHAIRMAN:** We of course always have at our disposal Legal Counsel. I understand that there is a difference between a vote on formal matters and on substantial matters, so I presume that for formal questions we have a quorum. UK asked for the floor under the point of order.

**James AITKEN (United Kingdom):** I am very loathe to speak again but quite frankly the point of order is a very simple one. I would like to help you to deal with this problem and avoid any deviousness in our discussion. The Order of the Day is quite clear about this Mr Chairman. Under item 25.4, Other Measures to deal with Budgetary Uncertainties, papers C 87/LIM/41 and C 87/LIM/42 are listed. I am sure that if we approach the Legal Counsel he could perhaps help us to indicate if it is in order for these to be discussed under this particular item and for questions to be asked. And perhaps it might have been better if this had been another sub-agenda item. I certainly can understand that perhaps the distinguished delegate of Italy does not have the same interest in TCP as we do. I think this is a point he himself made. Nevertheless I do not want to criticize the Chair or the Secretariat for including these papers under this item; in fact I am very grateful for it.

**CHAIRMAN:** Before we proceed I see I have some speakers on my list so I do not know whether it is proper to let the discussion only be continued between two or three delegations, but formally I am obliged to put the proposal made by the Ambassador of Italy about this question raised by the UK delegation.. No.

**Elio PASCARELLI (Italy):** Mr Chairman, in a few minutes I will prove that that was the joke of the century, that I am not interested in the TCP, but now Mr Chairman I want to help you. Let us recess for a quarter of an hour because we have been here for three hours and we have not moved any further, and your wish, which was our wish, was to finish tonight. Tomorrow we have a very busy schedule and I think these questions could be asked to the Secretariat without involving the whole Commission. This is a point that was not under discussion; we were discussing two draft resolutions and I think that if you ask for a vote the Commission will answer that that was the case. These are obstructive tactics of low profile.

**CHAIRMAN:** I understand that the Italian delegation does not insist on making this vote so we can proceed. And now I give the floor to the distinguished delegate of Tanzania.

**John NG'ONGOLO (Tanzania):** My delegation strongly feels that there is a need to keep the Organization financially strong all the time to enable it to perform its tasks. Since the draft resolutions contained in LIM 9 and LIM 14 are aimed at achieving this cause my delegation supports the two draft resolutions.

**Mrs Kate ABANKWA (Ghana):** Mr Chairman my delegation has listened to the explanations given to the two resolutions under consideration. My delegation is of the view that the Organization must function and function efficiently. My delegation therefore supports the two resolutions in the same way as it supported the resolution on the Working Capital Fund. We believe there should be sufficient funds to run the Organization. Having said that, my delegation wishes to appeal to those members who have not paid their contributions to pay them so there will not be a problem of finding out whether we shall have enough funds to run the Organization.

**Yan HEIDSMA (Netherlands):** I just wanted to reply briefly to what the distinguished delegate of Italy said. For my part, my delegation was much interested in the explanation of TCP by the Secretariat. This is very relevant to our discussion at present and I fully agree with the Secretariat that if we can proceed to vote on this resolution we should be prepared to deal with it. However, these discussions are very enlightening and I have no objection to the questions and answers being dealt with in this Commission.

**CHAIRMAN:** I appeal to my distinguished colleagues not to open up the matter, which has already been solved.

**Jean-Luc GRAEVE (France):** J'étais absent de ma place et j'ai levé ma pancarte très souvent dans le passé sans que la présidence me voit .. Je voudrais savoir sur quel point de l'ordre du jour l'on m'interroge. Je parlerai si vous le voulez bien, spontanément, sur la question de la motion d'ordre. C'est pour cela que j'avais levé ma pancarte.

Je suis troublé par ce qui se passe actuellement. Au début de nos débats je vous avais posé une question qui était la suivante: Est-ce l'ensemble des points qui sont à l'ordre du jour de notre déclaration auquel on s'attache ou suivons-nous d'abord les points de résolution projet de résolution par projet de résolution? Vous avez répondu: projet de résolution par projet de résolution. Certains orateurs s'en sont tenus à cette indication que vous avez donnée, d'autres ne l'ont pas fait. Ensuite d'autres orateurs ont indiqué que la discussion sur le PCT faisait partie de l'ensemble de l'ordre du jour, ce qui est correct, mais en même temps jette une confusion dans les débats. Je suggère que la présidence fasse des suggestions et que l'ensemble de la Commission s'y tienne. Parce qu'on perd énormément de temps. Nous avons eu un échange de vues complet sur le Document C 87/LIM/9, C 87/LIM/14. Uniquement un tiers des délégations s'est exprimé et les autres ne l'ont pas pu, notamment la délégation de la France qui a pourtant présenté l'amendement de cette résolution. Concernant les documents du Secrétariat on ne sait pas si l'on doit s'exprimer ou attendre la discussion sur le PCT. Je souhaiterai que de l'ordre soit mis dans vos débats.

**CHAIRMAN:** Thank you. Please understand that the Chairman is sometimes in a difficult position.

I do not want to limit anybody from his right to speak, but equally I am interested in proceeding in the most efficient way in order to conclude this Agenda Item. Since I have only one more speaker on my list I will give him the floor and then I will make a suggestion as to how we should proceed.

**Leopoldo ARIZA HIDALGO (Cuba):** Nosotros también, igual que la distinguida representación de Francia; estamos preocupados por la forma en que se está desarrollando el debate. Nosotros pedimos la palabra después de haber ejercido su turno el distinguido delegado de Italia, para apoyar a Italia en su formulación, en cuanto que consideramos que aquello que está en discusión son las dos resoluciones, y decir que son interesantes o no algunas de las cuestiones que están aquí, en el resumen; de las asignaciones; sí, indudablemente es interesante todo esto, pero también ese interés por el PCT nos preocupa por la parte de dónde viene. Vamos a hablar claro. Creo que ya es muy tarde para que estemos dándonos por los costados. Sabemos por donde viene el estudio interesante de los PCT, que no tiene que ver nada con lo que estamos discutiendo.

Creo que hay que sacar las dos resoluciones; si no se pueden sacar a votación ahora, se votarán cuando haya que votar, pero no creo que tengamos que intervenir en una situación que no está inscrita en el debate, porque los PCT no se pueden discutir en estas condiciones.

Y repetimos: sabemos de dónde y de qué parte interesada viene este interés por el PCT.

**CHAIRMAN:** Let us see what the situation is now. Judging from the length of this quite interesting debate, conclusions should be quite easy to draw. It is clear that the draft resolution has no chance of being adopted by consensus. It is quite clear that we shall have to vote on the draft resolution. That is my first observation.

My second observation is that we are short of about five or six delegations in achieving the necessary quorum to vote so I propose at this stage to continue the debate on other sub-items of the agenda. We will continue with Item 25.4, to clarify any aspects which may be unclear and at a given moment when we have the necessary quorum, we shall take a vote. Are there any objections to my proposal? There are none, so we shall discuss the item based on documents C 87/LIM/14 and C 87/LIM/14-Sup.1. Mr Crowther introduced all these documents at the same time.

**Jean-Luc GRAEVE (France):** Je prends d'autant plus volontiers la parole que ma délégation a présenté un amendement au projet de résolution C 87/LIM/14 et que je souhaiterais l'expliquer à cette Commission, ainsi d'ailleurs que d'autres délégations en ont exprimé le souhait.

S'agissant du versement des contributions, il est clair qu'il faut s'attendre à des retards importants dans leur versement. Notamment de la part du plus important des Etats contributeurs. Nous pensons qu'au-delà de l'exhortation de nature juridique notre délégation se doit de réitérer l'adoption d'un mécanisme financier qui pourrait s'avérer utile dans le paiement prompt et complet des contributions. C'est pourquoi nous donnons notre appui aux projets de résolution contenus dans le document C 87/LIM/14 qui propose une répartition pondérée d'une partie de l'excédent de trésorerie. Nous le faisons sous réserve d'une rédaction plus précise de ce projet. Nous reviendrons sur ce point ultérieurement.

La délégation française a déposé pour sa part un projet d'amendement contenu dans le document C 87/LIM/14-Sup.1. Il y est proposé que le Directeur général fasse rapport à la prochaine Conférence sur l'adoption d'un dispositif plus incitatif visant à répartir intégralement entre Etats Membres les intérêts portés par les contributions au budget ordinaire. Je voudrais prendre un exemple chiffré tiré du compte de l'exercice 1984-85 pour illustrer la différence entre ces deux dispositifs. Je me réfère pour cela au document de la Conférence C 87/5, concernant le rapport et les Etats financiers, à la page 24, dans la version française. En vertu du dispositif actuellement en vigueur, c'est l'intégralité de l'excédent de trésorerie, soit environ 35 millions de dollars, qui doit être distribué de façon uniforme entre les Etats Membres. Je parle de l'exercice 1984-85. Dans le dispositif dont l'adoption a été recommandée par le dernier Conseil à notre Conférence et si ma délégation le comprend bien, on calculerait d'abord la part des intérêts dans le total des recettes diverses, part qui se monte pour l'exercice 1984-85 à 83 % et on appliquerait ensuite ce taux de 83 % à l'excédent de trésorerie et l'on trouve 28,9 millions de dollars à répartir de façon pondérée entre les Etats Membres. Dans le mécanisme dont la délégation française demande l'étude, ce serait l'ensemble des intérêts portés par les contributions soit pour la période citée 38,4 millions de dollars, qui seraient distribués de manière pondérée aux Etats Membres indépendamment du niveau de trésorerie. La différence porte, on le voit, sur environ 10 millions de dollars ce qui est un montant significatif. Ma délégation voudrait par ailleurs faire une remarque sur la rédaction contenue dans le projet de résolution C 87/LIM/14. Dans ce document il est écrit: je cite "la partie de l'excédent de trésorerie qui correspond aux intérêts sera répartie de manière pondérée". Il serait plus exact me semble-t-il que ce soit "la partie de l'excédent de trésorerie correspondant à la part des intérêts dans les recettes diverses".

Ma délégation souhaite savoir ce que pense le Secrétariat de cette suggestion de détail.

**Elio PASCARELLI (Italy):** I, want immediately to support this amendment with the proviso that the system suggested by the delegate of France be examined by the Finance Committee. We have plenty of time. I would just ask our French colleague to add one sentence, because there are different systems in different organizations, to say something to the effect that the system will be put to the Finance Committee and will be decided on by the Finance Committee. We have plenty of time.

**CHAIRMAN:** Does the delegate of France wish to answer?

Jean-Luc GRAEVE (France): Oui, je suis tout à fait d'accord.

**A. Daniel WEYGANDT (United States of America):** I would like to follow up on what the delegate of Italy just said, which will lead to my taking these two papers in reverse order.

On document C 87/LIM/14-sup.1 I support the amendment proposed by the delegate of Italy, but it seems to me since we are talking about the wording of this amendment I would also like to see a slight change in the second line of the text where it talks about "the adoption of measures". It seems to me that should be replaced with the expression "potential measures" because as the amendment

is currently drafted, it appears to prejudge the outcome of the study and I do not think that is really the intention of our French colleagues. It may just be a linguistic suggestion, but I do not think we can prejudge the outcome of the study. It is a far-reaching and complex proposal. We must be quite careful how we phrase this.

Looking back at the debate we have had, we find ourselves in Conference in a somewhat difficult situation because Items have gone through the subsidiary bodies of the Organization, presumably having been thoroughly studied and yet we find ourselves at the end of the day with quite a wide divergence of opinion and very little time to resolve the differences. We must be as objective about this process as possible when we deal with the question.

I would simply put forward that modest proposal for Sup.1 of C 87/LIM/14.

With respect to LIM/14 itself, as my delegation indicated earlier in the Conference, we would be prepared to consider this proposal on the condition that it is interest income sensitive only, and it would certainly be of great help to my delegation if the formula for applying the interest income element were explicitly contained in the Resolution. That would make it much easier for us to support this Resolution. It would also make it a little easier for everybody concerned to avoid any possible lack of understanding, intentional or otherwise, that may arise.

This will obviously be a difficult calculation to make and the more information we can put into the Resolution on what is exactly in the formula would be helpful.

If it were possible - and this is really a question to put to the Secretariat - to have as much description of the formula in the Resolution, before we adopt it, I would be generally supportive of this Resolution.

**A. SAINTRAIN (Belgique):** Je serai très bref car nous sommes déjà intervenus sur ce point. Je voudrais vous signaler que j'appuie la proposition de notre collègue français tout en faisant remarquer que ce que vient de dire notre collègue des Etats-Unis d'Amérique me paraît tout à fait justifié. Il y a en effet, sur le plan concret et pratique, une série de formules qui peuvent être mises en route. Nous avons eu l'occasion d'étudier le système tel qu'il est pratiqué dans d'autres Organisations et j'ai cité l'exemple de l'OACI et de l'OMM où le système est appliqué. Il est clair que le texte de la résolution tel qu'il nous est présenté ne répond pas aux modalités parce qu'il parle d'un système de pondération en fonction du montant et de la date du paiement de la contribution de l'exercice financier sans spécifier de quel système il s'agit. Il existe actuellement différents systèmes et l'on pourrait peut-être, d'ici demain matin, en retenir un qui soit pratique, concret et opérationnel. Je crois que le texte de la résolution contenant les mesures pour faire face aux problèmes des retards dans les paiements pourrait recevoir un large consensus, ce qui paraît normal; quand on parle de système de pondération on précise de quel système de pondération il s'agit. En ce qui concerne la délégation de la Belgique, nous sommes pour un système de pondération qui consiste à donner le maximum d'avantages à ceux qui règlent leurs contributions très tôt. C'est-à-dire le système en "S" plutôt que le système linéaire paraît un bon système puisqu'il donne le maximum d'incitantes à ceux qui règlent leurs contributions pendant les 4 ou 5 premiers mois, diminue en milieu d'année, en arrive à un ralentissement pour ne pas dire à une suppression des incitantes pour ceux qui règlent leurs contributions en fin d'exercice avec retard. Je crois qu'une position doit être prise en ce qui concerne le système de pondération et je crois qu'elle pourrait l'être assez rapidement et dans cette hypothèse on pourrait arriver à un large consensus concernant ce projet de résolution.

**Yan HEIDSMA (Netherlands):** My delegation is generally supportive of this Resolution. We believe it might indeed be useful if in para a) the system to be applied were more specific. What I for my part would like to see in it is the assurance that this measure is only contemplated for those countries that have indeed paid in full, which it does not really say now. I understand that this is the idea, but I do not believe it is stated here.

As far as the French amendment is concerned, it is difficult to foresee exactly what the consequences of all this will be for the Organization or for the Member States, but I suppose this is precisely the reason why the Director-General is requested to report on it. For that reason, we have no particular difficulty with it.

**Pedro SEBASTIAO (Angola):** Ma delegation appuie la proposition faite dans le document C 87/LIM/14.

**Dong QUING SONG (China): (Original language Chinese) :** The Chinese delegation wishes to support the Resolution contained in LIM/14. We also support the amendment proposed by the French delegation. We feel that the measures proposed in the Draft Resolution are acceptable. It will help to encourage Member States to pay their contributions as soon as possible. Therefore, it would strengthen FAO's capacity to implement its programme.

**Likundè LI-BOTAYI (Zaire):** La delegation du Zaïre accepte bien sûr le projet de résolution, mais elle voudrait suggérer à la Commission de pouvoir tenir compte de ces observations.

De quoi s'agit-il? Tous les Etats Membres ont bien l'intention de remplir leurs obligations en temps voulu, mais il y a parfois des aléas économiques qui obligent les Etats à retarder leurs paiements.

C'est pourquoi la délégation du Zaïre souhaiterait que dans le paragraphe a)ii), on puisse revoir l'expression "La date du paiement.." parce que si l'on exige que tout le monde paie au même moment, tous les Etats ne disposent pas des mêmes possibilités. Il faut tenir compte des aléas qui peuvent se produire.

**Faouzia BOUMAIZA (Algérie):** D'une manière générale, nous soucrivons à la résolution qui est contenue dans le document CL 87/LIM/14, ainsi qu'à l'amendement présenté par la délégation française.

Toutefois, il nous semble juste d'essayer de reconsidérer le paragraphe ii) de l'alinéa a) tel que l'a présenté notre ami du Zaïre. Nous pensons également que nombre de pays ont peut-être un système budgétaire ou financier qui leur impose des contraintes de date.

**Mounir KHORAYCH (Liban) (langue originale arabe):** Conformément à la prise de position du Liban quant à la gestion du budget de l'Organisation, nous approuvons le projet de résolution qui se trouve dans le document C 87/LIM/14.

**P. N. KHADI (Lesotho):** The Lesotho delegation merely wishes to record its support for the Resolution contained in LIM/14 and the amendment in Sup.I.

**T. F. F. MALUZA (Zambia):** My delegation would like to support the Resolution contained in LIM/14 with the amendment proposed by the French delegation. The United States amendment might also be acceptable but I did not understand it properly. I do not know whether it was in line with what France has said. Maybe we could have it more explicitly.

**Alejandro NDJOLI MEDIKO (Guinea Ecuatorial):** Simplemente quería remarcar nuestro apoyo al documento C 87/LIM/14 y al Suplemento 1.

**Hidayat Ganda ATMADJA (Indonesia):** My delegation would also like to associate itself in supporting the Draft Resolution proposed in document LIM/14 and its Sup.1.

**A. Daniel WEYGANDT (United States of America):** I simply want to take the floor at this point to clarify what I said just a moment ago about the amendment that I was putting forward to the French amendment contained in LIM/14-Sup.1, in response to the question put by the delegate of Zambia. What I would propose is, in the second line of the English text, the deletion of the phrase "The adoption of "measures" and to replace it simply with the word "potential", so that it would read: "...that the Director-General reports to the Council and then to the next Conference on potential measures..." That is a somewhat more objective phrase, and whilst I was making the suggestion I noticed a few nods from up on the podium, so I hope this is not a contentious amendment. It was not put forward in a spirit of contention, I can assure you.

Whilst I have the floor I would like to seek a clarification of what it was that the Zairean delegation was talking about in amending Section 2 (a) of the Resolution that we have before us because I did not understand it. Since someone else spoke in favour of it I would like to know what it was.

**Horacio CARANDANG (Philippines):** I would like to indicate that the Philippines can agree with the Resolution as printed in LIM/14 and in its supplement Sup-1.

**Jean-Luc GRAEVE (France):** Je suis d'accord avec l'amendement présenté par la délégation américaine à mon propre amendement, encore que je crois qu'il y ait des différences linguistiques entre le texte français et le texte anglais. En français, il faudrait parler de "l'adoption éventuelle d'un dispositif visant etc."

Par ailleurs, j'ai proposé une modification de rédaction au document C 87/LIM/14. Je pense que "la partie de l'excédent de trésorerie correspondant aux intérêts.." est une rédaction imprécise. J'ai proposé une modification de rédaction. Je souhaiterais avoir la réaction du Secrétariat sur ce point.

**Gonzalo BULA HOYOS (Colombia):** La delegación de Colombia, al igual que nuestro colega de Filipinas, apoya los documentos LIM/14 y LIM/14-Sup.1. Sin embargo, desearíamos escuchar cuáles serían las versiones sobre las enmiendas que se han propuesto.

**Likunde LI-BOTAYI (Zaire):** Je crois que le délégué des Etats-Unis a posé la question de savoir quelle était vraiment l'intention de la délégation du Zaïre à propos de l'amendement qu'il faut apporter au projet de résolution.

Nous avons dit que nous pouvons accepter ce projet de résolution mais nous avons demandé à la Commission de supprimer les mots "la date" du paiement. Certains Etats doivent parfois faire face à des aléas qui empêchent leurs gouvernements de remplir leurs obligations vis-à-vis de l'Organisation. Ils peuvent, vers la fin de la période biennale, honorer les obligations qui les lient à l'Organisation. Ce n'est pas une raison pour priver ces Etats, qui payent leurs obligations à la fin de l'exercice, des excédents de trésorerie ou des intérêts qui proviennent de ces excédents de trésorerie.

Je prends l'exemple des Etats-Unis. Ils ont un système tel que l'Etat ne peut rien faire sans l'autorisation du Congrès. Si le Congrès n'a pas la possibilité de statuer à temps, s'il stueseulement vers la fin du biennium, ce n'est pas une raison pour priver les Etats-Unis des interets qui proviennent des excédents de trésorerie.

C'est la raison pour laquelle le Zaïre propose de supprimer "la date" dans cette partie de la résolution.

**T.F.F. MALUZA (Zambia):** First, I would like to ask again what the amendment of the delegate of the United States is? I am not very clear as to what is proposed. Secondly, in regard to the proposal by Zaire, I am not sure whether Item b) ii) takes care of that. That says that it will "be released to Member Nations which have not paid in full their assessed contributions for the period, only after receipt by the Organization of payment in full of the amounts due for that period". To my understanding it is that you get your assessment after you have fully paid your contribution but you are penalized for paying late.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** I think it would be best if we look at C 87/LIM/14 on page 2 in the action paragraph - the last paragraph that begins "Decides ..". There have been at least two delegations who have raised the question about eligibility of Member Nations to receive any caution of the cash surplus. I would like to specifically point out in paragraph a) i) that the interest income element of the surplus would be allocated only among those Member Nations which are paid their assessed contributions in full by the end of the financial period. So that is one of the basic eligibility requirements; they must have paid in full.

With regard to the interest element, again in active paragraph a) this would be weighted on the basis of amount and timing. As I understand the Zaire proposal, it would take the timing portion out of the formula and would only be the amount as a basis for weighting. Unfortunately, by taking out the timing, it takes away the major part of the incentive that would be utilized for the introduction of some motivating factor for early payment. The major problem that the Organization faces in the receipt of contributions is the timing of the contribution; the amount of the contribution is predicated on the scale that is adopted, but the timing is of the utmost importance, and therefore this entire formula is based on two factors: amount and timing, on a straight line linear basis.

Secondly, with regard to C 87/LIM/14-Sup.1 a number of amendments have been made today, and perhaps it would be useful if I read out the amendments at least as I understand them. As I read these in the English text now there have been two proposals to change: Requests that the Director-General report to the Council" - insert "through the Finance Committee and then to the next Conference on potential measures" - "the adoption of" has been deleted, and "potential" inserted - "to the next Conference on potential measures .." and the remainder is the same as it is now.

There have been further proposals for clarification on the method of calculation of the specific formula into the text. While I am sure that could be done we have only dealt with the weighted basis as being in accordance with the amount and timing of payment. It is really intended to be a really simple, linear formula, the simplest that we could come forward with. If it is necessary to include the entire description of the formula and the calculation we could do so, but I think it complicates the resolution. Certainly, we would not attempt to deviate from the use of the words "the amount and timing of payments". This entire resolution has been put forward after considerable discussion in the Finance Committee and Council, to find ways and means of meeting the schedule of contributions that we receive. Unfortunately, we still have a very serious problem of many countries not paying, or not paying on time. This is intended to be a motivating factor to encourage Member States to pay, and if possible to pay on time. I consider those two elements as extremely important in the resolution.

I hope that clarifies the points raised: if not we will be happy to respond further.



**A SAINTRAINT (Belgique):** . Je voudrais faire une remarque sur ce qui vient d'être dit, et qui me paraît tout à fait raisonnable.

L'éventualité porte sur l'adoption et non pas sur le dispositif. On ne doit pas parler de "dispositif éventuel", mais on doit parler d'une "adoption éventuelle d'un dispositif".

Pour le reste, je ne peux que marquer mon agrément à tout ce qui vient d'être dit par le Secrétariat de la FAO, mais je voudrais insister sur le caractère éventuel de l'adoption, et pas sur le caractère éventuel du dispositif.

**A. Daniel WEYGANDT (United States of America):** There have been a lot of amendments put forward tonight and I am a little concerned that the Drafting Committee tomorrow morning will have to resolve a lot of issues in a very short time. I understand that Commission II has broken down and we have not received an influx of late arrivals from that quarter so it seems unlikely that we will get a quorum; nevertheless I would suggest that we discuss as much as possible tonight. I do not want to make myself unpopular but I feel we should cover as much ground as possible tonight.

**CHAIRMAN:** Before I answer your suggestion, I understand you are a very-hard-working man and you want to sit longer. I would like to propose that probably the Ambassador of Italy is right. Let us start tomorrow at 10:15, but understanding that we are really beginning at precisely 10:15. And then we can really complete our duty: that is to proceed to vote on the Agenda Items which have been discussed today, the whole day, practically. The time is short, as everybody realizes, and we have to complete these items tomorrow at the latest. Then of course I am not against continuing our debate if there are any speakers tonight. The Deputy Director-General has asked for the floor.

**DEPUTY DIRECTOR-GENERAL:** Perhaps it will be helpful if I explain the situation as I understand it on the Draft Resolution. The Resolutions Committee, I understand, examined the draft resolution on the Finance Committee put forward by Italy but has asked to meet again tomorrow morning to adopt its draft report to the Commission on this resolution. Consequently, the Report of the Resolutions Committee is not available tonight but should be available tomorrow either late morning or early afternoon.

**Elio PASCARELLI (Italy):** I am just going to ask whether Mr Crowther is going to introduce this document, LIM 32, tabled by the delegation of Italy.

**Dean K. CROWTHER (Assistant Director-General):** while I certainly have a full understanding for the resolution, I think it would be most appropriate if the Ambassador would directly introduce it, as he is the author and the drafter of it. So I would certainly yield to the Ambassador.

**CHAIRMAN:** As I do not see any other speakers willing to talk today or tonight, I would repeat that we shall meet tomorrow at 10.15 precisely where it will be communicated. Now before we adjourn, we shall follow the suggestion of Mr Crowther that I have the pleasure to give the floor to the Ambassador of Italy.

**Elio PASCARELLI (Italy):** I assure the distinguished delegates I will be as brief as possible. This idea of filling the vacuum between one Conference and the other, with due respect to the opinion of France, Algeria and Belgium that we should not exaggerate in delegating powers not to alter the balance, has been suggested by the experience that Italy and many other countries had in the month of November 1986. I do not know how many of us were around that table when the Director-General came to us and broke the unpleasant news of what was happening with the cash-flow. Now the first reaction was - I was rather a newcomer, I had been one year in the Organization - and I said, "it just takes some adjustment to the programme." And we did the same thing in the Council which ensued. But the . Director-General said, "I am authorized to spend all the money that is budgeted, whether I have it or not." I do not know whether the wording was this one or another one., What happened was that we dared suggest the calling of a special Conference because the Council had no power to make adjustments or postponements of programmes or savings. All the Director-General could do was to adopt some measures

to save money, but not to cut programmes. So we were at a dead end. The idea of calling a Conference was utterly unpleasant because a Conference could result in some sort of sounding board against the major contributor which contributed to this Organization from the very beginning with a tremendously generous amount of money. I want once again to stress that in brief parentheses.

So we decided on that occasion to ask the Director-General what we were going to do. The Council has no power; you have no power, you have no authority to do so. So this time we explained in our draft resolution how to fill the vacuum for one biennium (which is the most difficult biennium in the history of the Organization), for one biennium only, to delegate limited powers to the Council that are beyond the statutory powers of the Council itself, to encourage, to sustain the Director-General's proposals - because the Director-General's is a very hard job because the representatives are here, and they do not want to hear any reason that there is no money. They knock at the door and they want their programmes. I can understand them, but I do not know how the Director-General can answer these legitimate expectations. If we have the sovereignty of the Conference limited to this particular field, delegated on to the Council, and we ask the Director-General to monitor the situation, month by month because the first three months are going to be very cold - I think a little colder than Romania - in the next year, so I would say that it is quite a just measure of prudence. I want to add that Italy, in the Finance Committee, had reserved its final judgement on the Programme of Work and Budget until such measures were taken. Now the Deputy Director-General who is here came one day and told us that the Director-General and the Secretariat were thinking of filling the legislative vacuum that would ensue to answer all the legitimate queries that have been put by many countries here, minority and majority, as to where is the money coming from. So really, should this half-rosy, half-gloomy picture that was presented to us by Mr Crowther come true, we would expect a shortfall. The shortfall could reach the measure of US\$ 60 million to 70 million. What are we going to do if we have no Conference? Do we force the Director-General to go and borrow money? We have to give all our assistance to him by calling the Council, by listening to his proposal and the Council's with the delegated sovereign powers of the Conference, and we decide what to adjust. I do not want to use the word "cut". Adjust, postpone, delay, save. So Mr Chairman, I took three minutes; that is enough:

Gonzalo BULA HOYOS (Colombia): Sr. Presidente, el texto de este proyecto de resolución presentado por la Delegación de Italia coincide con la postura de la Delegación de Colombia en el debate que tuvo lugar sobre el Programa de Labores y Presupuesto en la Comisión II. Sin embargo, Sr. Presidente, tratándose de la ejecución del Programa, pensamos que, en orden jerárquico, antes de delegar en el Consejo todas las atribuciones, deberíamos hacer un llamado a los Estados Miembros para que paguen sus contribuciones. En Plenaria, el Director General señaló ejemplos, como el Japón, de países desarrollados, y Brasil, de países en desarrollo. De manera que, por lo menos, cumplamos con este propósito, y luego procedamos a los pasos subsiguientes, si el pago de esas contribuciones-no fuera suficiente para evitar reajustes en los Programas.

Si el distinguido Embajador Pascarelli me permite, yo propondría que, antes del párrafo 1 de la parte dispositiva, se agregara el siguiente párrafo: "Pide a todos los Estados Miembros, particularmente al primer contribuyente, que paguen oportunamente sus contribuciones." Luego seguiría el texto de Italia. Y hay una modificación - de forma solamente - en el párrafo 2 de la parte dispositiva. Creemos que convendría eliminar las palabras "lo antes posible", porque el Director General sabrá cuándo tiene que hacerlo; invertir el orden de los dos Comités (generalmente, el Comité del Programa se considera prioritario sobre el Comité de Finanzas), y también fortalecer un poco más la parte débil de "parece probable" que será necesario hacer economías.

Espero que esto sea fácilmente captable por la Secretaría, Sr. Presidente.

Por lo demás, el proyecto de Italia nos parece muy adecuado y oportuno.

**Likunde LI-BOTAYI (Zaire):** la délégation zairoise à la Conférence de la FAO est heureuse de prendre une fois de plus la parole devant cette auguste assemblée pour réitérer, comme l'ont fait d'autres délégations, ses sincères félicitations, à vous Monsieur le Président, ainsi qu'à tous les membres du Bureau, à l'occasion de votre élection à la présidence de la troisième Commission. J'aimerais surtout vous féliciter pour la manière dont vous dirigez les travaux de cette Commission. La délégation du Zaïre intervient par ma voix pour faire quelques observations au sujet du projet de résolution présenté par la délégation italienne, résolution relative à l'exécution du Programme approuvé par la Conférence pour le biennium 1988-89.

La délégation du Zaïre, avant de poursuivre son intervention, aimerait avoir une précision de la part de Monsieur le Conseiller juridique ou de vous-même Monsieur le Président. Ma délégation voudrait savoir, si, dans les textes fondamentaux qui régissent notre Organisation, il existe des dispositions juridiques particulières qui prévoient que la Conférence, Organe suprême de l'Organisation, puisse se dessaisir de ses prérogatives, spécialement en ce qui concerne la reconsidération des décisions prises par la Conférence ou l'amendement des textes de l'Acte constitutif, en faveur des organes qui lui sont subsidiaires, notamment le Conseil, les Comités ou autres Commissions.

Notre délégation pose cette question parce qu'il se trouve que les dispositions du Point 1 du projet soumis sont quelque peu contradictoires avec celles de l'Article IV ainsi que les paragraphes 3 et 5 de l'Article V, pour ne citer que ceux-là, de l'Acte constitutif.

La délégation du Zaïre saisit très bien le souci exprimé dans le projet de résolution qui est de voir l'Organisation disposer de ressources financières suffisantes pour lui permettre d'exécuter intégralement le programme qui a déjà été approuvé.

Lorsque dans cette partie du projet de résolution on insiste sur la délégation des pouvoirs, la délégation du Zaïre pense que cela est comme si la Conférence voulait se dessaisir de toutes ses prérogatives. J'ai insisté dans ma dernière intervention pour dire que ce peut être très dangereux si nous acceptons que la Conférence puisse déléguer une partie de ses pouvoirs à un quelconque organe subsidiaire. Ma délégation exprime sa crainte à ce sujet. Elle pense que le Conseil risque d'être amené, si la situation l'y oblige, à réajuster régulièrement le budget et le Programme déjà approuvés par la Conférence. Or, ce qui a été approuvé par la Conférence est une décision, et cette décision ne peut être revue que par la Conférence elle-même. Nous pensons que ce serait une entorse au Règlement qui régit le fonctionnement de l'Organisation.

Il y a une autre observation. Ce projet de résolution a le même souci que le projet de résolution présenté dans le document C 87/LIM/14. Je ne vois pas pourquoi il faudrait introduire une autre résolution à peu près semblable.

Une fois acceptée cette résolution, je serais alors d'accord avec le délégué de la Colombie pour dire que la partie 1 devrait être complètement amendée. L'amendement que nous proposons est le suivant : Vers la fin du paragraphe - parce qu'il faudrait quand même à un certain moment créer ce qu'on appelle un garde-fou - il faudrait ajouter: "après avoir saisi tous les Etats Membres de la situation et obtenu un avis favorable d'au moins trois quarts de ces derniers".

Le paragraphe 1 se lirait donc ainsi:

"1. Décide de déléguer au Conseil pour la durée de l'exercice 1988-89, tout pouvoir nécessaire pour décider des économies et ajustements de programmes que pourrait appeler la situation, après avoir saisi tous les Etats Membres de la situation et obtenu un avis favorable d'au moins trois quarts de ces derniers."

Les autres amendements présentés par le délégué de la Colombie devraient être ajoutés.

La délégation du Zaïre insiste sur ce point, parce que nous ne voulons pas créer un précédent, nous ne voulons pas que notre Organisation se trouve un jour devant le fait accompli et que le Conseil, en vertu des pouvoirs qui lui seront conférés par cette résolution lorsqu'elle aura été adoptée, puisse avoir le pouvoir de la Conférence.

**LEGAL COUNSEL:** Mr Chairman, the point raised by the distinguished delegate of Zaire relates to whether under the Constitution and in particular under paragraph 1 of article IV the Conference may make this delegation to the Council. Article IV, paragraph 1 provides that "the Conference shall determine the policy and approve the budget of the Organization", the rest is not relevant.

It is true, and this is no doubt the reason why the delegate of Zaire raised the question, that Article V, paragraph 3 of the Constitution refers to certain functions that the Conference may not delegate to the Council. Amongst the Articles which are listed is in fact Article IV, paragraph 1. Now this means that the Conference cannot delegate to the Council the authority, to approve the budget, but I do not consider that this is the object of the draft resolution that you have before you. In this biennium the Conference will approve the budget. The resolution is, on the other hand, directed to the situation which in fact did occur during the current biennium where the funds available were not sufficient to carry out and execute the budget as approved. Obviously something

had to be done. The question is what procedure should be followed, what organs should be consulted before the inevitable adjustments have to be made. Therefore, in my view, and from a strictly legal point of view, the Conference may delegate to the Council what - I would call the somewhat limited powers that are envisaged in the operative paragraphs of the resolution.

The delegate of Zaire will probably also have noted that under Rule XXIV, 3(a) of the General Rules of the Organization, the Council is already endowed with relatively broad powers in relation to control over the financial administration of the Organization. And under the circumstances I believe it would be the obvious organ to consult in the event that the Organization should find itself in the unfortunate situation of just not having the money to carry out the approved budget.

**A. Daniel WEYGANDT (United States of America):** I would also like to thank Mr Roche for his intervention just now because he has in fact addressed some questions that I had, just like the representative of Zaire, about what was actually involved in this resolution. I would simply note that in his introduction to this resolution the distinguished representative of Italy noted that this would be a very limited delegation of powers, and yet in operative paragraph 1 of the resolution it talks about delegating all such powers as may be necessary to decide that. There seems to be something of a disconnection between those two points, but I think Mr Roche has laid to rest certainly a lot of my concerns about that.

I think my delegation can be relatively objective about this proposal since we are still, I should emphasize, members of the Council, so we would be able to consider this one way or the other, but it seems to me, Mr Chairman, that I am in a little bit of a quandary. While I have no real problem with this resolution and in fact feel that it is a very constructive suggestion, there have been some reservations expressed by delegations who spoke on other agenda items. I believe both France and Belgium expressed some reservations on this point, and I do not feel those questions have been completely addressed.

The other thing I would note Mr Chairman is that throughout the discussion that we had at this Conference on the Programme of Work and Budget itself, my delegation has argued quite strongly. We think that in fact there should have been a more comprehensive discussion of this question at this Conference itself, and it should have not been put over to be dealt with in the future.

Nevertheless with a certain amount of reservations I think that certainly we can go along with this proposal. It seems to be that what we are talking about here is really not a sweeping change in the way we do business, particularly since I understand that it is proposed only for the present period. So I just wanted, in the interests of having a full discussion here, to add my delegation's views that while it would perhaps have been better to have this discussion now rather than later, we are happy to discuss the same question later on in whatever guise it becomes necessary.

**J. LYNCH (Canada):** Mr Chairman, I have the same concerns as Zaire and the United States with respect to operative paragraph 1, particularly the words "all such powers as may be necessary". Like the United States I note that when Italy and when the Legal Advisor spoke about this particular paragraph they talked in the same terms, they used the words "somewhat limited". I have the same problem as the United States in trying to reconcile the words "somewhat limited" with the language in the resolution "all such powers as may be necessary".

I think this may be just a drafting problem, and if I could suggest an amendment I think the paragraph, and therefore the whole resolution would become very acceptable to my delegation if the first operative paragraph were reworded to read: "Decides to delegate to the Council for the duration of the 1988/89 biennium power to decide on the savings in programme adjustments that the situation may require". I think the difficult words for several delegations are "all such powers".

**Elio PASCARELLI (Italy):** Yes, Mr Chairman, I do accept and thank both the delegate of the United States and Canada for sharing with me the concern which was expressed by them and by us too. However, while thanking the Ambassador of Colombia for his kind support I would not - I repeat not - single out any particular member, and I would say "renews the call on all Member States to pay their contribution promptly".

**Jean—Luc GRAEVE (France):** Je voudrais d'abord faire une remarque préliminaire sur la manière dont nous abordons les différents sujets. Nous les abordons de façon tronçonnée, et nous abordons les projets de résolution sans jamais avoir de discussion sur l'ensemble des problèmes, ce qui pose certaines difficultés notamment à ma délégation.

Je voudrais cependant, en réservant mon droit de parole demain lorsque nous parlerons notamment du PCT et de la situation financière globale de l'Organisation - si jamais nous en parlons - indiquer la position française relative à la proposition italienne.

Comme nous l'avons indiqué tout à l'heure, mon pays est opposé, pour des raisons de principe, à une modification de la répartition des pouvoirs et des compétences entre la Conférence et le Conseil, sauf si des raisons de force majeure l'exigeaient. Nous n'avons pas examiné ce point, à savoir s'il existe des raisons de force majeure de nature financière qui exigeraient de remettre en cause les rapports institutionnels existants. Anticipons en quelque sorte la discussion que nous pourrions avoir demain - je ne sais pas si elle aura lieu., Ma délégation estime qu'une telle situation de force majeure n'existe pas, et en tout cas que son existence n'est pas prouvée, et c'est pour cette raison qu'elle s'oppose très clairement à ce projet de résolution qui donnerait des pouvoirs de nature budgétaire au Conseil.

**Yan HEIDSMA (Netherlands):** Through you, Mr Chairman, I should like to ask a question of Legal Counsel, which is really a clarification. Reading the text of operative paragraph 1 am I correct in believing that implicit in this text is the fact that the powers to decide on savings and programme adjustments are not exclusively with the Conference and therefore delegation to the Council is needed? If that is not the case, what sort of savings' and programme adjustments powers are we then talking about?

For instance, I understand from the Rules that transfers between budget chapters are already within the powers of Council. I also thought that adjustments within chapters could already be affected by the Director-General on his own, but I am not sure about this. While my delegation has no problem in principle with this, I do not quite understand what it is that the Conference has to delegate in order for the Council to be able to act. Am I making myself clear, Mr Chairman?

**Rainer PRESTIEN (Germany, Federal Republic of) (Original language German):** We are fully aware of and appreciate the solidarity shown by the host country of FAO. In order to achieve good work and cooperation in this Organization we think we must stipulate as early as possible what savings have to be made if the income drop is not going to be continued over the next biennium. The suggestion that there should be a special meeting of the Council to discuss this is a somewhat cumbersome procedure, we think. Savings have been made in the biennium now coming to an end without the Council being convened to take any decisions on that. We have certain doubts regarding our constitution with respect to this. Therefore, I would agree with what has been said by the delegation of France. My delegation feels that this is not a case of force majeure which would justify the transfer of power from the Conference to the Council. If we look at the proposal in document C 87/LIM/32, we have to say we cannot agree to this resolution.

**A. SAINTRAINT (Belgique):** Je crois réVer. Nous sommes maintenant en train de discuter de la manière de ne pas accepter un budget que nous venons de voter à une large majorité. Nous l'avons voté dans l'intention de pouvoir l'exécuter. Maintenant, nous discutons des moyens de ne pas exécuter le budget que nous venons de voter. Je crois que nous sommes tous d'accord sur le principe qui a toujours recueilli un large assentiment au sein de la Conférence de la FAO sur le droit de

chacun des Etats d'intervenir librement lors des conférences dans le domaine budgétaire. Nous discutons maintenant des moyens de restreindre les pouvoirs des Etats en faisant un système de délégation par un vote pondéré. Vous savez qu'au Conseil certains Etats sont quasi des membres permanents et d'autres Etats procèdent par roulement et sont de temps en temps membres du Conseil et de temps en temps ne le sont pas. Certains Etats y sont très rarement. Peut-on retenir un système qui consisterait à avoir une délégation dans des domaines importants comme dans le domaine des aménagements budgétaires, dans un système où certains Etats seraient nettement privilégiés par rapport à d'autres? Je ne crois pas que cela corresponde à la philosophie de ce que nous défendons. Cela nous engagerait dans des voies d'une réforme mal étudiée et qui donnerait un certain droit à des Etats et qui retirerait à d'autres certains pouvoirs qu'ils ont actuellement. Est-ce qu'il n'est pas préférable de maintenir le système actuel et de voir si la situation devenait plus difficile ce qu'il faudrait faire. Mais discuter de manière approfondie de la manière de ne pas exécuter le budget qui vient d'être voté avec une très large majorité pour ne pas dire une quasi-unanimité, cela me paraît regrettable et en ce qui nous concerne j'ai dit d'une manière très claire dans des domaines importants et dans le domaine budgétaire m'apparaît être un domaine essentiel. Nous n'avions pas l'intention de laisser la Conférence accorder de larges délégations au Conseil. "Tout pouvoir nécessaire", c'est évidemment une délégation qui est pratiquement un blanc-seing. Je crois qu'il faudrait pouvoir déterminer de manière très claire de quelle délégation il s'agit pour savoir comment faire et comment le faire. Il est clair que nous ne pouvons pas maintenant discuter des moyens de ne pas exécuter un budget que nous venons de voter.

**Elio PASCARELLI (Italy):** I think I must point out that this draft resolution has to take into account realistic perspectives. When I heard my dear friend the distinguished delegate of Belgium mention that we approved the budget, did he forget by chance that there were contributions to the budget coming from small countries who pay only half - and they pay only half because they do not pay the whole - of the resources needed? How can we invent the resources to execute a programme if we do not have them? This is a realistic approach.

I think the distinguished delegate from France made mention of the TCP. Immediately I want to draw his attention to the fact that we will not make a statement before this resolution has been taken into due consideration and each of us will take responsibility for being realistic with the Organization, and in principle. We have a clear answer from the Council that the delegation of power is limited in time and object. The delegate of Canada contributed constructively on the question of making another cut in the first operative paragraph. I am satisfied with it and postpone my statement until after the discussion of this Item tomorrow, but I do not think I will be able to make the statement tomorrow.

**Likunde LI-BOTAYI (Zaïre):** Je désire simplement remercier le conseiller juridique pour les précisions qu'il nous a données. J'éprouve quelques doutes parce que l'article 24 dont il a fait mention en ce qui concerne le Programme et Budget et dans lequel on définit bien les fonctions et les attributions confiées au Conseil. Je ne saisis peut-être pas ou je ne comprends pas bien mais j'éprouve la crainte qui vient d'être exprimée par le délégué de la Belgique, de ce que nous ne puissions pas accepter que l'on puisse revenir sur un budget déjà approuvé. Lorsque l'on approuve un budget, c'est une décision du Conseil. Je répète la décision de la Conférence reste et ne peut être revue ou reconsidérée que par la décision de la Conférence. Elle ne peut être considérée que par la Conférence à moins que la Commission délègue à la conférence des pouvoirs introduisant un amendement à ce sujet bien précis. A moins que votre bureau l'accepte à ce moment-là vous pouvez introduire un projet de résolution pour amender les articles de notre Acte Constitutif. Je crois que je n'ai pas à prolonger la discussion.

**Ernst ZIMMERL (Austria) (original language German):** This is now the constitution. We think the changes to it can only be undertaken when they are absolutely necessary. Therefore, we share the opinion of the delegations of the Federal Republic of Germany, France and Belgium. We feel that the Programme of Work and Budget for 1988 and 1989 should have our fullest support. It seems to us too early to talk about amendments at this stage. Therefore, we cannot support the draft resolution.

**Clifton E. MAYNARD (Barbados):** It seems to me that we have here a problem of management in certain circumstances. Certainly the documents before this Conference reveal that during this biennium the Director-General did face a situation of force majeure which caused him to reduce the programme by about \$25 million. I believe what the delegate of Italy is trying to do is to say, should a situation arise in the coming biennium - and certainly we have had information put to us not only in this Commission but in another that it is likely that a similar situation could arise - then obviously some action has to be taken in order that that part of the Programme of Work and Budget which can be implemented will be implemented.

I see no difficulty whatsoever in giving this limited authority based on what Legal Counsel has said, and one must respect his opinion on the matter. In this particular instance it seems to me to be a difference between giving this authority and probably having an extraordinary session of the Conference, which I personally would not like to see when there is a body representative of the membership, elected by the membership, which could probably give the Director-General the authority he needs in order to get on with the programme. In the long run it will be up to each and everyone of us to attend the Council meeting as observers and let our points be known. So I see no difficulty in approving this draft resolution and accepting it. We should congratulate the distinguished delegate of Italy for having had the foresight to bring it before this Commission.

**Mounir KHORAYCH (Liban) (langue originale arabe):** Nous sommes tous conscients du fait que la Conférence étant l'organe suprême de notre Organisation, elle est habilitée à déléguer toute une série de pouvoirs au Conseil. La situation financière, qui est la nôtre aujourd'hui et qui semble se poursuivre à la lumière de cette situation, implique tout à fait naturellement de déléguer un tel pouvoir au Conseil, pour que ce dernier puisse réagir quant aux situations qui se présenteront dans l'intervalle entre deux conférences générales et je crois que c'est la raison d'être du projet de résolution qui nous a été soumis. Ce projet de texte ne retire nullement à la Conférence tous ses pouvoirs. Ce n'est pas vrai; au contraire ce projet de texte essaie de tenir compte des situations extraordinaires ou exceptionnelles qui pourraient se présenter à l'avenir étant donné le niveau du budget adopté. Je ne vois nullement pourquoi s'opposer à ce projet de résolution.

**Gonzalo BULA HOYOS (Colombia):** Una breve recapitulación de los hechos nos indica que los reajustes que por 25 millones de dolares se debieron introducir en el Programa en 1987, por imprevistos, imprevistos, nadie podía esperar la situación que se presentó. En cambio, ahora es un hecho, Sr Presidente, el que, desgraciadamente, los reajustes para 1988-89 serán necesarios, serán imprescindibles .

Por ello, con este proyecto de Resolución, que apoyamos, se persigue el objetivo fundamental de que el Director General actué en todo momento con el apoyo de los representantes de los Gobiernos y órganos rectores. En los reajustes aplicados en el 87, el Director General contó con la plena aprobación de los Comités del Programa, de Finanzas y del Consejo, y seguramente éste sería el caso también en el bienio 88-89, pero creemos que el Director General se sentiría más tranquilo y más respaldado en sus siempre adecuadas actuaciones si contara oportunamente con el apoyo de los representantes de los Gobiernos.

El agregado que propusimos iba dirigido justamente a que no debemos aceptar de antemano que se va a presentar una situación igual a la del bienio pasado. Ya el Asesor Jurídico aclaró muy bien el alcance del párrafo 1 de la parte dispositiva, y los Delegados de Estados Unidos y de Canadá han asumido actitudes constructivas. La supresión de Canadá ha sido aceptada por Italia. La Delegación de Colombia piensa, Sr. Presidente, que este proyecto de resolución será de común beneficio para los representantes de los Gobiernos y para el Director General.

Por ello nos extraña sinceramente la reacción negativa que este texto ha producido en algunos colegas, y queremos apoyar nuevamente la actitud positiva del representante de Italia.

**Ms Janet Lesley TOMI (Australia):** The delegation of Australia regards the Italian Draft Resolution as a realistic one in the light of the prevailing situation. Our preference would have been to have had Conference prior to the adoption of the Programme of Work and Budget for the next biennium, to have been able to identify savings through Programme cuts. However, this did not prove to be the case.

On this basis, the Australian delegation would be pleased to support the Draft Resolution as modified by the Canadian delegate, which has been accepted, and also to take into account the Italian amendment to the proposed Colombian amendment incorporating a new preambular paragraph.

**James AITKEN (United Kingdom):** I would like to associate myself in general with the remarks made by the Australian delegate and others who have supported this Resolution. We support this Resolution and certainly compliment the Italian delegation on bringing it forward. We very much support anything that will help Alice to escape from Wonderland.

The logic of the situation is that we have voted through a budget that is unrealistic in terms of the revenue that is likely to support it. This is amply demonstrated by the cash flow figures given in CL 42. Certainly it was not unforeseen in that many delegations in speaking about the budget pointed out the unrealistic assumptions that were implicit in adopting it.

In our view, it would have been preferable if this Conference could have made decisions about • priorities. Indeed, we were one of the many countries which asked management to put forward proposals which gave some indication of priorities. However, this has not happened and the situation that we now find ourselves in is that we have a choice: to leave arrangements to Management to re-programme on their own initiatives; or to do so in collaboration with at least some of the Member States. Certainly while the Council has responsibility, Observers can also participate in the Council and make their views known.

Certainly as the United Kingdom is a Council member we would take account of the views of any Observer states on such an important issue.

I think too that the cash flow figures we have point to the wisdom of the Italian suggestion of having a provision to advance a session of Council. To those delegations who have expressed concern about the delegation of authority from Conference to Council, I would say that we do sympathise with them and we ourselves would be very cautious about this, but given the very specific nature of this Resolution, and also the amendments proposed by our distinguished Canadian colleagues, we certainly feel that we could support this because it would have sufficient safeguards.

However, to enable Council to fulfil the function that is implicit in this Draft Resolution, we would suggest a slight amendment, an addition to operative paragraph 4, Where it talks about information that has been provided on a quarterly basis, it says "and, in particular on the availability of funds..c." After that we would like to insert "..cash spending, the status of arrears.." etc. We would propose that in addition to information about the availability of funds we should also have information about the rate of actual spending.

On this basis, we could certainly support this Resolution and we very much welcome it.

**Sra. Mónica DEREGBUS (Argentina):** Sr. Presidente, la Delegación argentina no tiene inconveniente en aceptar el proyecto de resolución que nos ha sido presentado por Italia, con las enmiendas que han adelantado las Delegaciones de Colombia, Canadá y el Reino Unido.

Sin embargo, tiene una pequeña inquietud con relación al párrafo 4 preambular. No entendemos muy bien cual es el sentido de este párrafo, que dice: "Convencida de la importancia de tales disposiciones para lograr el consenso más amplio posible sobre el Programa de Labores y Presupuesto." A nuestro juicio, esta frase podría ser eliminada. Nosotros preferiríamos verla eliminada.



Por otra parte, para poder tomar en consideración las preocupaciones de varias Delegaciones con relación a la alteración del equilibrio entre las funciones de la Conferencia y del Consejo, tal vez fuera conveniente introducir en algún lugar (no estoy proponiendo una enmienda, sino haciendo una sugerencia) la idea de la excepcionalidad o de que el Consejo rinda cuentas a la Conferencia con posterioridad de las decisiones que ha tomado durante su receso.

**Elio PASCARELLI (Italy):** I thank Argentina for supporting this Draft, as I thank all other member countries who have expressed the view that I was realistic and not in the world of dreamland with Alice.

I do agree that the fourth paragraph is now outmoded because this Draft Resolution was supposed to be passed before the budget, but we are late. Therefore, I would now seek a moral consensus because the budget has been approved. I thought it would bring more consensus to the proposed Programme of Work and Budget. We can, of course, cross it out.

As to the second amendment proposed by Argentina, with due respect it is quite normal for the Council to flood the Conference with all the details of its decisions concerning arrangements, savings and adjustments, etc.

**Horacio CARANDANG (Philippines):** The Philippines Delegation support the Resolution tabled by the Delegation of Italy. We believe that this delegation of powers which the Conference has, as explained by the Legal Counsel, is justified because of the particular situation we are caught in the present biennium. That situation is not unknown to any delegation. I believe this would give the Director-General the necessary flexibility to carry out the Programme of Work and Budget with inputs from the Council should adjustments be required.

We fully support this Resolution with the amendment proposed by the Delegation of Colombia regarding the call to all members to fulfil the obligations to the Organization.

**A. SAINTRAINT (Belgique):** Très rapidement pour ne pas abuser de mon temps de parole. On a signalé qu'au cours du présent biennium 1986-87 on s'était trouvé dans une situation absolument inextricable. Si la situation a été inextricable, elle a reçu une solution puisque nous arrivons au bout du biennium dans de bonnes conditions. Je voudrais que l'on m'explique en quoi la situation a été inextricable. A ma connaissance, jamais au cours du biennium nous n'avons enfreint les Statuts fondamentaux de la FAO. Si on a dû le faire, je voudrais que l'on m'explique en quoi, quand et comment on a dû le faire. Ensuite, j'entends, pour ce qui est d'un budget que nous venons de voter, à ce que l'on revienne à la notion de fixer des priorités. Fixer des priorités cela veut dire enlever un certain nombre de postes; plutôt que de parler régulièrement de fixer des priorités, on ferait beaucoup mieux de déclarer que certains secteurs sont peu prioritaires, moins prioritaires, ou pas prioritaires. Mais que l'on dise qu'à différents postes du secteur de l'agriculture, du secteur de pêche, du secteur des forêts, du secteur des Programmes de soutien du développement, quels sont les éléments qui ne sont pas prioritaires, y compris dans le cadre du PCT que nous avons toujours soutenu et continuerons de couvrir; plutôt que de parler de fixer des priorités il vaudrait mieux dire dans quel domaine le budget que nous venons de voter, dans quel domaine il y a lieu de procéder d'ores et déjà à des possibilités de coupe, compte tenu du fait que ces secteurs ne seraient pas prioritaires. On ne fait que parler de fixer les priorités en disant que le budget n'est pas suffisamment fixé. Ce serait un exercice autrement courageux que de parler de fixer des priorités.

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente, a pesar de la reciente declaración de mi distinguido colega y amigo el Embajador Saintraint, de Bélgica, yo conservo la esperanza de que vamos a aprobar este proyecto de resolución. En el orden en que aparece el texto, no hay dificultad en suprimir la cuarta consideración, que empieza por la palabra "Convencida". Ya el colega de Italia explicó muy bien que este proyecto de resolución fue redactado antes de votarse en Plenaria el Presupuesto.

La segunda parte de la declaración de nuestra colega argentina es importante también, Sr. Presidente, y aunque tal vez no convendrá complicar más el texto de la resolución, sí deberemos estar de acuerdo con la colega argentina en que en el informe sobre este tema se incluya que esta delegación de facultades tiene carácter excepcional y que, obviamente, el Consejo presentará a la Conferencia un informe detallado sobre el uso de esa delegación.

Sobre mi propuesta, Sr. Presidente, a fin de atender el llamado de la colega de Australia y, también, del Embajador Pascarelli, no tengo inconveniente - y esto confirma nuestro ánimo constructivo - en que se suprima la referencia al primer contribuyente. Podríamos, simplemente, reiterar el llamado a todos los Estados Miembros para que paguen oportunamente sus contribuciones. Estamos tratando de contribuir a que se adopte el texto, Sr. Presidente.

La supresión de Canadá a la parte dispositiva 1 ha sido bien recibida por todos y no ofrece problemas. Quisiéramos leer lentamente las redacciones - de forma, más que todo - que propusimos al apartado 2. Serían, simplemente, las siguientes: "Pide al Director General que consulte oportunamente con los Comités del Programa y de Finanzas, si fuese necesario hacer economías y ajustes", etcétera, y el párrafo 2 sigue tal como está.

Luego, en el párrafo 3, Sr. Presidente, tal vez el Asesor Jurídico podría confirmar que sería más indicado decir "período especial", y no "período extraordinario". Esto lo tuvimos ya en el año 1984, cuando yo era Presidente Independiente del Consejo, y luego no tenemos inconveniente en aceptar las adiciones adecuadas del colega del Reino Unido al párrafo 4.

Espero, Sr. Presidente, que en estas condiciones la Secretaría esté capacitada para leer, si algunos colegas lo consideran indispensable, el texto de este proyecto de resolución. Y quisiéramos pedir de manera muy respetuosa y encarecida a los colegas de Bélgica, Francia y la República Federal de Alemania - con mucho respeto, con mucha simpatía, Sr. Presidente, pero con mucha convicción - que nos acompañen a adoptar este texto de proyecto de resolución, en la forma que hemos indicado.

**Sra. Doña Silvia CARBALLO VIVES (Cuba):** La Delegación de Cuba, muy brevemente, quiere expresar que, teniendo en cuenta que la situación de graves problemas de liquidez puede requerir decisiones y medidas inmediatas, así como la explicación hecha por el Asesor Jurídico sobre el alcance del párrafo 1, apoyamos el proyecto presentado por la distinguida Delegación de Italia, así como las enmiendas que han presentado Argentina, Colombia y Canadá.

**T.F.F. MALUZA (Zambia):** My delegation agrees and approves of the resolution before us with the amendments suggested by the delegates of Colombia and the United Kingdom.

We would also like to state that the fears that there may be too much delegation of power by the Conference to the Council is a real one, and needs to be kept in mind by the Conference as we consider it.

**Jean-Luc GRAEVE (France):** Il y a eu un amendement qui a été proposé par la délégation du Canada et qui a recueilli un appui de la part de plusieurs délégations. Je lis cet amendement qui est un amendement central et si je me trompe je serais reconnaissant au Secrétariat de me le faire savoir. L'amendement de la délégation du Canada est le suivant.

Au premier paragraphe, au lieu de dire "que la Conférence décide de déléguer tous pouvoirs nécessaires", on dirait "la Conférence délègue au Conseil le pouvoir de décider des économies et des ajustements de programme, que pourrait décider la situation". C'est bien l'amendement qui est proposé. Si c'est le cas je voudrais poser une question au Conseiller juridique: Est-ce que si cette rédaction est adoptée cela signifie que le Directeur général ne peut pas procéder a des économies et des ajustements de programme sans l'accord préalable du Conseil? Si tel était le cas et je ne connais pas sa réponse, je crois que cela soulèverait des problèmes très graves, car il faut laisser, au Secrétariat, la flexibilité nécessaire pour prendre les mesures avant même que le Conseil se réunisse. Je voudrais, sur ce point, avoir l'avis du Conseiller juridique.

**A. Daniel WEYGANDT (United States of America):** I did ask to take the floor, but I am not sure now whether my point is still relevant after France's intervention. What I originally took the floor to say is that since over an hour ago I suggested that we continue to work late into the night, I am in good standing to say now that we should stop. We have made some progress, but some delegations seem to have very strong reservations - in fact I noticed that the Belgian delegate is so upset that his nameplate is upside down! So it seems to me that it would be appropriate for us to stop now and come back to this matter tomorrow morning after the Planning Committee has met.

**Sami SUNAA (Jordan) (original language Arabic):** I would like to say that the delegation of Jordan supports the Italian proposal, taking into account the various proposals by Colombia and Canada. I believe that this procedure would now be the best possible.

In parallel to this, in view of the lateness of the various proposals I would like to support the last proposal namely that we should now adjourn this sitting to allow Italy to make the necessary changes to the text, and perhaps meet later.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** I did remark in my previous statement that savings had been made in the current biennium and that the Council, as the governing body, had dealt with this. The text should be amended in such a way as to enable the Director-General in cooperation with the Council, Finance Committee or also at his own discretion to make economies. At the present time, we seem to be in a situation where the updated text of the resolution is missing, and I believe we need to think about this and that we cannot proceed without clarification from the Legal Counsel I would suggest therefore that tomorrow morning we should proceed with an updated version of the text.

**CHAIRMAN:** I am inclined to agree with the opinions expressed by some delegates that there have been so many amendments and amendments to the amendments, that some of us may have lost the overall picture. Therefore I think the idea is a good one, that we consider a new text tomorrow morning, and then vote on it if necessary.

**Elio PASCARELLI (Italy):** I would also join you, Mr Chairman, and many delegates in this proposal to terminate our discussions now. However, as I have full two and a half minutes before eight o'clock I would like to tell the delegate of France and the Ambassador of Belgium, personally, what the ordeal was that we went through last year. They do not know - and I would like to tell some of the friends here who think the situation is not so terrible how terrible it is. They think we have millions in balance. No! that is not true - and we are going to start the New Year in this situation. I must also say that the Director-General is very worried about how we will start the New Year.

Concerning the point about the Director-General's role in regard to savings - he is blessed, but he is so conscientious that he always wants the backing of the Finance Committee and the Council. If the Council has this power from the Conference, he will feel more encouraged to make savings. This proposal does not object to that.

Many delegations had suggested that this is an exceptional case. I think that this is an exceptional biennium - I see Mr Crowther and Mr Shah nodding, while Mr Walton stands like that. I propose to use the word "exceptional". In the operative paragraph adjust the figure 1 - "decides to delegate exceptionally to the Council" - so no-one will be afraid that we are going to completely change the equilibrium. This is an exceptional year.

This is the sense of all Organizations that have a permanent organ like the Council with the Conference meeting every two years. If the Conference met every year, it would be different. But in November of 1986, we were very, very much alarmed and we had twelve months ahead of us before the Conference was to meet. So this is also a way of saving money because a special Session of the Conference costs plenty of money.

Finally, to allay the fears of some of the delegates who said that the Council is made of 49 countries and they are usually all the same countries, they had just elected the Council by secret ballot. They elected the Council. It is not a self-elected Organization. The Council has been duly elected by all members of the Conference. And the sense of my last paragraph four which requested the Director-General to provide all Member Nations, is just to counter some of the objections that have been made by some of the beneficiary countries so that they may also be aware of what was going on and immediately write to the Council, to the Finance Committee, to the Secretariat about what is their view.

**LEGAL COUNSEL:** To answer, very briefly, to the first question that was asked by the delegate of the Netherlands, I think it goes without saying that the various authorities to effect transfers either within or between chapters which are provided for in Financial Regulation 4.5, remain unchanged. But of course they deal with the situation when there is money that can be moved around from one chapter to another. The resolution that you have before you is directed more at the situation where there is not going to be enough money; whether you want it transferred from one chapter to another, the funds are just not sufficient.

To reply to the other question, raised by the delegate of France, it strikes me - although I would not like to guess what the intentions of the author of the resolution were - that from the way the resolution is drafted, that when adjustments appear to be necessary, the Director-General first consults the Finance Committee and the Programme Committee and then the Council makes the final determination as to where those savings and adjustments are going to be made. Now I would imagine that in doing so the Council would be wise, and presumably would wish to leave a certain flexibility to the Director-General because even the Council, which meets perhaps several months before the end of the biennium - and especially if the date is advanced - will not be able to guess exactly what the situation will be at the end of the biennium. Therefore, I would imagine the Council would wish to leave a certain flexibility in the way in which it takes decisions.

**Yan HEIDSMA (Netherlands):** I am very sorry to hold you up, but I do not think Legal Counsel has actually answered my question. Maybe I put it wrongly to him. What I really asked is whether we are actually talking about a delegation of powers from the Conference and if yes, what these powers then are. But if not, are we not really requesting the Council to decide on savings and programme adjustments? From a legal point of view is not the word "requesting" then better? Are we actually delegating something or not? And if yes, what is it that we are delegating? You yourself already indicated that the Director-General and the Finance and Programme Committee and the Council, when we are talking about transfers, do already have such powers. I just fail to see what it is that we are delegating. And if we are not delegating anything but simply requesting the Council to take these decisions in order to have some intergovernmental control on what the Director-General is doing, I think we ought to use the word "request" instead of "delegate".

**CHAIRMAN:** Before adjourning our meeting, I want to repeat again that the next meeting will take place tomorrow at 10.15. The place will be communicated tomorrow morning because we cannot say now. It will probably be in the same room. I would also recall that tomorrow at 9 the Drafting Committee meets, and we also expect by tomorrow morning a new draft resolution of the Italian delegation. That is a draft resolution which will take into account the amendments and the amendments to the amendments and other amendments, self-amendments. The item for tomorrow's Session, I recall, is 25.4. Our intention is to conclude this item by tomorrow noon and if it is possible to proceed and to take up the Item number 22.1.

The meeting rose at 20.00 hours

La seance est levée à 20 heures

Se levanta la sesión a las 20.00 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

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C 87/III/PV/8

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Twenty-fourth Session  
COMMISSION III

Vingt-quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

EIGHTH MEETING  
HUITIEME SEANCE  
8ª SESION

(24 November 1987)

The Eighth Meeting was opened at 11.45 hours  
Jozef Wiejacz, Chairman of Commission III, presiding

La huitième séance est ouverte à 11 h 45  
sous la présidence de Jozef Wiejacz, Président de la Commission III

Se abre la octava sesión a las 11.45 horas  
bajo la presidencia de Jozef Wiejacz, Presidente de la Comisión III

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

PARTIE III - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

B. Administrative and Financial Matters (continued)

B. Questions administratives et financières (suite)

B. Asuntos administrativos y financieros (continuación)

25 Other Administrative and Financial Matters (continued)

25. Autres questions administratives et financières (suite)

25 Otros asuntos administrativos y financieros (continuación)

25.4 Other Measures to deal with Budgetary Uncertainties (continued)

25.4 Autres mesures destinées à faire face aux incertitudes budgétaires (suite)

25.4 Otras medidas para hacer frente a las incertidumbres presupuestarias (continuación)

**CHAIRMAN:** It is the proposal on the side of the Chair to start with the Italian resolution which, during the debate of yesterday, in my view has been accepted more or less. Certain amendments have been proposed but there were no clear objections against, and now I have been informed that in the meantime, as it was agreed yesterday, the Italian delegation has prepared a new draft resolution that has been amended according to the proposals made by different delegations. So maybe I will ask the Ambassador of Italy to read out now the new version of the draft resolution because I am not sure whether the text has been already distributed. It has not. So I think this is the only way to proceed with this particular matter. Are there any objections to this particular proposal?

**Jean-Luc GRAEVE (France):** Nous attendons avec intérêt la distribution du texte soumis par notre ami de la délégation italienne. Je voudrais d'abord dire que lors de notre discussion d'hier un consensus ne s'est pas dégagé puisque au moins trois délégations, hier soir en tout cas, avaient manifesté leur opposition à ce texte. Je voudrais maintenant, bien que nous n'ayons que dix minutes- pour travailler, vous soumettre le projet d'amendement à cette proposition que la France fait dans un esprit de recherche de consensus. Je vous la lis d'abord à vitesse de dictée. Elle diffère très peu et elle est très courte. Elle remplacerait une partie du texte figurant au premier paragraphe du projet de résolution. Au lieu de dire "décide de déléguer au Conseil", la proposition de l'amendement français se lirait comme suit: "la Conférence demande au Conseil, pour la durée de l'exercice 1988-89, de se prononcer sur les propositions que le Directeur général pourrait être amené à soumettre sur les économies et les ajustements de programme que pourrait appeler la situation." Désirez-vous que je la lise plus lentement?

**CHAIRMAN:** The Ambassador of Italy says he understood the wording perfectly. Are there any comments to the proposal by the French delegation?

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** We too want a consensus. Yesterday evening you did ask delegations to say what they thought or to rethink their view on the resolution contained in C 87/LIM/32 with a view to our achieving a consensus on the resolution contained in it.

Our distinguished French colleague has just read out a text. I do not want to adopt a position on that because it seems to me that there are some parts of the text of paragraph 1 as it stands in C 87/LIM/32 and as read out in the amended form by the distinguished delegation of France that are the same, and I am thinking here in particular of the last part of the sentence contained in the operative paragraph 1. It seems to me that our concerns could be accommodated simply by making a brief addition to the text. That way the substantive link between "programme adjustments and savings" could be emphasized more and spelt out more clearly, and I think that link could be achieved if

before "programme adjustments" we put in the word "related". This would apply both to the text as proposed by the Italian Delegation and indeed as amended by the French delegation just now. I will read the text out again in English. It would start on the second line "on the savings and related programme adjustments that the situation may require".

That would accommodate our concern in that respect, Mr Chairman, and I should like to say something about paragraph 2 as well. Here we are concerned to make it quite clear that as we understand it the Director-General makes proposals for savings after consulting the Finance Committee and the Programme Committee, and that Member States are also entitled to put forward such proposals.

**LEGAL COUNSEL:** Chairman, although I understand you got the French amendment down in full, I only followed it in English. However, I could also, at the same time, hear the delegate of France, and I wonder whether the translation of the phrase used by the delegate of France which was in French "se prononcer" and which was translated by the interpreters as "decide", actually reflects the exact intent of the proposal as made by France. Quite clearly "se prononcer" is a much more general expression, whereas "decide" in English, which would be "décide" in French, is a very definite and precise concept. Maybe there is some possible adjustment that could be made to the French proposal in that respect, and words like "take a position on" or "express itself on" - depending on the exact way the sentence is constructed - might give a closer reflection of the proposal made by France. Thank you, Mr Chairman.

**A. Daniel WEYGANDT (United States of America):** I am always encouraged when delegations who are not with the majority propose solutions which they feel might lead to a consensus. But I have to say in all candour that what has just been proposed by the delegation of France does not take us anywhere near to consensus so far as I am concerned. This is a step in the wrong direction. To have a situation where we are not even sure what the operative verb of the idea should be makes it all the more troubling to me that we should be facing this kind of situation. I really think we should perhaps consider some slight amendment that might help the French delegation a little.

With your indulgence, Mr Chairman, I know that the Italian delegation will make a presentation, but perhaps I myself might make some suggestions as well which might clarify the position. First of all, I do not agree with the German delegation. I would make two further amendments in the text before us in the operative paragraph - after the phrase "Decides to delegate to the Council", I insert "on an exceptional basis". This is something put in the preambular part of the resolution, but it is better in the operative part. I suggest inserting "on an exceptional basis" to make it clear that the concern of some delegations is that they do not consider this to be a normal situation.

Then I would suggest the insertion of the word "limited" before "powers". I am talking about a text which is already amended with a view to what the delegate of Canada put forward last night. The sentence in my version would now read, "Decides to delegate to the Council on an -exceptional basis for the duration of the 1988/89 biennium limited powers to decide on the savings and related programme adjustments that the situation may require". That would be my suggestion.

**Elio PASCARELLI (Italy):** I would like first of all to call the attention of the Secretariat to the fourth preambular sentence, which has been crossed out, "Convinced of the importance of such arrangements". In my copy this still appears; we crossed it out but the stenographer did not. It means "arrangements" in the broadest possible sense - that was before the vote was taken and we crossed it out

I am grateful to the distinguished delegate of the Federal Republic of Germany for proposing "related" - that is understandable. I support it, and am ready to accept it.

I concur with the view of Mr Roche and state that the French wording is not acceptable to my delegation. The word "prononce" in French has a double meaning; it is ambiguous. It may mean: to give advice or to take a decision, so one can talk to some people and say, "We have just supported this for your sake", and one can say to other people, "we supported it because we wanted to", so I am in full agreement with the delegation of the United States of America. I do not want to see it here.

Finally, I am not quite of the opinion of the delegation of the United States because we have already inserted the word "exceptional". Mr Chairman, may I read the whole resolution now so that the Commission has it?

**CHAIRMAN:** Your suggestion is a good one in order to avoid any further confusion, but before that is done, I will give the delegate of Argentina an opportunity to speak.

**Sra. Monica DEREGBUS (Argentina):** Lamentablemente, muchas delegaciones tienen dificultades para seguir el análisis de esta cuestión de esta manera. La delegación argentina pudo tomar nota de la enmienda francesa, pero nunca de la enmienda alemana.

Tenemos una nueva enmienda por Estados Unidos, y ahora nos dan a leer un texto entero.

Yo creo, Sr. Presidente, que es imposible analizar seriamente la resolución de esta manera, y le pido, por favor que o dilatemos la consideración de esta cuestión y tomemos otro asunto, o, en otro caso, le pido que tome la decisión que corresponda.

**CHAIRMAN:** I understand that too many amendments can lead to certain confusion.

**A. SAINTRAIN (Belgique):** Je prends la parole rapidement. Je partage l'opinion de notre collègue de l'Argentine en ce sens qu'il est difficile de travailler sur un texte qui a été amendé, sous-amendé réamendé. Je crois également qu'il faut arriver à un consensus et contrairement à l'opinion de certains, je crois que nous nous approchons tout doucement vers un consensus dans une matière délicate et difficile. Il est clair que les termes "prendre position" sont difficilement traduisibles en anglais; prendre position ce n'est pas déléguer un pouvoir de décision, c'est donner un avis, mais d'une manière extrêmement nuancée, insistante et forte. Je crois que le principe de la délégation de pouvoir est un mauvais principe. Je crois également que compte tenu des circonstances exceptionnelles, on pourrait arriver à une formulation qui serait de nature à pouvoir rencontrer un large consensus. Je proposerai également, à l'instar de notre collègue de l'Argentine, de travailler sur un texte qui a été déjà amendé et réamendé et sur la base de ce texte on arriverait assez facilement à pouvoir dégager un consensus et en début d'après-midi on, pourrait revoir cette question.

**CHAIRMAN:** I will ask the delegate of Italy to read out the whole text. Of course, delegations may insist that we do not take a decision about the draft resolution now but later in the afternoon session. Frankly, I think we are approaching consensus although there may still be certain questions on the substance of this important amendment but I would prefer to take a decision this morning.

**Elio PASCARELLI (Italy):** First of all, I want to thank the charming and distinguished delegate from Argentina and also the Ambassador of Belgium for their legitimate requests. I will answer immediately. Actually, there are not so many amendments.

I will not read the first three paragraphs as they are printed, and there is no change. The fourth paragraph in the English text starts with "Convinced" and that has been stressed. There is a fifth preambular consideration proposed by the delegate of Colombia which reads "Calling again on all member countries to pay their assessed contributions promptly". That is all.

Now, coming to the operative part of it, it is the privilege of the delegation tabling the resolution to accept or not to accept some amendments, but I myself have an amendment which corrects somewhat the English text. The English was very bad. I will read the paragraph as it stands after the amendments



proposed and accepted by the Italian delegation. I will read from paragraph 1: "delegates exceptionally" - which takes care of the proposal of the United States delegation - "delegates exceptionally to the Council, for the duration of the 1988/89 biennium, powers needed" - and I have added a word to the amendment of the delegation of Canada because otherwise it was very strange English and English is not my mother tongue - "powers needed to decide" - in French the word "décider" - "on the savings and related programme adjustments that the situation may require".

Paragraph 2 has only one amendment and I will read it. "Requests the Director-General to consult" - and here comes the amendment I think from the delegation of Colombia - "at the appropriate time" "the Finance Committee and the Programme Committee at the earliest possible stage if it appears likely that savings and related programme adjustments may be required, with a view to recommending timely and urgent measures for consideration by the Council".

Paragraph 3 is unchanged.

Paragraph 4 - "Requests the Director-General" - and here comes the United Kingdom amendment - "to provide all Member Nations with a quarterly report on the financial position of the Organization and in particular on the availability of funds, cash spending, the status of arrears and short-term forecast".

I have finished reading and would only add, counter to the concern expressed by the distinguished delegate of Belgium whose support I fully appreciate, that I would be prepared to add to the first operative paragraph another couple of words which have been put forward by the French delegation in their amendments. It has been explained to me that in addition to the Director-General's proposals savings and adjustments may be made "by any Member State", not "member of the Council" only. I think the delegate of Belgium was worried that Council, although elected democratically, would not represent the wishes of all the members of the Organization, but I understand they can sit with us as observers so they may address the independent Chairman of the Council, put their requests, and recommend to the friendly countries of their group to defend that proposal. So if the delegate of Belgium would like to add those words, I leave it to him.

At the end of paragraph 1 as already read, I would add after the words "may require", "and that may be requested to the Council by the Director-General or any member country of the Organization".

Finally, I would much appreciate it if we could decide on this Resolution because my statement this afternoon will have as a prerequisite a decision on the draft resolution.

**CHAIRMAN:** I wonder whether these amendments which have been read out have brought us any closer to consensus.

**Atif Y. BUKHARI (Saudi Arabia, Kingdom of)(original language Arabic):** I should like to express my thanks to the distinguished delegate of Italy for having so kindly clarified this issue. In fact, we are having some difficulty in understanding the content of paragraph 4 which he just mentioned at the end of his statement. We cannot understand how this paragraph 4 has been amended. What in fact are the amendments introduced into paragraph 4? Perhaps the Secretariat would kindly clarify this so we have an accurate picture of the wording of this paragraph and then, if we have any amendments to make, we will understand it correctly.

Are there any other paragraphs to be added after paragraph 4, or is that the last one? Concerning paragraph 4, this states at present that the Director-General is requested "to provide all Member Nations with a quarterly report..". This means every three months. How can this be done? Which are the Member Nations who receive this? —the 155 members? What will be the financial implications of this? Can the Organization comply with such a request? We would like to have a very clear answer to these questions if we may.

**Sra. Mercedes FERMIN-GOMEZ (Venezuela):** Precisamente íbamos a tomar la palabra para expresar nuestra misma preocupación: no entendemos cómo en momentos en que un número de miembros de esta Organización están pidiendo reducción de presupuesto hasta llegar al estado de crecimiento cero, y cómo están pidiendo la eliminación de programas tan importantes como la cooperación técnica, y como los programas de campo, en aras de buscar una economía y de reducir los gastos de la Organización, pueda pedirse ahora nada menos que un informe trimestral para todos los Estados Miembros, y para informarlos sobre la disponibilidad de fondos, situación de atrasos, previsiones a corto plazo, etc.

Esto significa un trabajo extraordinario para un buen número de funcionarios de la FAO, que deberían estar dedicados a otro trabajo y que van a tener un trabajo extra y, por añadidura, no sabemos cómo, para producir un informe cada tres meses, vamos a tener un equipo dedicado exclusivamente a la redacción de estos informes, a poner al día, por más que tenga la FAO una computadora número uno; para poner al día la situación financiera de la Organización y para mandar este informe a 150 miembros.

Yo les puedo decir a ustedes que en mi país la correspondencia que sale de Italia se demora casi quince días cuando va por aeroexpreso. Me imagino que la FAO no podrá mandar todos estos informes por aeroexpreso, porque eso constituiría un gasto extraordinario.

Por consiguiente, yo veo esto poco práctico. Un informe trimestral de atrasos, de disponibilidad de fondos, de previsiones a corto plazo y de todo lo que ocurre en la FAO es casi más consumidor de tiempo, de energía y de finanzas, que los trabajos de campo y que la cooperación técnica. Por eso no creo que es muy acertada esta disposición.

**Mrs Astrid BERQUIST (Sweden):** I have not participated in the debate so far, and I must just say that I have been very surprised by the last two interventions by my distinguished colleagues from Saudi Arabia and Venezuela. As I understand it, with the modern computer techniques available to our Secretariat it is certainly not that difficult for the Secretariat to come out with quarterly reports on the financial position of the Organization. It is certainly not that difficult for permanent representatives to come to the Secretariat, if that should be the case, to get these quarterly reports. Therefore, my delegation is very much in favour of retaining the paragraph.

**CHAIRMAN:** I call on Ambassador. Pascarelli to take the floor because he was the author of the draft resolution and is therefore obliged to clarify certain things.

**Elio PASCARELLI (Italy):** I would like to unveil a secret. My draft resolution was submitted to the Secretariat and I left it to them to choose between two words - "periodically" or "quarterly". They chose "quarterly". The process of computerisation of this Organization is long overdue and when we have spent for this purpose millions of dollars the Secretariat will find that it is child's play to print these reports, and then we have to put 158 postage stamps on them, and if it takes 15 days to receive them in Venezuela we can send a special plane!

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** The question of sending reports out is one issue; the question of preparing them obviously is another issue. I certainly respect Ambassador Pascarelli's request and the flexibility that he has given.

It occurs to me that perhaps an answer to this that may be acceptable to many of the delegates, and certainly this is an attempt to find a consensus, would be for periodic reporting as normal through the Finance Committee, but to include in the Finance Committee report the detailed explanations that are required by this specific proposal, and the Finance Committee report could therefore be enlarged by that amount. The Finance Committee report is already distributed to all members. It provides the opportunity to see the entire deliberations, not just by the Secretariat but by the Finance Committee as well. It may be an alternative solution that could be acceptable, and would certainly substantially reduce the cost both in preparation and in distribution.

**Sra. Mercedes FERMIN-GOMEZ (Venezuela):** Muy agradecida, Sr. Presidente, por darme la palabra. Solamente quería agradecer al Excmo. Sr. Embajador de Italia su fina ironía para Venezuela. Yo no estoy pidiendo especiales atenciones para Venezuela; pero, como aquí dice "presentar a los Estados Miembros", no creo que eso signifique que los Representantes Permanentes de la FAO pasen por la oficina a ver los informes. Y con eso me refiero a lo que dijo la señora del país escandinavo, no recuerdo cuál. Por esa razón, pues, una cosa es que los datos estén a la disposición de quien quiera ir a verlos oportunamente, y otra es que se presenten los informes; porque el presentar los informes a los Estados Miembros ni siquiera considera que es a los Representantes Permanentes en Roma, sino que deben mandarse a sus sitios, a donde están los Estados Miembros

Y en cuanto al interés que tienen algunos países representados aquí en que se hagan economías y que se reduzcan los gastos de la FAO, por más que sea meter ciento cincuenta y dos sellos o clavijas, yaunque yo no soy experta en computerización, entiendo que todo eso significa trabajo extra que tendrán que hacer los miembros de la Secretaría.

The meeting rose at 12.30 hours

La séance est levée à 12 h 30

Se levanta la sesión a las 12.30 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

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C 87/III/PV/9

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Twenty-fourth Session  
COMMISSION III

Vingt quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

NINTH MEETING  
NEUVIEME SEANCE  
NOVENA SESION

(24 November 1987)

The Ninth Meeting was opened at 15.15 hours  
Jozef Wiejacz, Chairman of Commission III, presiding

La neuvième séance est ouverte à 15 h 15  
sous la présidence de Jozef Wiejacz, Président de la Commission III

Se abre la novena sesión a las 15.15 horas  
bajo la presidencia de Jozef Wiejacz, Presidente de la Comisión III



**CHAIRMAN:** I declare open the Ninth Meeting of this Commission.

**A. Daniel WEYGANDT (United States of America):** My point is simply a procedural one. In view of the continuing difficulties we have in achieving a quorum here, I am wondering whether it is possible for someone in the Secretariat - and I do not want to be provocative - at least to tell us what the interpretation and conference services costs are on a real basis so we can have some idea of what it costs us each hour that we are supposed to be meeting but are not.

Some people have raised some questions. I have not attended all that many FAO Conferences in the past - only one in fact - and we have not had this problem before. Delegates should be reminded of the fact that people are stretched very thin on the ground, and if delegations realized what was involved to the Organization in the additional costs of having later sessions to make up time, it may encourage people to try to be present. Perhaps someone from the Secretariat could tell us what it costs on a real basis not to meet.

**CHAIRMAN:** I can inform the delegate of the United States that at the moment certain discussions are going on to try to organize our work for tomorrow in a better way. This applies to all the Commissions, because otherwise we will have the same situation - lack of quorum in all the Commissions, which leads to a waste of time. I do not know if any representative of the Secretariat would like to comment on this question?

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** This question has been raised, but although we have not specifically calculated the amount we can determine an estimate and inform the Commission of what that estimate is. I do not have such a figure at this moment, but I am sure we can make such an estimate and inform the Commission of those costs.

**CHAIRMAN:** I would like to ask the Secretariat whether we have a quorum to start our substantive work.

**F.M. MIFSUD (Secretary, Commission III):** We have 56 delegates present.

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

PARTIE III - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

B. Administrative and Financial Matters (continued)

B. Questions administratives et financières (suite)

B. Asuntos administrativos y financieros (continuación)

25. Other Administrative and Financial Matters (continued)

25. Autres questions administratives et financières (suite)

25. Otros asuntos administrativos y financieros (continuación)

25.4. Other Measures to deal with Budgetary Uncertainties (continued)

25.4. Autres mesures destinées à faire face aux incertitudes budgétaires (suite)

25.4. Otras medidas para hacer frente a las incertidumbres presupuestarias (continuación)

**CHAIRMAN:** I remind all delegates that we are discussing item 25.4. When we stopped our work, the discussion related to the draft resolution presented by the Italian -delegation with many amendments and the amendments to the amendments. But it is not so difficult as it looks:

I would now propose that the Italian delegation should read out the final text of the draft resolution.

**Elio PASCARELLI (Italy):** I hope that by now copies of the final text are available so that all delegates, as requested, have the text in front of them.

The only point that remains open is the final paragraph of the operative part which reads, "Requests the Director-General to provide all Member Nations with .." and then it said "quarterly". We had some objections to that word and we are pleased to suggest ".. with the semestral report by the Finance Committee." I think that pleases the Secretariat also. If there are no objections, we therefore say, "Requests the Director-General", who has the authority to do so, "to provide all Member Nations with the semestral report by the Finance Committee." We cross out the square brackets that were there and we replace the article "a" by the article "the". That is the text.

**A. Daniel WEYGANDT (United States of America):** My first question is that it is not entirely clear to me, in American English at least, what a semestral report is. If this is supposed to be a semiannual report, it might help clarify my understanding.

Although the objections that were raised this morning to quarterly reports were quite strongly stated, it seems to me that not many delegations had a chance to express their views on it. Certainly, for my part, it would be preferable - and it makes a lot more sense - if the purpose of this resolution is to keep members informed on what is currently going on with respect to FAO finances, to have a more frequent report on what is happening. I would certainly plead for a quarterly report.

I understand that it would impose a certain burden on the Secretariat, but it seems to me that given the financial situation of the Organization there is likely to be an on-going analysis of the finances in any event by the Secretariat. We may have a little bit of a misunderstanding here because some people think that this is going to require tremendous accounting, actual financial records, and that sort of thing. I do not have the sense from the debate that members here are really looking for an in-depth finalized accounting of FAO records on this kind of question. As figures come in on a quarterly basis, it is just a question of finding out exactly how the contribution situation has shaped up and some of the other questions that have been raised. It seems to me that if we as a governing body are going to keep an eye on things - and we are talking of something of an emergency situation - it would be better to keep it with a quarterly report.

**German CARRASCO DOMINGUEZ (Chile):** El objeto aparente de este proyecto de resolución es hacer ciertas economías y tomar decisiones y medidas tendientes a agilizar la marcha de la Organización, a hacer ajustes en los Programas y economías. Ahora yo me pregunto, Sr. Presidente, hasta qué punto este punto 4, este proyecto de resolución a que obliga, primitivamente obligaba, al Director General a presentar un informe trimestral al Comité de Finanzas, significa esto una economía y qué objeto y qué utilidad tiene.

No me han convencido las palabras del representante de los Estados Unidos. Yo sigo preguntándome si incluso un informe semestral es realmente necesario, Sr. Presidente; hasta qué punto les países miembros, porque este es un informe que se presenta a todos los países en el Comité; no es al Comité del Programa del Comité de Finanzas, sino que es un informe que se reparte entre 358 países.

Yo me pregunto cuál es el objeto de esto. A mí me parece una "delicatessen" burocrática o /?/a o cualquier otra cosa. Yo me opongo, Sr. Presidente, a este párrafo.

**Atif Y. BUKHARI (Saudi Arabia, Kingdom of) (original language Arabic):** During our work this morning, we pointed out that reports on this situation should be combined with the aims of our Organization. They should not affect the responsibilities of the other bodies within the Organization, that is to say the governing bodies including the Finance Committee. Indeed, in the Finance Committee we do discuss all these problems. I can assure you that the Finance Committee report contains all this information. It is a very complete report that we prepare.

I can also tell you that our Organization is an organization serving the interests of all Member States. Each member country, if it wishes to receive any form of information, whatever the value of that information, whatever the quality of that information, would have no difficulties in obtaining that information. Such information is far from confidential. It is not bound by any secrecy which you might find in some cases because each member country will realize and appreciate that we would not want this information to be confidential. We can point out quite firmly that it is not; this information is not confidential. By its very content this information included in the document distributed only in English - I have only received it in English - corresponds to the situation of our Organization.

However, we do have some remarks to make, but these are not remarks which would give rise to any discussion. We can say here and now that we can give our wholehearted support to this draft resolution.

**Ms Janet Lesley TOMI (Australia):** I would like to make clear the views of the Australian delegation with respect to the issue that seems just to have emerged. We have a very strong preference for seeing Op.4 retain a reference to quarterly reporting. The reason for this is that we believe that the Organization is going to be faced with very grave problems in the new biennium. We also believe that the Secretariat for its own purposes is going to have to be on top of this kind of data, and that it would be of immense assistance to all members of the Organization to be provided with this information.

With respect to the various points made by the immediately preceding speaker, it seems to me that the language would not be terribly important because what we will be concerned about are graphs and figures which are a universal language. Also, the data provided by the Secretariat at the moment goes to the Finance Committee which only has a membership of nine countries. In turn, the report of the Finance Committee, as I understand it, goes then to Council which has a membership of 49 members. The thrust of the original Op.4 was that quarterly data would be made available to all Member Nations.

I also would like to make the point that I do not think there would be enormous costs involved in this because of the sophisticated equipment, the computer equipment, which the Secretariat already has, and the fact that probably all of this information is going to be prepared for their own internal information purposes.

**John LYNCH (Canada):** We can support the resolution as it is worded. However, we think that the amendment to paragraph 4 is not in the best interests of the Organization. As everyone in this Commission will recall, we have quite recently adopted a measure which we hope will act as an incentive for states to pay their contributions earlier than they would normally. A quarterly report, together with an urging to states to pay, might be an additional and not very costly way of making sure that those few countries who might be encouraged to pay earlier than they would normally did so. A one-off report once at the mid point during a biennium is very unlikely to encourage early payment. Paragraph 4 should be looked at in this context.

In our own experience during the last two years of the biennium, in one case we" paid: at :the beginning of March and in the other case at the beginning of June. Although our historical pattern of payment may change, had we continued that it might have been useful for us to have known in the case of the year in which we paid in June because that would probably have encouraged us to pay in March.

Therefore, I can only suggest that the quarterly reporting would not, as far as I am aware, do any harm and it might in one or two instances cause a state to make an earlier payment than it might otherwise have done.



**T.F.F. MALUZA (Zambia):** The purpose of the quarterly report is actually to inform Member Governments of the seriousness of the improvement of the financial situation facing the Organization, and to enable Member Governments to plan ahead or to decide what should be done in order to save the Organization.

I think that the original paragraph 4 was actually the best. I do not see any reason why the Organization should report first to the Finance Committee and then the Finance Committee produce their report which should be sent to Member Governments. The report which goes to the Finance Committee is the original from the Secretariat, which is the Director-General himself. It is capable of producing a good report which could actually be sent to Member Governments. To say that the report should go to the Finance Committee means that you are actually saying that the report should go and be censored by nine Member Governments although we had elected those members ourselves. It is not right that this report should go through another body, be censored and then come out.

I think the original paragraph 4 is the best. It gives the Director-General authority to inform Member Governments exactly the way he sees the situation, and to appeal to them on what should be done at that moment, even to ask Member Governments to make their payments and contributions to FAO earlier than they had planned.

**James AITKEN (United Kingdom):** At the beginning of this intervention, I would like to recall the very consistent way in which for over three years my delegation has requested information on cash spending. It will, therefore, come as no surprise that we find ourselves supporting the comments made by the United States, Australia, Canada, and Zambia amongst others on this issue. Like Zambia, we would propose the deletion of the new paragraph 4 and the substitution of the original paragraph 4.

As the distinguished Chairman of the Finance Committee has pointed out, this sort of information that is requested in paragraph 4 is readily available. He has suggested that any Member State that wishes it could obtain it directly from the Secretariat. I think this is possibly the case for countries like ourselves who have representation here, but it does rather disadvantage those countries which do not have permanent representation in Rome or who have limited access and facilities.

I would also suggest that we need this information that we have requested in., quarterly form if we are to make effective use of the Finance Committee itself. The United Kingdom very much values the way in which the Finance Committee advises us and helps us on financial matters. Indeed, we are very grateful to the Committee and particularly to its Chairman, for the very helpful way in which he handled the programme delivery cost issue and other financial matters of concern to the United Kingdom.

However, for us to use the Committee we first as Member States need to have the information. This point was made very effectively by the distinguished delegates of Zambia and of Australia. Certainly in our situation we are not members of the Finance Committee. We would like to see this information. If necessary, therefore, we could ask countries on the Finance Committee to raise issues of concern to us. Thus we in the Committee, we hope, would be using the organs of FAO more effectively.

In these circumstances, I would again emphasize that we support those delegates who have requested that the original paragraph 4 is substituted in the new draft.

**Mrs Astrid BERGQUIST (Sweden):** Before the lunch break, my delegation gave its support to operative paragraph 4 in its earlier drafting; so, like the previous speakers, my delegation would prefer to retain the paragraph in its original form.

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente: para ser breves, nosotros proponemos que se suprima el párrafo 4, que se suprima totalmente el párrafo 4.

**Elio PASCARELLI (Italy):** I was not "enthusiastic about changing my original wording, and I would ask you, Mr Chairman, to close the debate on the original draft, with a quarterly report on the financial position of the Organization. I think you can now reach a consensus because, as you already know, we are expecting the Director-General before four o'clock on the other matter about which I have spoken to you.

**Clifton E. MAYNARD (Barbados):** I really don't care whether the Organization provides us with the financial statements every quarter, every half-year, or every year. I think the important part of this resolution is that we should give the responsibility for doing some work to the Council. Indeed, I would like to recall that the Finance Committee, according to the Basic Texts, is supposed to meet twice a year; I would think, therefore, that if the reports which went to the Finance Committee- were circulated to Member States before, or at the same time, that would adequately meet any concern.

Indeed, I do not expect that whether we receive reports every month or not would make any difference to the payment of assessed contributions because the contributions are supposed to be due and payable in full on the first of January and not later.

**Jean—Luc GRAEVE (France):** La délégation française ne souhaite pas prolonger le débat. Elle souhaite par contre, marquer les réserves que la résolution lui inspire, sans s'opposer à ce stade à son adoption par notre Commission.

Ma délégation a des doutes sur la compatibilité avec l'Acte constitutif de la FAO de la délégation de pouvoir qui est demandée par la résolution italienne. Je me réfère pour cela à l'Article V. 2. de l'Acte constitutif ainsi qu'à l'Article IV.

Par ailleurs, ma délégation considère que l'Acte constitutif et le Règlement général confient au Conseil un droit de contrôle général qu'il suffirait de rappeler pour que le Conseil exerce, ce que ma délégation trouve également utile, ses pouvoirs de conseils et d'orientation sur l'application du budget.

Je me permets d'ajouter que je souhaiterais que ces remarques figurent au Procès-Verbal de notre Commission.

**CHAIRMAN:** That is clearly a very important statement, because it eliminates one of the most difficult obstacles. Of course, every delegation, whether opposing a draft resolution or not, may make any reservation - it is the right of the French delegation to do so.

**Sra. María JIMENEZ (El Salvador):** El delegado de Barbados ha llamado nuestra atención sobre esta cuestión importante. La cuestión fundamental de esta resolución es delegar al Consejo para que siga de cerca la situación financiera. No debemos perder de vista este asunto. Con respecto a los informes, esos se podrían dar a través de los Comités de Finanzas y del Programa o en el Consejo mismo.

Por ello, mi delegación quisiera apoyar la propuesta del delegado de Colombia, en el sentido de que el último párrafo, el párrafo 4, sea eliminado del proyecto de resolución y que nos concentremos a aprobar la parte fundamental de esta cuestión.

**CHAIRMAN:** Ladies and gentlemen, we are under pressure, not of the chairmanship but of time; I would therefore like to make an appeal that perhaps we stop the discussion at this point, and I shall ask you what are our chances of accepting this resolution by consensus. If we cannot, we shall have a vote. I realize that there are many other speakers on my list, but I fear that this discussion could continue without end because there are sometimes remarks made about every single word. If I can have the feeling from you that we may proceed in this way, without changing, let us say, your attitudes on the substance, then I shall ask you the question whether this draft resolution can receive consensus; if not we shall have the vote. Are there any objections to my proposal?

**T.F.F. MALUZA (Zambia):** I have an objection, in that the distinguished delegate of Italy who actually presented this to us has withdrawn his new paragraph 4 and reverted to the old paragraph 4. As there is already consensus on the old paragraph 4, I do not see why you are pressing us to go to a vote when the original resolution was agreed upon. I suggest that we now go back to the proposal by the Italian delegate that we revert the paragraph 4 as originally drafted, and adopt this resolution by consensus.

**CHAIRMAN:** Thank you that is a great help to me.

**Antoine SAINTRAINT (Belgique):** Monsieur le President, je peux marquer mon accord à la proposition que vous venez de faire. Si j'interviens, c'est uniquement pour dire que la délégation de la Belgique émet les mêmes réserves qui viennent d'être faites par la délégation française. Tout en ne nous opposant pas à ce que vous dégagiez un consensus, nous avons des hésitations sur le plan statutaire et juridique. Je crois que cela doit figurer dans le Procès-Verbal.

**Atif Y. BUKHARI (Saudi Arabia, Kingdom of) (original language Arabic):** I should like to add a similar reservation on the part of my delegation, and request that this reservation be included in the verbatim report along with the reservations expressed by France and Belgium.

**Sra. Mercedes FERMIN-GOMEZ (Venezuela):** Iba a expresar las reservas que tiene la delegación de Venezuela con respecto a este número, pero como encuentro que son muy razonables las intervenciones de Francia, voy a mostrar mi absoluto acuerdo con ésta. Por eso, íes ahorro el tiempo de escuchar.

**Antonio R. PIRES (Cap-Vert):** Faisant suite à l'intervention de la Colombie, de la Barbade, de la France et de la Belgique, le Cap-Vert aurait souhaité l'élimination de ce paragraphe. Elle se rallie de plus aux réserves formulées par la France.

**Temel ISKIT (Turkey):** My delegation wishes to see the name of Turkey added to the reservation expressed by France.

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente: Creemos, como usted lo ha dicho, que hemos dedicado demasiado tiempo a este asunto y que es la hora de concluir.

La delegación de Colombia presenta la moción formal de cierre del debate y pide a usted que aplique el Reglamento y que luego se adopte este proyecto de resolución sin el párrafo 4: la propuesta de Colombia con apoyo de muchas delegaciones.

**CHAIRMAN:** I would like to give the floor to the delegate of France as the last speaker, and I would suggest that if there are any reservations they may be included in the verbatim report.

**Jean-Luc GRAEVE (France):** Je voudrais dissiper ce qui est peut-être un malentendu linguistique.

Ma délégation a exprimé des réserves en ce qui concerne la délégation de pouvoir contenue au paragraphe 1 du texte italien. Elle ne s'est aucunement exprimée sur le paragraphe 4 prévoyant la fourniture de renseignements de nature financière. Elle est tout à fait favorable à la fourniture de renseignements de nature financière. Je crois que cette réserve est de nature différente des réserves légitimes que peuvent avoir d'autres délégations concernant le paragraphe 4.

**Pedro SEBASTIÃO (Angola):** Nous avons bien saisi le sujet que nous sommes en train de traiter, mais ma délégation souhaiterait que le document soit d'abord distribué en d'autres langues, parce que tout le monde ne comprend pas la langue anglaise. Ce matin nous avons eu déjà de petits problèmes parce qu'il y avait une différence d'interprétation entre le texte anglais et le texte français. Quant à nous, nous avons également des réserves en ce qui concerne le dernier paragraphe du nouveau texte.

**CHAIRMAN:** I would like to suggest that the delegate of Italy now read out again the draft resolution, slowly, so that the interpreters can interpret into other languages, so that all delegations can understand - and I trust that all colleagues will understand that there are occasional difficulties in the technical work of translating. If you have no objections, I shall ask the Ambassador of Italy to read it again and afterwards I shall ask whether there are any objections on substance, with the understanding that there are reservations on certain points of the resolution, which delegates are perfectly entitled to hold.

**Elio PASCARELLI (Italy):** Shall I read the operative part only, or all of paragraph 4?

**CHAIRMAN:** I would suggest that you read the whole text.

Elio PASCARELLI (Italy):

"THE CONFERENCE,

Considering the concern expressed by certain Member Nations regarding the possibility that, as in the current biennium, the Organization's financial resources could prove insufficient to cover the cost of the full and timely execution of the approved programme for the 1988-89 biennium;

"Recognizing that in such a regrettable eventuality, serious liquidity problems could require immediate decisions and measures that did not fall within the statutory authority of the Council or the Director-General.

"Consciousness of the importance for Member Nations of making advance arrangements to cope with such a situation if it should arise" - excuse me, Mr Chairman. This third paragraph has strict connections with the operative paragraph 4. Many delegations do not seem to have understood it. -

"Calling again on all member countries to pay their assessed contributions promptly,(1) delegates an exceptional basis" - or "exceptionally". I have been told that exceptionally is less good than "on an exceptional basis", one way or another - "to the Council for the duration of the 88-89 biennium, the power to decide on the savings and related programme adjustments that the situation may require.

"(2) Request the Director-General to consult at the appropriate time the Finance Committee and the Programme Committee at the earliest possible stage if it appears likely that savings and programme adjustments may be required with a view to recommending timely and urgent measures for consideration by the Council.

"Requests the Director-General, if necessary, to advance the date of the regular session of the Council scheduled for November 1988 or to call a special session of the Council.

"(4) Requests the Director-General to provide all Member Nations with a quarterly report on the financial position of the Organization and in particular, on the availability of funds, cash spending, the status of arrears and the short-term forecast."

End of the reading.

**CHAIRMAN:** Are there any objections to the Draft Resolution just read out by the Italian Ambassador, with, of course, amendments, with the understanding that some delegations may have reservations? The Saudi Arabian delegation has the floor.

**Atif Y. BUKHARI (Saudi Arabia, Kingdom of) (original language Arabic):** We have always had great difficulty in stomaching paragraph 4. Our reservation is to that specific paragraph, so please, would you record our reservation on paragraph 4 in the verbatim report. As far as the rest of the Resolution is concerned, we have no objection whatever to it.

**CHAIRMAN:** Surely, I would repeat again, I am asking you, dear colleagues, whether you are against the Draft Resolution. If not, I can understand the Resolution being adopted by consensus with the understanding that all delegations - or some delegations - which may have reservations to different paragraphs or sentences or words, they may do so for the verbatim. That is the understanding of the Chair and I think of all of you.

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente, comprendo la flexibilidad con que usted dirige la Comisión y no quiero forzarle a que aplique el Reglamento en relación con mi moción formal de cierre del debate. Sin embargo, creo que han asumido actitud constructiva los colegas de Francia y otros, que han dicho que sus reservas constarán, como es normal, en las actas de esta Comisión. Para evitar que haya más reservas, Sr. Presidente, ¿por qué usted -y ésta es mi insistencia- no pregunta a la Comisión si es posible adoptar este texto sin el párrafo 4? Esto, por lo menos, facilita la posición de Saudi Arabia y de otros países. Por favor, Sr. Presidente, mi propuesta ha contado con algún apoyo. Parece que a usted no le ha interesado mucho, pero tiene apoyo en la sala, y ésa es la pregunta que podría conducir a una solución. De lo contrario, ruego a usted que aplique el Reglamento: Se cierra el debate, podrán hablar sólo dos Delegados que se opongan al cierre del debate y se votará sobre la resolución, en la forma en que la está proponiendo Colombia.

**Sra. Mercedes FERMIN-GOMEZ (Venezuela):** Gracias, Presidente, Tiene mi apoyo la proposición de Colombia, tal como la acaba de reformar ahora, con mi reserva.

**Antonio R. PIRES (Cap-Vert):** C'est pour appuyer la proposition de la Colombie. Nous aurions préféré le texte sans le paragraphe 4.

**CHAIRMAN:** I know from the Italian delegation that they are not inclined to accept that, but maybe Ambassador Pascarelli would like to say something.

**Elio PASCARELLI (Italy):** I would just explain to my Latin American friends why we added this report and we left to the Secretariat the choice whether the Director-General should send his reports quarterly or periodically. "Quarterly" was originally chosen by the Secretariat. Now the reason why I inserted this para. 4 is exactly connected with the third paragraph of the preamble, and I read: "Consciousness of the importance for Member Nations of making advance arrangements to cope with such a situation if it should arise". I wonder how would the Latin American members find out what is happening unless they have a report. By their papers? By radio? Pigeons? Television?

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente, los latinoamericanos no entendemos este texto de resolución porque solo está en inglés. Pero podemos asegurarle al Embajador Pascarelli que leemos con frecuencia y con toda atención los informes del Comité de Finanzas. Como dijo al principio de esta tarde el Embajador Bukhari, Presidente del Comité de Finanzas, en los informes de ese Comité aparecen todos estos datos. Además el propio Delegado del Reino Unido lo reconoció: la Secretaría de la FAO, en todo momento, está dispuesta a suministrar informaciones adicionales al respecto.

Espero que el Embajador Pascarelli entienda la posición de los latinoamericanos, que no insista en su párrafo 4 y que nos permita adoptar esta resolución sin el párrafo 4.

**A. Daniel WEYGANDT (United States of America):** I am only taking the floor in an effort to try and get this situation to a conclusion. In fact, I am somewhat surprised that after having called for the closure of the debate and asking for only two more speakers, that some delegates insist on taking the floor yet again to make a point. I think we have been discussing this for quite a long time now. I think it is clear that the majority of the members would prefer to see the retention of this paragraph, and I think the situation is as you have described it. I think really with the reservations that you have recorded, we can go ahead and proceed on to other business.

**Sra. María Eulalia JIMENEZ (El Salvador):** Gracias Sr. Presidente. Le extraña también a mi Delegación que, después de una propuesta formal hecha por un Delegado -el Delegado de Colombia- de cierre del debate, continuemos discutiendo esta cuestión. Sin embargo, yo creo que la mayoría de los Delegados han planteado aquí que estarían de acuerdo con que se elimine el párrafo 4 y aprobemos este proyecto de resolución, no con que se mantenga el párrafo 4. El Delegado de Colombia hizo una propuesta formal, apoyada por mi Delegación, por la Delegación de Cabo Verde y por otras Delegaciones, de que se apruebe este proyecto de resolución eliminando el párrafo 4. Apliquemos los reglamentos y vayamos a votación sobre esto.

**CHAIRMAN:** I draw the conclusion that from one side the distinguished delegate of El Salvador criticized me that we continued the debate, but from the other side, she also continues to debate. So at this point I am really going to close the list of speakers. Judging from all statements and questions and replies -and I have no doubts that all questions were up to the point and the answers and explanations were being given properly to these questions.

I will make the proposal now. Who is against this Draft Resolution? If there are no objections we shall consider it adopted by consensus. If there is opposition, we shall vote paragraph by paragraph according to the rules. So my question is, are there any delegations opposing the Draft Resolution as it was presented and amended properly?

Point of order

Point d'ordre

Punto de orden

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente, yo lamento que usted siga ignorando la posición de la mayoría de las Delegaciones que se han expresado últimamente en contra del párrafo 4. Usted debe preguntar a la sala si está de acuerdo o no en que se suprima el párrafo 4, y no insistir en la adopción de la resolución con ese párrafo 4.

**CHAIRMAN:** So I understand that this statement is calling for a vote paragraph by paragraph. Is that right? Or is it only to eliminate paragraph 4?

**James AITKEN (United Kingdom):** I regret that if this resolution is put to a vote, the U.K. would wish to call for a roll call vote on this. I am sorry for the time this may take, and I had hoped we would reach consensus, but I think there is a majority for the retention of paragraph 4.

**CHAIRMAN:** According to the request, there is a proposal to have a roll call vote on paragraph 4, whether we shall adopt it or not. So I repeat the question: whether you agree to maintain or eliminate paragraph 4, and I order a roll call. The delegate of Turkey has the floor.

**Temei ISKIT (Turkey):** One question: which paragraph 4? In the original version or the version before us?

**CHAIRMAN:** The original versión as it was stated by the Italian delegation with the addition which was proposed originally by the British delegation, "cash spending," two words added. So I repeat the question, to retain paragraph 4 as it was originally proposed, the delegations will say yes. If they are against, they say no.

I just want to inform you that there was a remark made that I have to follow the procedure and to put on the vote the last proposition which, in my view, is the British one. So I have to be consistent in that. I repeat once again the proposal is to maintain or not to maintain the paragraph 4 in the original version in the Italian Draft Resolution.

Vote

Vote

Votación



RESULT SHEET / RESULTATS / RESULTADOS

ROLL CALL VOTING  
APPEL NOMINAL  
VOTACION NOMINAL

Vote on  
Vote sur  
1st ..... Votación para .....  
RETAINING PARA.4  
.....

|   |    |
|---|----|
| Voces for<br>Voix pour<br>Votos favorables      | 35 |
| Voces against<br>Voix contre<br>Votos en contra | 25 |
| Abstentions<br>Abstentions<br>Abstenciones      | 20 |
| No reply<br>Aucune réponse<br>Ninguna respuesta | 75 |

|  |    |
|--|----|
| Number of votes cast<br>Nombre de suffrages exprimés<br>Número de votos emitidos | 60 |
|--|----|

|  |    |
|--|----|
| Majority required<br>Majorité requise<br>Mayoría requerida | 31 |
|--|----|

ADOPTED  
ADOPTÉE  
ACEPTADA

Date ..24.11.87..... Elections Officer .....,  
Fecha ..... Fonctionnaire électoral.....  
El oficial de elecciones

RULE XII - 13(a) GRO

If a vote is equally divided on a matter other than an election, a second vote shall be taken at a subsequent meeting to be held not less than one hour after the conclusion of the meeting at which the equally divided vote occurred. If the second vote is also equally divided the proposal shall be regarded as rejected.

En cas de partage égal des voix lors d'un vote ne portant pas sur une élection, on procède à un deuxième vote au cours d'une séance ultérieure, qui ne peut avoir lieu moins d'une heure après la fin de celle à laquelle s'est produit le partage égal des voix. Si les voix restent également partagées lors de ce second vote, la proposition est considérée comme repoussée.

Si hubiera empate en un asunto que no sea una elección, se repetirá la votación en una sesión subsiguiente la cual no deberá celebrarse hasta que haya transcurrido una hora, por lo menos, desde la conclusión de aquella en que se produjo el empate. Si en la segunda votación hubiera también empate se considerará rechazada la propuesta.

CF 13 1185 654321 - W/22644/c



Session of the Conference  
 Session de la Conférence  
 Período de sesiones de la Conferencia

ROLL CALL VOTING AND ISSUE OF BALLOT PAPER REPORT  
 APPEL NOMINAL DISTRIBUTION DE BULLETIN  
 VOTACION NOMINAL Y DISTRIBUCION DE PAPELETAS

Voce on  
 Vote sur

1151. Vozação para RETAINING PARA. 4

| COUNTRY              | Yes | No | Abs | NR | COUNTRY                | Yes | No | Abs | NR | COUNTRY                  | Yes | No | Abs | NR |
|----------------------|-----|----|-----|----|------------------------|-----|----|-----|----|--------------------------|-----|----|-----|----|
| Afghanistan          |     |    |     | X  | Gambia                 |     |    |     | X  | Pakistan                 |     |    |     | X  |
| Albania              |     |    |     | X  | Germany (Fed. Rep. of) | X   |    |     |    | Panama                   | X   |    |     |    |
| Algeria              |     | X  |     |    | Ghana                  | X   |    |     |    | Papua New Guinea         |     |    |     | X  |
| Angola               |     | X  |     |    | Greece                 | X   |    |     |    | Peru                     |     | X  |     |    |
| Antigua and Barbuda  | X   |    |     |    | Grenada                |     | X  |     |    | Philippines              |     |    |     | X  |
| Argentina            |     |    | X   |    | Guatemala              |     |    | X   |    | Poland                   | X   |    |     |    |
| Australia            | X   |    |     |    | Guinea                 |     | X  |     |    | Portugal                 | X   |    |     |    |
| Austria              |     |    |     | X  | Guinea-Bissau          |     |    |     | X  | Qatar                    |     |    |     | X  |
| Bahamas              |     |    |     | X  | Guyana                 |     |    |     | X  | Rwanda                   |     |    |     | X  |
| Bahrain              |     |    |     | X  | Haiti                  |     |    |     | X  | St. Christopher & Nevis  |     |    |     | X  |
| Bangladesh           |     |    |     | X  | Honduras               |     | X  |     |    | Saint Lucia              |     |    |     | X  |
| Barbados             |     | X  |     |    | Hungary                | X   |    |     |    | St. Vincent & the Grenad |     |    |     | X  |
| Belgium              | X   |    |     |    | Iceland                |     |    |     | X  | Samoa                    |     |    |     | X  |
| Belize               |     |    |     | X  | India                  |     | X  |     |    | Sao Tome and Principe    |     |    |     | X  |
| Benin                | X   |    |     |    | Indonesia              |     |    | X   |    | Saudi Arabia             |     |    |     | X  |
| Bhutan               |     |    |     | X  | Iran (Islamic Rep. of) | X   |    |     |    | Senegal                  |     |    |     | X  |
| Bolivia              |     |    |     | X  | Iraq                   |     |    |     | X  | Seychelles               |     |    |     | X  |
| Botswana             | X   |    |     |    | Ireland                |     |    |     | X  | Sierra Leone             |     |    |     | X  |
| Brazil               |     |    | X   |    | Israel                 |     |    |     | X  | Solomon Islands          |     |    |     | X  |
| Bulgaria             |     |    |     | X  | Italy                  | X   |    |     |    | Somalia                  |     |    |     | X  |
| Burkina Faso         |     |    | X   |    | Jamaica                |     |    |     | X  | Spain                    | X   |    |     |    |
| Burma                |     |    |     | X  | Japan                  | X   |    |     |    | Sri Lanka                |     |    |     | X  |
| Burundi              |     |    |     | X  | Jordan                 |     |    |     | X  | Sudan                    |     |    |     | X  |
| Cameroon             |     |    |     | X  | Kenya                  | X   |    |     |    | Suriname                 |     |    |     | X  |
| Canada               | X   |    |     |    | Korea (Rep. of)        |     |    |     | X  | Swaziland                | X   |    |     |    |
| Cape Verde           |     | X  |     |    | Kuwait                 |     |    |     | X  | Sweden                   | X   |    |     |    |
| Central African Rep. |     |    | X   |    | Laos                   |     |    |     | X  | Switzerland              | X   |    |     |    |
| Chad                 |     |    |     | X  | Lebanon                |     | X  |     |    | Syria                    |     |    |     | X  |
| Chile                |     | X  |     |    | Lesotho                |     | X  |     |    | Tanzania                 | X   |    |     |    |
| China                |     |    |     | X  | Liberia                |     |    |     | X  | Thailand                 | X   |    |     |    |
| Colombia             |     | X  |     |    | Libya                  |     |    |     | X  | Togo                     |     |    |     | X  |
| Comoros              |     |    |     | X  | Luxembourg             |     |    |     | X  | Tonga                    |     |    |     | X  |
| Congo                |     | X  |     |    | Madagascar             |     |    |     | X  | Trinidad and Tobago      | X   |    |     |    |
| Cook Islands         |     |    |     | X  | Malawi                 |     |    |     | X  | Tunisia                  |     |    |     | X  |
| Costa Rica           |     | X  |     |    | Malaysia               |     |    |     | X  | Turkey                   | X   |    |     |    |
| Côte d'Ivoire        |     | X  |     |    | Maldives               |     |    |     | X  | Uganda                   | X   |    |     |    |
| Cuba                 |     | X  |     |    | Mali                   |     |    |     | X  | United Arab Emirates     |     |    |     | X  |
| Cyprus               |     |    |     | X  | Malta                  |     |    |     | X  | United Kingdom           | X   |    |     |    |
| Czechoslovakia       |     |    |     | X  | Mauritania             |     |    |     | X  | U.S.A.                   | X   |    |     |    |
| D.P. Rep. of Korea   |     | X  |     |    | Mexico                 |     |    |     | X  | Uruguay                  |     | X  |     |    |
| Denmark              | X   |    |     |    | Mongolia               |     |    |     | X  | Vanuatu                  |     |    |     | X  |
| Djibouti             |     |    |     | X  | Morocco                |     |    |     | X  | Venezuela                |     | X  |     |    |
| Dominica             |     |    |     | X  | Mozambique             |     |    |     | X  | Viet Nam                 |     |    |     | X  |
| Dominican Rep.       |     |    |     | X  | Namibia                |     |    |     | X  | Yemen Arab Republic      |     |    |     | X  |
| Ecuador              |     | X  |     |    | Nepal                  |     |    |     | X  | Yemen (P.D. Rep. of)     |     |    |     | X  |
| Egypt                |     | X  |     |    | Netherlands            | X   |    |     |    | Yugoslavia               |     |    |     | X  |
| El Salvador          |     | X  |     |    | New Zealand            | X   |    |     |    | Zaire                    | X   |    |     |    |
| Equatorial Guinea    |     |    |     | X  | Nicaragua              |     |    | X   |    | Zambia                   | X   |    |     |    |
| Ethiopia             |     |    |     | X  | Niger                  |     |    | X   |    | Zimbabwe                 |     |    |     | X  |
| Fiji                 |     |    |     | X  | Nigeria                | X   |    |     |    |                          |     |    |     |    |
| Finland              | X   |    |     |    | Norway                 | X   |    |     |    |                          |     |    |     |    |
| France               | X   |    |     |    | Oman                   |     |    |     | X  |                          |     |    |     |    |
| Gabon                |     |    |     | X  |                        |     |    |     |    |                          |     |    |     |    |
|                      | 9   | 12 | 9   | 23 |                        | 11  | 9  | 6   | 27 |                          | 15  | 4  | 5   | 25 |

**CHAIRMAN:** Paragraph 4 has been accepted. There is now the question of whether we shall pass the whole draft resolution, originally the draft of the Italian delegation, to Plenary to be accepted. If there are no objections, we shall do that. There are no objections.

Paragraph 4 approved

Paragraphe 4 approuvé

Párrafo 4 aprobado

**Elio PASCARELLI (Italy):** Mr Chairman, Mr Director-General, ladies and gentlemen, this is probably going to be the last address of my forty-year-long career, but I do not want to be too much troubled by emotion so I will try to speak, as usual, frankly and as briefly as possible. Once again, I have no prepared text, except for some statements.

My subject exactly responds to the terms of Item 25.4 which reads, "Other Measures to deal with Budgetary Uncertainties". May I briefly start by making a personal remark.

I have been looking at you over the last days, Mr Chairman, and could not refrain from thinking of David Lubin, an excellent and unforgotten son of Poland who went to America and launched the first idea of an international institute for agriculture. His idea was not accepted in the United States; it was not accepted in the United Kingdom; but it found acceptance in Italy. This was the origin of the honour that befell my country when FAO chose Rome as the final and - how can I say it? - the permanent seat.

We are reminded of this great Pole because we have another great Pole in Rome, his Holiness John Paul II, who has supported FAO. We had the pleasure of meeting with him recently and hearing another encouraging address.

In 1905 the institution was founded in Rome, and in 1945 it became adult. We could say "la vita comincia a 40" - or as they say in English, "Life begins at 40". Unfortunately, that anniversary coincided with the first problems of FAO. I am so sorry to connect this bad story of financial trouble for FAO with that great country which gave birth in the mind of a Pole to the very idea of such an institution, that great country whose attitude we understand.

Nevertheless, we do not justify it because if we look out of the window we see the building where, 20 centuries ago, the basis of International Law was founded - pacta sunt servanda - pacts must be absolved. This is not a recommendation; this is a realization of the difficulties which have troubled this Organization. I have tried my best to figure out what should be the duty of the host country.

I remember in my first intervention in this hall I said that when we are host to someone and that person is sick or is affected by any kind of illness we call the doctor, and take care of that person's health. May I use the same image for what we have tried to do in regard to the troubles with our beloved FAO in Rome. We founded FAO in Rome and won by two goals! We made several much needed efforts which originated in our first presence in the Finance Committee; after 40 years we answered this Committee for the first time. I do not want to criticize anyone but that meant for the Finance Committee more constructive work and consequently, less destructive criticism. For your information, Mr Chairman, we were challenged after only two years, and that proved tremendously beneficial to FAO. Our position in the Finance Committee was challenged. But I will not deal with that because the resolution will come later and if it is not sponsored, we will withdraw it because we will leave member countries to come to their own decision as to whether our presence is useful to the Organization or just to the Commission.

I would briefly like to quote from my Prime Minister's address to this audience on World Food Day when he said that in the last decade Italy passed from 0.12 percent of Gross Domestic Product being

voted to cooperate with developing countries to 0.40 percent. We have exceeded the OECD average; the total expenditure for 1986 was \$US 3.1 billion for delivery of these services and of this, 27 percent concerned agriculture and the food sector. Of the total some 40 percent in 1986 went on the multilateral programmes, and this amounted to \$1.2 billion. In this context, Italy's cooperation with FAO has progressively grown, strength and we are now first multi- and bilateral donor of the Organization with a trust fund which over the last five years totalled \$280 million, \$40 million of which were spent in 1987 and will be increased to probably \$.50million next year.

In addition I might mention, as did my Minister for Agriculture, the free buildings of Caracalla worth \$8 million in rent and the special effort that answered the request of the Director-General to enlarge the complex of Caracalla. As I think was mentioned yesterday, this cost us another lire 25 billion or, at the present rate, about \$19 million dollars which is bound to become \$22 million or \$23 million.

Then there is the relinquishing of our cash surplus quota, which is almost \$1.6 million of the cash surplus for 1984/85. Incidentally, Angola - but only Angola - relinquished its quota. I am sorry that our appeal was not heeded by the dollar countries.

Then there is the full rent of the Via Cristoforo Colombo's premises. We used over \$3 million of our Special Reserve which had accumulated in the fat years, which we had conscientiously saved and invested. Again, there is the doubling of the voluntary contribution to the World Food Programme that Italy pledged from 1988. We will jump from lire 15 billion or \$12 million to double that, plus the increase from \$5 million to \$7 million of our contribution to the International Food Emergency Reserve. I barely need to add IFAD to which we have given lire 60 billion, about \$50 million in the 3 years, half for the second replenishment and half for the Special Programme for Africa.

In addition, we have an appeal by our Director-General. He pointed out to our Government the difficulties the Organization was facing, and as we usually do with Mr Saouma, we answered promptly. May I read what was said in the 91st Council in June 1987? I am reading from the verbatim records, and I will read it in French.

[Nous suggérons - et il faut prendre cette suggestion telle qu'elle est, sans prétendre qu'elle représente un facteur résolutif - que certains pays membres, parmi les plus grands donateurs, prennent à leur charge, de façon bilatérale, le financement de quelques projets dans une mesure suffisante - nous pensons, par exemple, à un pourcentage de cinq pour cent des projets prévus — pour libérer le budget des contraintes qui pourront se vérifier à l'avenir.]

What was the reaction to this suggestion? We received from all the dollar countries a flood of paper and volumes. We did not see any money; we did not see any commitment. We refrained from presenting papers because we advanced our ideas to the Organization through the proper channels without flooding it with papers. We responded with grants. I will come to this later.

The new appeal of the Director-General came to us a little later, after this opening made by our delegation at the June Council. I would say that Mr Saouma should go around in the countries of this Organization to look for gold mines in order to get finance and resources for FAO. Unfortunately, he cannot visit the country where there are gold mines and diamonds because that country is not represented here.

In October, when we met again for World Food Day, he passed on some more suggestions. I may say again that it all started with World Food Day, the speech of our Prime Minister who announced right here the policy of our Government to insist on and increase our multilateral share in foreign aid. The answer we worked out with Prime Minister Andreotti was summarized by the honourable head of the delegation of Italy when he opened the general debate in this hall on 10 November. I am talking about our Minister of Agriculture and Forestry. He said:

"...there is now a new demand for multilateralism which is objectively arising from the present situation. Problems take on a world dimension. ... Decisive negotiations are under way to find new, acceptable regulations for international trade in agricultural commodities.

"I am referring to the Uruguay Round. In this situation would it be even thinkable to attenuate and compromise the important role of multilateral seat and of coordinator at the world level which is the role of FAO?"

"If one still believes in multilateralism, and indeed Italy does, then steps must be taken with a new vision of things, to make those adjustments and records which need to be made." I am still quoting Minister Pandolfi, "But here I have the honour of informing you that, the Italian Government is contemplating a further extraordinary step. We will provide further details on this on a suitable occasion and in the competent seat after establishing the form and the times with the Director-General. I say these things without emphasis. The Italian contribution is simply a proof of our political conviction and commitment on the role of FAO."

Minister Pandolfi continued, "I wish to conclude simply by saying that if we believe in international cooperation, why not increase, within the sum which each of us contributes for cooperation for development, the quota which is delivered via FAO? It is not a question and I say this as a former Finance Minister, of upsetting our national budget. It is not a question of increasing expenditure but only of remodulating it. Mr President, this is a small message which I am leaving with you, as a sign of the strong feeling of affection and participation in the destiny of an Organization to which so much of the world still turns."

"What is then the extraordinary step announced by the Head of our Delegation the Hon. Minister Filippo M. Pandolfi at the outset of the General Debate before the Plenary on Nov.10? My Delegation did not make it clear when the suitable occasion and time would come, nor are the necessary arrangements with the Director-General completed as yet. However, I do not like to delay the announcement, since the news already led to inaccurate speculation and .. understatements. Well, here it is, in a nutshell:

Along the lines of the DG's preference, and following my warm recomandation, the Government of Italy states its readiness to discuss and provide a supplementary financing, on a grant basis, well beyond the 5% we suggested at the June Session of the Council for a collective effort by the major "donors - an effort that unfortunately did not" materialize at this Conference - and about 15 times the saving in Lire that our new assessed contribution would imply.

Field chosen: the Regular Programme, namely the Technical Cooperation Programme (TCP) inaugurated in 1976 by Dr. E. Saouma at the outset of his first term at the helm of this Organization a programme that has won so far overwhelming - I would say universal - acclaim and support. I need not expand on this subject, but I just want to offer our renewed thanks to the DG for his initiative.

Amount: financing up to 15 (fifteen) million US\$ in our fiscal year 1988 and up to another 15 million US\$ in fiscal 1989. Therefore: 30 million in all.

Object: to examine with FAO and, when needed, with the interested countries, and jointly select projects among those already earmarked by the Organization this year, according to our priorities, with Latin America taking now an ever increasing share based on our new policy line. Of course, Africa need not worry since it will continue to enjoy our conspicuous, brotherly assistance and support. As to the few Asian beneficiaries of TCP .... well, here is an old "Asian hand" of Italian diplomacy.

Of course, since our planned grant for 1988 would not cover all projects approved (we were confirmed yesterday in this Commission that the unobligated amount by December 31 would be of 30.9 million US\$), we shall enjoy a wide possibility of choice in our discussion with FAO. For 1989, naturally, we can together tackle some of the new projects that FAO will be planning, thus relieving the Regular Programme budget from part of its heavy burden, just in view of the budgetary uncertainties.

By no means would our offer alter the multilateral character of TCP: it will simply represent a further contribution of Italy to the ailing finances of FAO.

**CHAIRMAN:** I would like to thank very much the distinguished delegate of Italy for his important statement. I am sure I express the sentiments of all delegations when I say that we appreciate highly the decision taken by the Italian Government. I would also like to add my thanks for his friendly words addressed to my country recalling that we were one of the early founders of FAO.

**LE DIRECTEUR GENERAL:** Monsieur le Président, je voudrais remercier très sincèrement, très chaleureusement, l'Ambassadeur Pascarelli pour ce témoignage supplémentaire de la générosité du Gouvernement italien vis-à-vis de l'Organisation, à laquelle il offre l'hospitalité depuis 1951.

L'Ambassadeur Pascarelli a donné la liste des nombreuses et importantes contributions extra-budgétaires du Gouvernement italien aux différentes activités de la FAO. Il a cité des chiffres.

Pour la seule année 1988, l'Italie versera près de 70 millions de dollars à la FAO, dont sa contribution de 4,5 pour cent au budget ordinaire, et 15 millions de dollars au PCT comme donation extraordinaire.

Chaque année, nous recevons du Gouvernement italien près de 3 millions et demi de dollars comme contribution spéciale pour couvrir les frais de location de nos bureaux de la Via Cristoforo Colombo.

Enfin, nous recevons 40 millions de dollars pour les activités multilatérales, qui font que l'Italie est devenue le premier bailleur de fonds des projets multilatéraux au bénéfice des pays en développement.

Cette aide extraordinaire et exemplaire de 30 millions de dollars pour le prochain exercice vient à temps pour apaiser en partie - je dis bien en partie - nos inquiétudes quant à la situation financière des deux prochaines années. Les conditions et modalités d'utilisation de ces fonds seront bien entendu pleinement conformes aux règlements de l'Organisation.

Je remarque également que l'Italie accorde cette aide supplémentaire au Programme de coopération technique, un programme très apprécié des pays membres, surtout des plus démunis.

En terminant, je voudrais remercier personnellement l'Ambassadeur Pascarelli à qui revient le mérite de cette initiative si appréciée, qu'il a conduite avec succès à son terme.

Je ne peux que souhaiter que d'autres pays membres s'inspirent de l'initiative italienne et que tous versent leur contribution pour 1988 dans les délais prescrits, c'est-à-dire en janvier. Ceux qui pourront faire davantage seront les bienvenus. Je vous remercie, Monsieur le président.

**Sra. Mercedes FERMIN-GOMEZ (Venezuela):** Solamente para expresar de parte de mi país una felicitación muy calurosa al Embajador Pascarelli, representante de Italia, en esta ocasión, por lo que acaba de decirnos.

Entre los países que ellos han distinguido para otorgar su colaboración con el Programa de Cooperación Técnica están los de América Latina. No creo que me voy a arrojar la representación de todos ellos, pero estoy segura de que una región como América Latina, que bastante necesita una colaboración en el plano multilateral, sabrá apreciar esta distinción que le hace Italia para momentos en que la necesita verdaderamente. Muchas gracias.

**James AITKEN (United Kingdom):** Since my. delegation was referred to in Ambassador Pascarelli's intervention we would like to be one of the first delegations to join with many others, I am sure, in expressing appreciation for such a very generous and very timely act by the Government of Italy. I am sure that the developing countries which will benefit from this will be particularly appreciative. We certainly welcome anything which helps to strengthen TCP. Before I conclude my intervention, we have one or two points of clarification which I would be grateful if the Secretariat or the distinguished delegate of Italy could help us with. As I understand the intervention, the Italian delegation said that the funds were specifically for TCP and it would choose projects jointly with the Secretariat. I take it from that that this gift by Italy comes under Financial Regulation 7.2 which says: "Moneys accepted for purposes specified by the donor shall be treated as Trust or Special Fund under Regulation 6.7". I would be grateful if we could have confirmation that this will be another trust fund operation by Italy to add to their very generous existing Trust Funds.

The second point on which I would like clarification is where this leads the TCP Programme in the sense that as I understood the intervention Ambassador Pascarelli was saying that there are projects already identified to which money has been obligated. We in Italy will help FAO by accepting financial responsibility for these. As I understand the situation in TCP, we have voted for a budget with a specific amount for TCP in it, but TCP is normally isolated from the rest of the programme. It is held apart. Indeed, there are specific financial regulations that govern the manner under which TCP can be recycled back into regular programme finances.

We would be very grateful for an explanation on how the Secretariat intend to treat this, given the financial regulations under which the TCP programme currently operates.

**João Augusto DE MEDICIS (Brazil):** On behalf of the Brazilian delegation, I wish to convey to the distinguished representative of Italy our recognition of the support the Government he represents attached to the role FAO has to play for the benefit of developing countries, and particularly to the large portion of undernourished populations living in those countries. I refer to the fact that Latin America was singled out by Ambassador Pascarelli. The announcement made by Ambassador Pascarelli is an outstanding reiteration of the strong support his Government puts forward for the cause of multilateralism and my delegation wishes his example to be followed by other developed nations for the benefit of all the poor countries around the world.

**Leopoldo ARIZA HIDALGO (Cuba):** Queremos felicitar, en nombre de nuestro país, a la delegación de Italia y al señor Embajador Pascarelli. Las reacciones de Italia en un momento de crisis de la Organización, del sistema que tiene como mandato especial la alimentación y la agricultura, demuestran las altas responsabilidades que este país le da a la ayuda multilateral, la cual, lamentablemente, está erosionada, por sus diferencias en el sistema de Naciones Unidas, por aquellos que no tienen la misma alta visión de la situación real que atraviesa el Tercer Mundo.

El Tercer Mundo tendrá siempre en cuenta esta actitud italiana en estos momentos, en que realmente el Tercer Mundo necesita apoyo. Felicítamos al Sr. Pascarelli y a Italia. Y Pascarelli, el colega, aunque él nos ha expresado que ésta es su última intervención entre nosotros, creemos que va a ser imposible que se aleje mucho de nosotros: algil y dinámico Pascarelli, un abrazo en nombre de todos los cubanos. Muchas gracias.

**Hannu HALINEN (Finland):** My delegation would like to express its appreciation for Italy, and also for the example which it has shown to other countries and other donor countries, among which Finland would like to be counted as one.

I would like to seek clarification on one point: To my delegation, a real multilateralism in development aid means untied aid in cash. How does this coincide with the Regular Budget Programmes? I find that it is not completely clear - for trust funds in multilateral aid this must be a fact, but I am not clear about the Regular Budget Programmes. I would be grateful if this could be clarified so that my delegation and others would perhaps understand.

**Washington ZUÑIGA TRELLES (Perú):** Gracias, Sr. Presidente. En primer lugar, debo comenzar con agradecer al Gobierno de Italia las siempre generosas ayudas al Gobierno del Perú. En todas las épocas, el Gobierno italiano ha acudido generosamente, en los momentos más difíciles para mi Patria, con ayudas económicas, préstamos "blandos", donaciones y otro género de ayudas. Al mismo tiempo, aprovecho para felicitar ese gesto italiano en un momento difícil para la Organización, que atraviesa una situación financiera sumamente grave. Y para el Embajador Pascarelli, los mejores deseos para que en su vida siempre reciba el fraterno abrazo de todos los latinoamericanos, y en especial de Perú. Muchas gracias.

**Antoine SAINTRAIN (Belgique):** Très rapidement afin de ne pas prolonger les débats, je voudrais m'associer à tout ce qui a été dit et remercier l'Italie, particulièrement son porte-parole, l'Ambassadeur Pascarelli en lui souhaitant de tout cœur tout ce qu'il peut souhaiter pour lui et pour sa famille. Nous voudrions également qu'il soit notre interprète auprès de son gouvernement afin de dire combien nous nous félicitons de voir l'Italie participer à la grande lutte contre la faim et le sous-développement dans le monde.

**Atif Y. BUKHARI (Saudi Arabia, Kingdom of) (original language Arabic):** It is quite clear that the important efforts which have been made by our colleague and friend His Excellency Ambassador Pascarelli played a very important part and have resulted in this munificent gift from the Italian Government. It is also clear beyond a shadow of doubt that we should pay tribute to the Italian Government, they being the host Government of this Organization, and we should at the same time thank Ambassador Pascarelli. I say this on behalf of the Group of 77, of which I at the moment have the honour to chair, and on behalf of the Group of 77 I should like to express our warm thanks and our deep gratitude to the Italian Government and to Ambassador Pascarelli in person.

**E. Patrick ALLEYNE (Trinidad and Tobago):** The delegation of Trinidad and Tobago would like to join the previous speakers in conveying our very special appreciation to Ambassador Pascarelli, and of course to the Italian Government, first of all for the record of support - very generous support - which has been typical of Italy during all these years and now of course for the very special announcement which we have received this afternoon of an additional contribution. At the same time we also wish to convey our best wishes to Ambassador Pascarelli in the future. We also recognize his personal efforts, which must have played a large part in convincing the Government of Italy to extend its generosity over these years. The delegation of Trinidad and Tobago - and I assure you also, Ambassador Pascarelli, the CARICOM countries - are happy to know that this latest announcement relates to the needs of Latin America and the Caribbean.

We have heard from at least one speaker an inquiry as to how these funds may be used with reference to the Regulation. I must confess that I am myself unclear as to what is involved, but we trust that if a resolution is necessary to ensure that everything is done correctly, we can deal with that.

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente, nos habíamos abstenido de intervenir, porque atribuimos gran importancia a la solemnidad de este acto, en el cual oímos la emocionada declaración de nuestro colega el Embajador Pascarelli y la respuesta adecuada del Director General. Además, nos sentimos, como latinoamericanos, muy bien interpretados por los colegas de Venezuela y Brasil, quienes aludieron a la referencia, particularmente generosa, que el Embajador Pascarelli hizo sobre los beneficios que de esa iniciativa tendrán los países de nuestra región. Posteriormente el Embajador Bukhari, de Saudi Arabia, habló también a nombre del grupo de los 77, de manera que considerábamos ya realmente innecesaria esta declaración.

Sin embargo, Sr. Presidente, intervenimos ahora porque tratamos de entender la preocupación, como dijo el orador anterior, de una o dos Delegaciones, acerca de cómo se hará uso de este generoso ofrecimiento de Italia. Pero no quisiéramos, Sr. Presidente, que esas declaraciones estuvieran dirigidas a restar importancia y significación a este acto, en vez de tratar de seguir ese buen ejemplo. No creemos que sea el momento de prejuzgar anticipadamente ninguna actividad detallada sobre estas actividades futuras. Todos sabemos muy bien que la Secretaría actuará, como siempre, a la luz del Reglamento Financiero y de las demás disposiciones pertinentes, y que oportunamente todos los Estados Miembros, sobre todo aquellos que con tanta insistencia solicitan informes, obtendrán los detalles indispensables. La Delegación de Colombia sabe, Sr. Presidente, que en la Secretaría de la FAO hay funcionarios competentes y capaces, que responderán, sin duda, a todas estas cuestiones. Pero pensamos que no es el momento de restar solemnidad a este acto, de entrar en detalles que no corresponden a este momento, sino a las oportunidades posteriores. Gracias, Sr. Presidente.

**Wojciech JASINSKI (Poland):** My delegation also wishes to express its appreciation and congratulations to His Excellency Ambassador Pascarelli for the great statement he has just made, and the announcement of the major additional contribution by his Government to FAO to be used specifically for the purposes of the Technical Cooperation Programme.

As he mentioned in his statement the names of two great Poles who have contributed their actions to the initiating and promoting of international cooperation among nations for the sake of peace and development particularly in the field of food and agriculture, we would like to assure him and other colleagues in this room and the Director-General that Poland will continue to provide its full support to FAO and to international cooperation in the field of food and agriculture.

In conclusions, we would like to extend to His -Excellency Ambassador Pascarelli and his family our best wishes for good health and prosperity in the future.

**Assefa YILALA (Ethiopia):** Like all other delegations who have already spoken, the Ethiopian delegation wishes to express its appreciation of the generous contribution made by the Italian Government and of Ambassador Pascarelli for his role in promoting and facilitating this important decision. During these difficult times of financial problems for the Organization, the Italian response will definitely assist the Organization in carrying out its programme, in at least the short term.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** I too on behalf of my delegation would like to thank Ambassador Pascarelli very warmly. Ambassador Pascarelli has a long history of professional activity behind him. He has represented his country in my country as well. Your Excellency, we wish you and your family all the best, and we thank you for what you have done in the past. At the same time we congratulate the Italian Republic on their generous gesture towards our Organization: FAO is now in a difficult financial situation, and this gesture is a very valuable assistance to it.

I believe the details would be better discussed at a later stage: on that particular point, I agree with the distinguished delegate of Colombia.

**Dedan Robinson KAMAU (Kenya):** On behalf of the Kenyan Government I take this opportunity to express our appreciation to Ambassador Pascarelli, and I endorse the sentiments expressed by the previous speakers in relation to his humanitarian initiatives. We deeply appreciate the moral, financial and other forms of assistance extended to many countries in Africa by Italy, the bulk of which, we feel, was prompted by requests directly made to the Italian Government by Ambassador Pascarelli.

**Mounir KHORAYCH (Liban) (langue originale arabe):** La délégation du Liban ne voudrait pas laisser passer cette occasion de se joindre aux orateurs précédents qui ont présenté leurs vifs remerciements à Son Excellence l'Ambassadeur Pascarelli pour les efforts louables qu'il a consentis à l'égard de la FAO et ceci au cours de sa carrière, dans le cadre de son travail et dans l' Organisation. Même si cette période a été courte, je pense qu'elle a été très fructueuse. Nous voudrions exprimer notre appréciation pour les attitudes adoptées par le "Gouvernement hôte et nous voudrions également souhaiter que d'autres pays fassent de même.

Nous souhaitons enfin à Son Excellence l'Ambassadeur Pascarelli un plein succès dans l'avenir.

**Tibor SZANYT (Hungary):** Very briefly, on behalf of the Hungarian delegation I would also like to congratulate wholeheartedly Ambassador Pascarelli on his excellent performance in promoting the good course of affairs in FAO, especially in these very days.



**John LYNCH (Canada):** To begin on a negative note, many countries contribute to the success of this Organization. We should not forget that the largest contributor and other countries such as the Nordic countries and the Netherlands which contribute to the health of this Organization have for over 40 years made the FAO what it is. Nevertheless, I think today we have a particularly significant contribution made to this Organization, both by a man and by a country. I think we have to in some way remark upon Ambassador Pascarelli's and his country's contribution. I would suggest that perhaps a Resolution is not in keeping, but perhaps a letter from the President of this Conference to either the Head of State or the Head of Government of Italy would be in keeping with the circumstances of the individual's and the country's contribution. With respect to the individual, I think it is not so much his own personal efforts in getting this very large contribution, but also the other things which have been noted in this Commission relating to the legal status of the Organization and other items where we have seen the fine Italian hand of Ambassador Pascarelli. I would only join with others in thanking him and his country.

**Jean-Luc GRAEVE (France):** Ma délégation voudrait également saluer le geste généreux du Gouvernement italien ainsi que les efforts déployés par l'Ambassadeur Pascarelli pour faire aboutir cette initiative. Je partage l'avis exprimé par la délégation allemande selon laquelle ce n'est pas le moment peut-être de s'intéresser ou de répondre aux questions intéressantes posées par certaines délégations sur les modalités des pratiques d'engagement de ces contributions.

**Alex Louis TANIS (Haïti):** Je désire joindre ma voix aux autres orateurs pour exprimer la profonde appréciation de la délégation haïtienne à l'égard du Gouvernement italien pour sa contribution importante au fonctionnement de la FAO et plus particulièrement au PCT. Nous estimons que ce programme de la coopération technique est destiné à libérer des fonds en faveur des populations les plus démunies pour les aider à conduire des projets ponctuels et essayer d'augmenter leurs revenus et leur niveau nutritionnel et aussi pour faire le pont entre deux financements. La délégation haïtienne fait confiance à La FAO et espère que cet apport du Gouvernement italien continuera dans une très large mesure de permettre à l'Organisation d'atteindre certains objectifs. C'est une lourde responsabilité pour la FAO que d'aider chaque Etat Membre à combattre la misère et la pauvreté, cause et conséquence de la sous-production et du sous-développement.

**Mrs Hannelore H. BENJAMIN (Dominica):** The delegation of Dominica wishes to join its colleagues in thanking with deep appreciation Italy and Ambassador Pascarelli, who is a very dear friend of ours, for the most noble gesture shown to FAO and us here today. It gives us further hope for a better future for FAO, for our countries, for our people, for our children. We must not forget that the children are the future of us for tomorrow.

**DONG QING SONG (China):** Just now we have heard a statement by Ambassador Pascarelli on behalf of the Italian Government. Over the past year he managed to help the world to solve the problem of hunger and malnutrition. The Italian Government has provided much assistance to the developing countries. At the same time, they have contributed and also provided support to FAO for its development. Here we would like to thank again the Italian Government and also the Ambassador for their contributions. We also support the proposal put forward by the Canadian delegate, namely that the Conference should take necessary measures to express our appreciation for the generous declaration by the Italian Government.

**Jaime GARCIA BADIAS (España):** Sr. Presidente, muy brevemente, deseo agradecer al Embajador Pascarelli su gesto, así como a su Gobierno, al cual nos sentimos próximos y con el cual comprendemos los problemas del mundo bajo la óptica mediterránea, a la que ambos pertenecemos. Deseamos lo mejor para el Sr. Pascarelli, para su familia y, por extensión, para su Gobierno, al cual representa tan dignamente. Muchas gracias.

**Sra. Virginia ESPINOSA DE CARRION (Nicaragua):** La Delegación de Nicaragua no quiere dejar pasar la ocasión sin agradecer al Embajador Pascarelli y al Gobierno italiano su generoso gesto. Embajador Pascarelli, reciban usted y su país el reconocimiento sincero del Gobierno y del pueblo de Nicaragua. Gracias, Presidente.

**Ansoumane SAGNO (Guinee):** Ma délégation voudrait joindre sa voix à celle des autres délégations pour exprimer sa profonde gratitude au Gouvernement italien et tout particulièrement à Son Excellence l'Ambassadeur Pascarelli pour son offre généreuse. De plus, c'est une occasion pour nous, pays en développement, de se réjouir. En conséquence, je voudrais appuyer ici la proposition faite par les délégations de la France et de la République fédérale d'Allemagne afin que la Conférence ne rentre pas dans les détails, et en même temps appuyer la proposition faite par la délégation du Canada pour que la Conférence exprime sa profonde gratitude au Gouvernement italien et plus particulièrement à l'Ambassadeur Pascarelli pour tous les efforts consentis afin que notre Organisation puisse atteindre ses objectifs.

**Reza ASKARIYEH (Iran, Islamic Republic of):** On behalf of my delegation, I appreciate and congratulate Ambassador Pascarelli and the Government of Italy for their respective high contributions for the treatment of needs of needy nations. We hope the other donors who have the possibility will follow up in the same way as the Italian contribution.

**Mrs Kate ABANKWA (Ghana):** The Ghana delegation joins other delegations before it in expressing its appreciation for the generous Italian offer and the interest the Italian government continues to show in the development of the developing countries as a whole. Ambassador Pascarelli's efforts are particularly appreciated. My delegation is aware that this is not the first time he has clearly exhibited interest in helping developing countries. He has whenever possible seized the opportunity to help increase Italian aid for African countries such as Ghana. My delegation wholeheartedly wishes him all the best.

**Mohd. Mazlan JUSOH (Malaysia):** The Malaysian delegation wishes to associate ourselves with all these speakers who have taken the floor before me in expressing our deep appreciation to Ambassador Pascarelli and the Italian Government for a noble and generous gesture to this Organization.

**Mamadou CÂMARA (Mali):** Je saisis cette occasion qui m'est offerte au sein de cette auguste assemblée pour saluer et remercier l'aide combien efficace de l'Italie au profit des pays frappés par la sécheresse, et singulièrement pour son soutien à la FAO.

La personnalité de Monsieur l'Ambassadeur Pascarelli force l'admiration et je lui souhaite une longue vie.

**Antonio R. PIRES (Cap-Vert):** Ma délégation voudrait aussi féliciter l'Ambassadeur Pascarelli et remercier le Gouvernement italien pour la générosité dont il vient de faire preuve une fois de plus envers notre Organisation. Son offre pourra certainement aider l'Organisation à faire face à ses difficultés, très spécialement en ce qui concerne le PCT.

Une fois de plus nous voudrions exprimer notre gratitude à Son Excellence Pascarelli et au Gouvernement italien.

**Hidayat Ganda ATMADJA (Indonesia):** Thank you Mr Chairman. I wish also to join the other delegations in appreciating the Italian Government for its genuine support to the development in agriculture in the Third World. In particular I would like to add my high appreciation, as well as from my delegation to His Excellency, Ambassador Pascarelli.

**Mme Isabelle GANSORE (Burkina Faso):** La delegation burkinabé voudrait joindre sa voix à celles qui l'ont précédée pour remercier Son Excellence Pascarelli, Ambassadeur de la République d'Italie, qui transmettra bien sûr ces remerciements à son gouvernement qui a fait là un geste généreux au bénéfice des pays en développement auxquels il a toujours su apporter, dans la mesure du possible, un soutien fort apprécié. Nous lui souhaitons un plein succès et nous espérons qu'il sera toujours à nos côtés à l'avenir, car ce n'est pas la première fois, comme il l'a lui-même si bien souligné, et ce ne sera pas la dernière.

**CHAIRMAN:** At this moment please let me also say a few words. I understand that all delegations express their gratitude and recognition to the Italian Government and personally to Ambassador Pascarelli. I can only add that I am sure that those delegations which are not present would do the same. I would also join once more my best congratulations and thanks to Ambassador Pascarelli and to his Government, and referring to certain suggestions which were made during this short discussion, particularly by the Canadian delegation and other delegations, I would propose that our Commission should report to the Plenary Session this proposal to prepare and send to the Italian Government a special message, indicating our profound gratitude for this generous gesture/decision and also particularly our high appreciation of the efforts. I see that Ambassador Pascarelli is protesting, but I am just referring to what was said here in this hall, and also in recognition of his personal efforts.

If I do not see any objections we shall do so. I do not see any objections. It is so decided.

And now I will ask the Assistant Director-General, Mr Crowther, who will respond to certain aspects of questions which were raised during the short debate.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** I shall be very brief. In accordance with the suggestions made by a number of delegations I shall not attempt to go into the details of how this matter will be handled, but I shall provide an assurance to those delegates who have raised questions that the matter of this very generous contribution from the Government of Italy shall be handled first in accordance with the financial regulations as a voluntary contribution, and that it will greatly alleviate and go a long way towards assistance in our very serious cash-flow problems and our serious delays in receipt of contributions, and particularly provide great assistance on the TCP Programme. The details of the handling of this particular contribution shall be reported to the Finance Committee, and an entire reporting shall be constantly made to that body so that all the regulations shall be very closely adhered to in accordance with the provisions for voluntary contributions within the financial regulations.

**CHAIRMAN:** Colleagues, our time is about to expire. We cannot continue the debate today so we shall have the next meeting tomorrow at 9.30. The place will be announced additionally, and for tomorrow's session we foresee a continuation, and hopefully a conclusion, of Agenda Item 25.4.

I would expect the conclusion, that is, the adoption of two resolutions contained in document C 87/LIM/9 and C 87/LIM/14. After having discussed for so long yesterday and after having heard a lot of explanations on the side of the Secretariat, I really do hope that we may conclude tomorrow morning by consensus or by voting - probably by vote - these two sub-items. Then we shall proceed to the next item, that is Item 22.1.

I also appeal to the Drafting Committee to speed up its work to be ready with the report.

Are there any objections or any questions?

**Elio PASCARELLI (Italy):** Thank you very much Mr Chairman. I do not want to open my heart in appreciation of those very very kind words that were addressed to me, but I would insist that if your proposal goes on - I am a public servant Mr Chairman, - I am happy if my Government is appreciated, not myself.

Now coming to your mention of the next programme, I would ask the Secretariat whether the proposed addition to C 87/LIM/14 concerning the invitation to member countries which do not have the fiscal year coinciding with the solar year, has been received by the Secretariat. Otherwise tomorrow will happen what regretfully happened today, that we have a resolution without the translation, and many delegations naturally had to protest because they have no Spanish, no French, nothing. So please, would you tell me whether this addition, this amendment, has been added or not. Otherwise I will take care of it tonight.

**CHAIRMAN:** No, they have not prepared it yet. If there are no other questions everything is adjourned.

The meeting rose at 17.45 hours

La séance est levée à 17 h 45

Se levanta la sesión a las 17.45 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 87/III/PV/10

Twenty-fourth Session  
COMMISSION III

Vingt-quatrième session  
COMMISSION III

24° período de sesiones  
COMISION III

TENTH MEETING  
DIXIEME SEANCE  
DECIMA SESION

(25 November 1987)

The Tenth Meeting was opened at 15 hours

Mohd. Mazlan JUSOH, Vice-Chairman of Commission III, presiding

La dixième seance plénière est ouverte à 15 heures

sous la présidence de Mohd. Mazlan JUSOH, Vice-Président de la Commission III

Se abre la décima sesión a las 15.00 horas

bajo la presidencia de Mohd. Mazlan JUSOH, Vicepresidente de la Comisión III

**CHAIRMAN:** Distinguished delegates, it is my pleasure to welcome you to the 10th Meeting of this Commission III. As you see in the Order of the Day, we have quite a number of items to settle. There is the adoption of the report in C 87/III/Rep.1 and Rep.2, which I trust you have all obtained from the Documents Desk.

**Jean-Luc GRAEVE (France):** Je souhaiterais poser une question, peut-être motivée par l'ignorance. Je n'ai pas lu ce rapport; je n'en soupçonnais pas l'existence, puisque nous avons fini nos travaux seulement hier soir, et je crois que beaucoup de délégués sont dans ce cas, ils n'ont pas le rapport entre les mains. Donc, nous devons peut-être le lire avant de pouvoir l'examiner.

Le deuxième point est le suivant: je crois que nous n'avons pas terminé nos travaux en ce qui concerne les résolutions contenues dans les documents C 87/LIM/9 et C 87/LIM/14. Alors comment peut-on adopter un rapport sur ces points sans que notre Commission ait voté? Par exemple, je crois que le C 87/LIM/9 était très contesté et qu'il y aura sans aucun doute un vote, alors que sur le C 87/LIM/14 tout le monde était plus ou moins d'accord, et il y a un consensus très large. Je souhaiterais avoir une réponse à mes questions.

**A. Daniel WEYGANDT(United States of America):** I was somewhat troubled to hear the last intervention because it was my clear understanding that the Order of the Day spelled out quite clearly that we were going to be taking up the report, and C 87/III/REP/1 and REP/2 were listed as the documents to be discussed this afternoon. They were certainly available this morning, at least to my delegation, and I think to everybody else as well. If it is any consolation to the French delegation, I do not think that the contents of the report are so controversial that it is the kind of document which needs to be read with great precision.

Ambassador Pascarelli has stated that we did do some work in the Drafting Committee, of which I am a member, and we reached fairly broad agreement on the substance. I would therefore plead with the French delegation for their indulgence to go ahead and consider this report now, because it seems that we do not have a quorum with which to deal with the other items on our Order of the Day, but we do have enough members to review this report. So, if I have spoken long enough to allow the French delegation to read this report, perhaps we could go ahead and adopt it!

**Almir F. DE SA BARBUDA (Brazil):** I would like to refer to what has been said by the delegate of France. We also did not know that there was a report, because my delegation did not receive a report. We need some time to read it.

**Mrs Astrid BERQUIST (Sweden):** We did receive the report early this morning, so we have no problems in starting the process of adopting it.

**Mlle Faouzia BOUMAIZA (Algérie):** Tout comme le délégué de la France et celui du Brésil, nous-mêmes venons juste de le demander, quand vous avez parlé de l'adoption du rapport. Effectivement, il était prévu d'adopter ce rapport, mais nous ne l'avons pas reçu ce matin, nous venons juste de le prendre.

**CHAIRMAN:** At this stage it is quite clear that a number of delegations have not really read the report, so I think it would be to everyone's interest to allow those delegations to read the report. I would suggest that we adjourn for perhaps 15 minutes and then .. I see the delegate of the United Kingdom showing fire! I shall make a compromise - we will resume the meeting after 10 minutes.

The meeting was suspended from 15.10 to 15.20 hours.

La séance est suspendue de 15 h 10 à 15 h 20

Se suspende la sesión de las 15.10 a las 15.20.

ADOPTION OF REPORT

ADOPTION DU RAPPORT

APROBACION DEL INFORME

DRAFT REPORT OF COMMISSION III - PART 1

PROJET DE RAPPORT DE LA COMMISSION III - PARTIE 1

PROYECTO DE INFORME DE LA COMISION III - PARTE 1

**CHAIRMAN:** I trust that you have all managed to do some speedy reading during the ten minutes so that we can proceed to the adoption of the reports which we have before us, REP 1 and REP. 2. The Chairman of the Drafting Committee, Ambassador Pascarelli, will introduce the reports.

**Elio PASCARELLI (Chairman, Drafting Committee):** Thank you Mr Chairman - and in addition I thank all members of this Cómmittee, because I think they can be proud of the fact that they deserve an Oscar for speed. This report, although containing improvements and - not footnotes, but expressions of views which were voiced by some members, was discussed in a very brief period of time. We considered for one hour and then for a further three quarters of an hour, and then we had some spare time afterwards.

I will not, from this post, suggest that our work be approved en bloc, because I know what happened in a previous case. So I will open this for discussion - I have no comments, except that we have done our very best to introduce here all the views which were asked to .be represented. So I shall wait for some of the distinguished delegates who are not members of the Committee to propose the adoption en bloc - I would be very happy if that could happen. If not, I am here to answer any questions.

**CHAIRMAN:**I think it is normal procedure to adopt the report paragraph by paragraph. It may appear tedious, but I think that in the long run it would be more expeditious to follow this procedure rather than consider the report en bloc. So, with your concurrence, we shall proceed to the. adoption of the report paragraph by paragraph.

Paragraphs 1 to 3 approved

Les paragraphes 1 à 3 sont approuvés

Los párrafos 1 a 3 son aprobados

Paragraphs 4 to 11 approved

Les paragraphes 4 à 11 sont approuvés

Los párrafos 4 a 11 son aprobados

Paragraphs 12 to 13 approved  
Les paragraphes 12 à 13 sont approuvés  
Los párrafos 12 a 13 son aprobados

Paragraphs 14 to 15 , approved  
Les paragraphes 14 à 15 sont approuvés  
Los párrafos 14 a 15 son aprobados

Paragraphs 16 to 19 approved  
Les paragraphes 16 à 19 sont approuvés  
Los párrafos 16 a 19 son aprobados

Draft Report of Commission III, Part 1, was adopted  
Projet de rapport de la Commission III, partie I, est adopté  
El proyecto de informe de la Comisión III, parte 1, es aprobado

DRAFT REPORT OF COMMISSION III - PART 2  
PROJET DE RAPPORT DE LA COMMISSION III - PARTIE 2  
PROYECTO DE INFORME DE LA COMSION III - PARTE 2

PARAGRAPHS 1 TO 3 INCLUDING DRAFT RESOLUTION  
PARAGRAPHERS 1 A 3 Y COMPRIS LE PROJET DE RESOLUTION  
PÁRRAFOS 1 A 3, INCLUIDO EL PROYECTO DE RESOLUCION

**John LYNCH (Canada):** On paragraph 2 1 have two problems. The first one is in the first sentence where it talks about what we thought this increase in the Working Capital Fund was a practical means to do. It states there: "... protect the integrity of the approved programme against unbudgeted inflation- and currency instability which were beyond the control of the Organization". I would note that in paragraph 1 we refer to Financial Regulation 6.2. As far as I can determine, and as far as I can recall from the explanation given by the Secretariat, the two things that are cited in the first sentence of paragraph 2 are not within the purpose of the Working Capital Fund. If I understand correctly, it is basically to cover temporary shortfalls. It is a cashflow item with respect to delays in receipt of contributions to the Budget. If I recall, at least from my intervention and I believe from the intervention of the Secretariat as well as of many other delegations, we were discussing it in those terms. I think perhaps people may have mentioned the two purposes in passing but I think that, given that this is a very summary version, perhaps it would be better to try to align that first sentence with respect to the purpose of the Working Capital Fund as stated in Financial Regulation 6.2. I think that will help clarify it for future generations of delegates as yet unborn.

Secondly, with respect to the reflection of the debate, I think it is not an unreasonable reflection but I think it could be sharpened a little, particularly by adding after the second sentence in paragraph 2 something along the lines of, "particularly given the sharp increase in assessments which was not compatible with national objectives of restraint in public expenditure of many member countries and the absence of an indication in the Programme of Work and Budget of programme adjustments which could be used to meet anticipated reductions or shortfalls in income".

**CHAIRMAN:** Thank you, delegate of Canada. Would you be kind enough to repeat your suggestion?



**John LYNCH (Canada):** For the first one, I did not have any particular wording other than to use the language from Financial Regulation 6.2. I think I have given an outline of what it is, and I am sure the Secretariat can provide us with a very concise type of wording. If I recall, they gave us that type of wording in their explanation, and all I am proposing is that we use Financial Regulation 6.2. If you want me to, I can provide wording, but I am sure that either Mr Crowther or Mr Shah could do it much more skillfully than I.

Secondly, in terms of what was said during the course of the debate, it would be to add at the end of sentence two the following: "... particularly given the sharp increase in assessments which was not compatible with national objectives of restraint in public expenditure of many member countries and, in the view of some other member countries, the absence of an indication in the Programme of Work and Budget of programme adjustments which could be used to meet anticipated shortfalls in income.

**Elio PASCARELLI (Chairman, Drafting Committee):** The remark made by the delegate of Canada, if I recall correctly - but some of the members might help me - was considered by the Drafting Committee and we remarked that to expand at this stage by giving reasons which were not necessarily fitting would not be appropriate. I recall, that for 82 countries of this Organization the sharp increase means \$370 in one year and \$300 in the other year. 82 countries of this Organization will be suffering this tremendously sharp increase of \$370. I do not know how it combines with disrupting the national objectives. That is why we abandoned it. We considered it, then we abandoned it.

**John LYNCH (Canada):** First of all, I wonder if the Secretariat could provide us with an explanation of how much the increase in the Working Capital Fund and the Special Reserve Account will be for my country. I think it is considerably more than \$370.

Secondly, the language that I have proposed is an adaptation of language which has already been approved in another place in this House, in the Plenary, in respect of the Report of Commission II on the Programme of Work and Budget. There in paragraph 26 of C 87/REP/1 the language which has already been approved by this Conference is: "... the sharp increase in assessments, especially if account was taken of possible one-time additional assessments related to the Working Capital Fund and the Special Reserve Account, which was not compatible with national objectives of restraint in public expenditure...". The language I have proposed is so close to the language that this Conference has already approved for the Final Report of this Conference that I think I would be permitted to say that, as this Conference itself has approved the language, I cannot see why this particular Commission would object to lifting that language from the Conference Report and transposing it here, which is the relevant agenda item.

**A. Daniel WEYGANDT (United States of America):** As a member of the Drafting Committee, I do not want to take a position on the suggestions made by the delegate of Canada, but I have a question for the Secretariat. Could they give us some kind of an idea of what language they might propose in the first part of paragraph 2? I have to say, at least for myself, that I think the delegate of Canada has a good point there. It may be that the majority of delegates here felt that that was the reason that the Working Capital Fund should be increased, but I do not think that is what is provided for in the Financial Regulations, and so I think it should be made consistent with that. I would ask if someone might give us briefly an idea of what that language might be. It would certainly clarify my understanding.

**Ronald DEARE (United Kingdom):** I can be very brief. I simply take the floor to support the amendment made by the delegation of Canada.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** I think probably the simplest revision would be in paragraph 2, the third line, to delete the words "unbudgeted inflation and currency instability", and to insert in their place "delayed receipt of contributions". The sentence would then read, "The majority of Member Nations supported the proposal which they considered a practical means to protect the integrity of the approved programme against delayed receipt of contributions which were beyond the control of the Organization." I think that would take care of it.

**CHAIRMAN:** I see the delegate of Canada is nodding. Does that mean this is acceptable and that the proposal he has advanced would be taken care of by this suggestion made by Mr Crowther? For the verbatim record, would you please respond?

**John LYNCH (Canada):** For the first sentence, yes, that would be more than fine.

**CHAIRMAN:** I am just wondering whether you still insist on the inclusion of the new sentence you have proposed?

**John LYNCH (Canada):** Yes, I would. In fact, If Mr Crowther could give it, I would appreciate finding out - and perhaps others would - exactly how much more my country is going to pay.

**V. J. SHAH (Director, Office of Programme, Budget and Evaluation):** The assessment for Canada for the increase in the Working Capital Fund from its present level to \$17 million at the beginning of 1988 represents a total assessment of \$3 750 000. The Canadian share of that, using the scale of assessments which is 3.67 percent, amounts to \$137 625.

**J. LYNCH (Canada):** For \$137 000 I think we have the right to have one sentence saying that we do not really like having to pay 137 000—odd. If it had been under \$100 000 I would not have insisted!

**Ronald DEARE (United kingdom):** If we are talking dollars, I think ours is about twice the level of the Canadian subscriptions. However, I think there is a rather more serious point here because we are talking about a sharp increase in assessments. That actually does not just refer to the assessments for the Working Capital Fund; it refers to the assessments for the Programme of Work and Budget and to the assessments for the Special Reserve Account. When they are added all together, for most of us it is more than just a few hundred thousand dollars.

**Clifton E. MAYNARD (Barbados):** If some delegations raised these questions, I have no difficulty in inserting them in the report. Indeed, I have no difficulty in accepting the second Canadian amendment, provided the words "of some" are changed to "a few".

**Sra. María Eulalia JIMENEZ (El Salvador):** Mi delegación estaría de acuerdo con lo planteado ultimamente por el Delegado de Barbados sobre unos pocos delegados. Pero había pedido la palabra anteriormente para solicitarle gentilmente al Delegado de Canadá si nos puede repetir nuevamente su propuesta.

**CHAIRMAN:** I wonder if the delegate of Canada would be kind enough once again to read his proposal so that everybody will be clear what his suggested amendment is.

**John LYNCH (Canada):** The first part of the second sentence of paragraph 2 would read as it is, that is, "Many Member Nations expressed their reservations about the advisability of increasing assessments on Member Nations at this time" and there would then be a comma, "particularly given the sharp increase in assessments which was not compatible with national objectives of restraint and public expenditure of several member countries and in the view of a few countries the absence of any indication in the Programme of Work and Budget of programme adjustments which could be used to meet anticipated shortfalls in income".

**Ms Janet Lesley TOMI (Australia):** I will keep my remarks very brief. I feel bound to intervene because, in fact, in the proposed second Canadian amendment to paragraph 2 he actually strikes at the very heart of the Australian government's policy concerns. I would like to place on the record Australia's very strong endorsement that this slight expansion of paragraph 2 be accepted by this Commission.

**Sra. María Eulalia JIMENEZ (El Salvador):** ¿No sería posible que el delegado de Canadá reconsiderara su propuesta y haciendo eco a sus palabras en las que al principio dijo que en la Comisión II había sido aprobado un párrafo similar, si fuera posible que en este párrafo se incluyera una cuestión similar a lo aprobado en la Comisión II? O sea, únicamente la primera parte de su intervención. O sea, sobre todo tomando en cuenta el aumento de cuota, etc. hasta el gasto público perseguido por varios países miembros. Sin la última parte, para compaginar lo que se ha dicho en la Comisión II con lo que diríamos en esta Comisión. ¿No sería posible esto?

**Hannu HALINEN (Finland):** I have a comment on the last sentence of paragraph 2, where we are starting the sentence with the reference "with a view to reaching consensus it was proposed .." etc. I think the report would reflect what had happened more correctly if, instead of this, we said that the Commission, after a vote, proposed that the Working Capital Fund, etc. My delegation was one of those who voted for this resolution. I should like to point out this fact. I think this would reflect the facts if, instead of beginning with the words "with a view to reaching consensus", we deleted this part and said instead that the Commission, after a vote, proposed -

**CHAIRMAN:** I wonder if you would be kind enough to repeat your suggestion, please?

**Hannu HALINEN (Finland):** I suggest that we delete from the beginning of the last sentence in paragraph 2 the words "with a view to reaching consensus it was" - we should include "was" - and instead have the text "the Commission, after a vote," and then continue the rest of the sentence as it is.

**CHAIRMAN:** Before we deal with this suggested amendment, we should try to sort out the amendment suggested by Canada, otherwise we shall become confused. After the discussion on the Canadian proposal, do I take it there is no strong objection to the insertion of the Canadian proposal?

**Elio PASCARELLI (Chairman, Drafting Committee):** In this Committee we came to the conclusion that the Conference adopted the following resolution. That: means the resolution is presented for adoption. We wrote "The majority of Member Nations" and we gave four lines. Then we gave about three times that much to the minorities. If you go on, I will put: my own objection and I will come back to 26 million. I think this is a disproportionate representation of minority views. That is why I am firmly opposed, but you can put it to the vote.

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** The delegate of Canada has suggested a considerable amendment consisting of two parts. I do not know whether if, in the second part of this amendment, he is not under a false impression. The way I wrote down his text when he dictated it, he said in the second part of his amendment that a number of members could not approve the increase of the Programme of Work and Budget because no preparations were made as regards anticipated shortfalls in income. Quite a few Member States used this argument, whereby they rejected the next budget, but I think these member countries did not argue that the increase of the Programme of Work and Budget should be rejected for these precise reasons. Basically, they pointed out that an increase in the Programme of Work and Budget would not be necessary. Also, it does not give the necessary financial security to our Organization. Therefore, I think the discussions in our Commission could best be reflected if in the Canadian proposal we were to leave out the second part. I cannot object to the first part of his amendment, but I could not accept the second part.

**Sra. María Eulalia JIMENEZ (El Salvador):** El delegado de Alemania acaba de plantear lo que ya mi delegación había planteado anteriormente. Creo que reflejaríamos mejor los debates de nuestra Comisión si dejáramos la propuesta de Canadá solamente en su primera parte, por los motivos que ya el delegado de Alemania ha expresado.

Por otra parte, no es aquí donde discutimos el Programa de Labores y Presupuesto; se ha discutido en la Comisión II. Creo que estamos discutiendo sobre la reposición del Fondo de Operaciones y podríamos dejar la primera parte de la propuesta de Canadá sin ningún problema si eliminamos la segunda. No tendríamos ningún inconveniente.

**A. Daniel WEYGANDT (United States of America):** I would like to make a general observation. First, although we have always had a very high regard for our Drafting Committee Chairman, I am struck by the fact that as soon as he gets angry, it starts to rain. That suggests he has powers beyond those of the normal delegate. Nevertheless I have to correct slightly what he has just said about what we did in the Drafting Committee. I believe that at least myself and perhaps some other Members of the Committee pointed out that the report before us was very short and that we expected that we might have some problems getting everyone to agree to it in the Commission. I would like to mention that we in the Drafting Committee were operating under tremendous time pressures and we in the Commission also are operating under tremendous time pressures. It seems to me that the only way we can fulfil our obligation to the Plenary, is to be tolerant, if you will, of the views of delegates who feel that their views have not been reflected fully here.

So I think that as we get into some of the other more difficult items ahead of us, we should bear that in mind. I am not addressing any particular suggestions made here, but I think we have to recall that this was all done rather hastily. We should understand that when we adopt the report.

**CHAIRMAN:** Thank you very much for your constructive and conciliatory remarks. I am inclined to take up your suggestion that we should bear in mind that we are working under constraints and should try to strike a balance or reach a compromise as soon as possible.

**T.F.F. MALUZA (Zambia):** It appears that the first part of the Canadian amendment is acceptable and that the second part is causing a lot of problems. We should try to solve the problems. The sentence starts, "In the view of a few countries", so I am posing a question to you: how many countries is a few? I think that if we can resolve that, we can either accept this or re-amend the sentence to read that two, one or some "delegates said that..." If it was said, then we have to reflect it.

If it was not said, then we should delete the whole sentence. If it was said then we should not delete it unless those who said it are not really keen about it. We can find out from the Secretariat about the number of people who said that, if it was one delegate, why not just say "one delegate said", or that that, was the view of one delegate?

**Sra. Mery Cecilia HURTADO SALAMANCA (Colombia):** Muy brevemente, para apoyar a la Delegada de El Salvador para que se suprima la segunda parte de la propuesta presentada por la Delegación de Canada.

**CHAIRMAN:** Since we have heard quite a number of countries voicing their desire that the first part of the Canadian amendment should be acceptable, while having some difficulty with the second part, I should just like to pose a question to the delegate of Canada as to whether it is acceptable to him to delete the second part, as suggested by quite a number of countries in the interests of this Commission and with the time constraints that we have.

**John LYNCH (Canada):** Although my delegation said it and I think that at least one other delegation said it, in the interests of time we shall delete it.

**CHAIRMAN:** Thank you for your understanding.

**Ronald DEARE (United Kingdom):** Since the delegate of Canada has withdrawn his proposal, I shall not insist on it. But just let me remind the meeting that we were one of the delegations which said what was in this amendment. It is on page 34 of C 87/III/PV/7.

**CHAIRMAN:** Then it is decided that we delete the second part of the Canadian amendment. Maybe the matter is not settled yet.

**Jean-Luc GRAEVE (France):** Je voudrais soutenir l'amendement finlandais. Il semble qu'il faut, à la fin du paragraphe 2, rappeler les faits..

**CHAIRMAN:** I am sorry, we have not come to that yet because the matter of the Canadian amendment is still not resolved. There is an objection from the Chairman of the Drafting Committee.

**Elio PASCARELLI (Chairman, Drafting Committee):** I am again not speaking for Italy. We tried to balance the minority views and gave them ample room. If every single minority view has to be reflected here, I as Chairman do not feel satisfied. I do not know about the members of my Committee, they said it would cause trouble, we know it will cause trouble but we have the ultimate weapon of the vote and we shall see what the majority accept. We gave enough, ample satisfaction for all the proposals made to me and none of these proposals was made in the Committee.

POINT OF ORDER  
POINT D'ORDRE  
PUNTO DE ORDEN

**Ronald DEARE (United Kingdom):** I would just like to ask the Chairman of the Drafting Committee a question. Does he speak on behalf of this Commission, on behalf of us all, both points of view, or is he speaking on behalf of the majority? I am rather confused.

**Elio PASCARELLI (Chairman, Drafting Committee):** It is my duty to present the report in the name of the whole Committee and to justify why we added the views of the majority and the minority, That is relevant. What is my position? We said, "the majority of Member Nations" and we gave three and a half lines to that, then we gave nine lines to the minority. Then finally we gave the draft resolution. Do you think we should give ten times the views of the minority and once only the views of the majority? As Chairman of the Drafting Committee I think we should keep a balance and that was difficult for us. If every minority view has to be reflected in here, we should have a whole volume; we have the verbatim, the verbatim is there and the footnotes and reservations.

**CHAIRMAN:** It looks as if this matter still does not have your agreement. I should like to give the floor to a few more speakers, after which I shall have no recourse but to put the matter to a vote.

**John LYNCH (Canada):** First of all, I think we have to look at this in the light of the two paragraphs. There is paragraph one in which there is an explanation of the reasons why this increase in Working Capital Fund was being sought. I think that paragraph puts the view of those countries which supported the proposal. Then we have paragraph 2 which puts the views of those countries which did not support the proposal. I think if you look at them in terms of their length, they are almost balanced.

I am asking to put forward a statement which I and other delegations made and which is an explanation of one of the factors which is already there. I have already quite willingly compromised and deleted half my proposed addition. I think it is unfair, inappropriate and unprofessional for the Chairman of the Drafting Committee at this stage to be asking a Member State which can justify its position to withdraw.

When I made my withdrawal, I did it in the interests of time, I thought we were immediately going to pass on. I think that is what we should do now, we should pass on.

**T.F.F. MALUZA (Zambia):** My delegation regrets that if this is the way we are going to operate here, then we are in for a big problem. My delegation does not believe that the Drafting Committee is infallible. The Drafting Committee prepares a report for us, the Commission is the sovereign body. So we have to discuss the report of the Drafting Committee and if members want to change anything, it is up to Member countries to do so.

What has happened now is that after the Commission has actually adopted the amendment the Chairman of the Drafting Committee has come to speak against the adoption of the amendment but I do not know whether he is talking as Chairman of the Drafting Committee or as the delegate of Italy.

I think it is not fair. Once the Commission agrees then we should move ahead. I did not hear any objection from the floor and if the Chairman was speaking as the Chairman, then I think his job finished when the Commission adopted that amendment. Otherwise, Mr Chairman, you have to be firm, or we shall have problems here.

**CHAIRMAN:** Thank you. please bear with me while I try to verify whether we have enough of a quorum for a vote.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**A. Daniel WEYGANDT (United States of America):** Mr Chairman, did I hear you say that you were wondering whether we had a quorum for a vote? It seems to me that if the vote is on the adoption of the report, we do not need a quorum because we are approving this. To approve the report you do not need a majority in the first place, therefore, a vote is the same as taking a decision. If my understanding of the rules is correct, you need a majority to take a decision. You do not need a majority to adopt the report. Therefore, if you vote in the course of adopting the report you still do not need a quorum, that would be my guess. I do not think we need to have a voting quorum to decide this matter, if that is what you were seeking a quorum for. That is my view.

**CHAIRMAN:** Thank you for your point of order on which I think I have to seek the guidance of Legal Counsel. Can you please enlighten us, Mr Roche?

**LEGAL COUNSEL:** You are taking a decision as to what you are putting in the Report. But it strikes me from the last interventions from various delegations that you do not need to vote anyway, because it was my understanding that after some discussion the delegate of Canada withdrew the second part of his proposal. I think the first part of his proposal found general acceptance. If that is correct, as one of the other delegations suggested earlier on, you could proceed to the next paragraph, assuming that it is agreed by the Commission that everything is kept with the addition of the first Canadian amendment. However, I see the delegate of El Salvador still wishes to take the floor, so maybe the situation is not quite as simple as it seems.

**Sra. María Eulalia JIMENEZ (El Salvador):** .Realmente mi delegación quería apoyar lo que está diciendo el señor Roche. Hemos entendido que hemos llegado a una discusión sobre este asunto. La Delegación de Canadá, en un gesto de buena voluntad, retiró su segunda parte atendiendo a los elementos de juicio que aquí se plantearon, y como bien dijo creo que el delegado de Zambia, la Comisión es soberana para cambiar cualquier cosa que el Comité de Redaccio'n nos haya mandado. Si no, no habría necesidad de aprobar el informe por parte de la Comisión.

Otra cosa que quería preguntar es: ¿Qué es lo que vamos a votar cuando usted planteo' que queríamos quorum? Creo que hemos llegado a un consenso sobre este párrafo. Pasemos a la propuesta de Finlandia y cerremos este asunto.

**Assefa YILALA (Ethiopia):** I too agree with the proposal made by the delegate of El Salvador, but in doing so I feel I should make some remarks with regard to what happened in the Drafting Committee and also concerning a point that was mentioned by Ambassador Pascarelli earlier. This view was proposed by Canada, and a different form was presented in the document, and in the Committee we agreed that this was the view of a few members of the Commission and we left it out; but in the interests of some member countries, to which this draft report has been proposed, we feel it is not fair to say that a member country wishes to include a certain item that was raised during the discussion should not be in the Report. So I would agree with the proposal that was made.

I also feel that the matter has been discussed and there was no objection as far as the first part of the amendment is concerned. I think, instead of spending time on the second paragraph, we should move to the third paragraph.

**CHAIRMAN:** Thank you very much for all your indulgence. I think Ambassador Pascarelli has consented to the proposal, especially if the second part of the sentence proposed by Canada is deleted

In that case, we now have agreement and we can move on to the amendment suggested by Finland on the same paragraph.

Before going further, for the benefit of the Commission I will read out Finland's suggestion. This concerns the last sentence of paragraph 2 in which it is proposed the phrase "With a view to reaching a consensus" is deleted and replaced by "The Commission, after a vote, proposed that the Working Capital Fund be increased to US\$ 17 million as from 1 January 1988 and US\$ 20 million as from 1 January 1989." Could I have comments on this proposal, please.

**Ronald DEARE (United Kingdom):** I support the amendment.

**Miss Janet Lesley TOMI (Australia):** I also support this amendment.

**Antonio C. De ALMEIDA RIBEIRO (Portugal):** I should also like to support this amendment. It is very correct.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** I think a slight correction would be useful here. As I recall it, the vote was taken on the very issue of the US\$ 17 million. Therefore, rather than use the word "proposed" probably "agreed" would be better, since the change in wording would say "The Commission, after a vote, proposed", but the proposal came before the vote, so it would probably be better to substitute the word "agreed" for "proposed".

**Jean-Luc GRAEVE (France):** De même que pour l'amendement finlandais, je crois que nous devons rappeler qu'il y a eu un vote sur le Compte de réserve spécial. Alors je ne sais où mettre l'amendement mais il faut indiquer qu'il y a eu un vote et qu'ensuite il a été décidé.

**CHAIRMAN:** Are there any more comments?

**Ronald DEARE (United Kingdom):** Of course, the French delegation has a point. It is the same point as was discussed on the Working Capital Fund. I do not quite see where it can be worked in here, but perhaps our Secretariat colleagues might be able to help us.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** If you were to insert the words "after a vote" in paragraph 6 I think they must come in the third line after the word "assessments" but before "the Conference decided". It would then read "... further assessments. after a vote, the Conference decided", and go on from there. I think that is the proper place for it.

**Ronald DEARE (United Kingdom):** On a point of information, I suppose having sat through the 1985 Conference I should know the answer but I do not. This language is all in terms of the Conference not of the Commission. Do we have to reflect here what the Commission did or are we looking ahead at what the Conference will do, because on all these Resolutions it seems to me that we have had a vote in the Commission? We still have to have votes on some Resolutions, but there will be votes



again in the Conference, and with the amendment which has just been made we have "after the vote the Conference decided that the best solution ..". I am sure that is very prescient and that is what is going to happen, but what we want to get in here is a reference to the fact that the Commission also had a vote. We have it in paragraph 2, as amended; we do not have it in this paragraph. I do not have a form of words, but perhaps I can appeal to our Secretariat colleagues, who must have encountered this problem before.

**Manuel DE GUZMAN PEREZ (Ecuador):** Es para una cuestión de orden. En relación con el asunto que estamos discutiendo, efectivamente Francia tiene razón al haber sugerido que debe hacerse constar que hubo una votación. A mi manera de ver pienso que debería insertarse un texto en el que se diga que "La Comisión, después de un largo debate y por rotación sobre los posibles medios de reponer esta cuenta especial de reserva, etc." decidió tal cosa.

**LEGAL COUNSEL:** The practice of the Organization is to draft the Reports in the Commission as they would be adopted by the Conference, so you do not reflect, for instance - this is mainly in reply to the delegate of Spain, I think it was - that there was a vote in the Commission and that there was a vote later in the Conference. What is reflected in the Conference Report is the final decision of the Conference. If something occurs in the Plenary which is not reflected in the Report as submitted to it by the Commission, the Conference Report is amended accordingly. But the style in which the Commission drafts its Report is exactly as if it were the Conference in Plenary Session.

**CHAIRMAN:** I think that clarifies a lot of the questions that we had in our minds.

**Ronald DEARE (United Kingdom):** I am grateful to Mr Roche for that clarification. This is much clearer now. However, what it means is that the amendment we just made to paragraph 2 is superfluous, and that we need to take another look at that, at least to remove the reference to the Commission, if my understanding of what Mr Roche said is right, because we have now said "The Commission, after a vote, agreed that the Working Capital Fund ..". We were told that we do not reflect votes in the Commissions, and in any event it is my presumption that the Commission did not agree anything. The Commission agreed to put this proposal to the Conference, and the Conference will take the decision.

I do not want to delay our proceedings, but I really think in the interests of accuracy we ought to take another look at paragraph 2.

While I have the floor, could I just check one point with the Legal Counsel. He mentioned that if events which are not foreshadowed here take place in the Plenary, such as a vote, the Report is amended. Would I be correct in assuming that in the case of this particular item, the Special Reserve Account, there would be an amendment to paragraph 8 which would in effect give the results of the vote and then the Resolution?

**CHAIRMAN:** Thank you very much for pointing out that little discrepancy. I would like to refer again to the Legal Counsel and ask whether the wording that we have decided upon in paragraph 2 is contrary to the normal practice.

**LEGAL COUNSEL:** The delegate of the United Kingdom is quite correct. We should not refer in the Report of the Conference to various preliminary steps in the procedure such as votes in the Commission. It is written in the name of the Conference itself. For example, in the event that there were no vote in the Commission, and that a vote took place in plenary, this could be reflected in so far as it is necessary to do so, in the Report of the Conference, or if delegates wish it to be reflected.

I think that is all I need to say at this stage. Briefly, we do not refer to the Commission in the Draft Report as adopted by the Commission.

**CHAIRMAN:** In that case, may I have a proposal to correct this small mistake? Perhaps the Secretariat can make a suggestion.

**Elio PASCARELLI (Chairman, Drafting Committee):** When this point arose in the Committee, we did find this formula acceptable, exactly because of what Mr Roche has just said. We could not mention the Commission so we said, with a view to reaching a consensus. That is impersonal.

On this point, may I comment that the consensus was an attempt made by some of us in the Commission to reflect in the Report the two extremes.

One Member was in favour of US\$ 26 million - I do not want to mention which one - but it was not the only one, there were many more. Others were for a middle way, which was found in between the US\$ 20 million and US\$ 26 million in the biennium. Finally, that was the consensus that was found. So we think that we have been extremely fair in reporting all of these troubles, and I think the best solution would be "with a view to reaching a consensus", because this proposal did not satisfy some of us.

**A. Daniel WEYGANDT (United States of America):** I wanted to take the floor for some time to try and explain that we had discussed at great lengths in the Drafting Committee how we were going to go about doing this. I had wanted to take the floor to warn against adopting the amendment in paragraph 2 because it does confuse things. I think what we have to do is to go back to the original text as much as possible. Certainly we have to retain the "view" proposed because, after all, the following paragraph then says the Conference "adopted". It seems to me that it is inevitable that what we will ultimately have is, "following a vote the Conference adopted", because I am sure there will be a vote in this Conference.

**Sra. María Eulalia JIMENEZ (El Salvador):** Estoy completamente de acuerdo con lo que ha expresado el representante de los Estados Unidos respecto al párrafo 2. Creo que sería más conveniente dejar la redacción como estaba originalmente, y posteriormente, si durante la Conferencia, llegáramos a votación, se podría incluir un párrafo en el que se especifique por votación si esto es así. Que yo sepa, las resoluciones se votan normalmente.

**Hannu HALINEN (Finland):** In the spirit of compromise, I will withdraw my suggestion if that is the practice in this Organization. However, from my experience in other United Nations organizations I feel that in some cases perhaps it would be good for us to reflect the discussions, the essential parts thereof, in the lower level of bodies, in our final report. It would be giving more information, and on that basis I made my suggestion. But if the practice now in this Organization is as was stated by the Legal Counsel, I will not dispute that.

**CHAIRMAN:** Thank you very much for your understanding in withdrawing your suggestion.

**Jean-Luc GRAEVE (France):** Je suis un peu perplexe sur la manière dont nous menons nos travaux. Nous avons adopté un amendement, tout à l'heure, à la fin du paragraphe 2, ensuite la Commission était d'accord, puis on est passé au paragraphe 6, on s'est aperçu qu'il y avait une erreur technique au paragraphe 2, qu'il fallait parler non pas de la Commission mais de la Conférence. Très bien. Donc c'était une simple erreur de rédaction à corriger. Et ensuite on remet en cause l'ensemble de la rédaction, ce qui a été adopté peu de temps avant par la Commission. C'est vraiment une démarche circulaire, on n'en finira pas!

Maintenant, je reparle des propos tenus par M. Roche. En quelque sorte, notre Commission anticipe la résolution, les décisions de la Conférence, nous préparons les travaux de la Conférence, donc nous faisons comme si nos travaux anticipaient exactement les résultats de la Conférence, et si à la plénière il se passe quelque chose de nouveau, eh bien on modifiera notre texte. Qu'est-ce qui s'est passé à la Commission? On a voté, il n'y a pas eu de consensus; admettons que la même chose se passe en plénière, si en plénière il n'y a pas de vote et s'il y a un consensus, on changera le texte, mais ne changeons pas à l'avance de texte, étant donné qu'il faut partir de ce qui s'est réellement passé, à savoir qu'il n'y a pas eu de consensus. Et il n'y a pas de raison d'ailleurs de penser qu'il y en aura davantage en plénière, donc ce que je propose c'est de revenir au texte tel qu'il avait été adopté, à un moment donné par notre Commission, où l'on supprimait "pour permettre un consensus", mais que l'on corrige l'erreur technique qui était de mettre "la Commission", gardons "la Conférence". C'est un second amendement utile que proposaient les Etats-Unis, mais n'anticipons pas un consensus, qui a priori, n'existe pas.

**CHAIRMAN:** Thank you for your very constructive opinion. I assure you that I am in no way confused about the way we proceeded, because we adopted paragraph 2 on the basis that we thought the amendment suggested by Finland was a good way and had been agreed by a number of people, until it was pointed out by the United Kingdom and clarified by Mr Roche. In that case, we made the suggested correction. We are not going in circles. We have to correct whatever mistakes we have made. I think that is normal procedure.

I think we will adopt paragraph 2 as the original text, especially with regard to the last sentence, but we will not mention the vote.

**Jean-Luc GRAEVE (France):** C'est ma première Conférence, donc vous excuserez les ignorances que je peux avoir, mais si nous faisons comme il est proposé, et que nous parlions d'un consensus et que nous anticipions le consensus, en quelque sorte, les Etats qui n'ont pas modifié leur position en deux ou trois jours, vous les appelez en quelque sorte en séance plénière qu'il n'y a pas eu de consensus. Je croyais que le but était que la Conférence adopte le plus rapidement possible les rapports préparés par les Commissions. Alors je ne sais pas si c'est vraiment une manière d'accélérer les travaux de l'ensemble de la Conférence. Je pose la question. Si la coutume est de ne pas refléter exactement les travaux de la Commission, mais il faudra faire alors une rectification en plénière. Est-ce utile?

**Sra. María Eulalia JIMENEZ (El Salvador):** Verdaderamente, la situación no es muy fácil, pero el delegado de Francia menciona que no podemos adelantar el hecho de que va a haber un Consejo, pero tampoco podemos adelantar el hecho de que va a haber una votación. Pudiera ser que no tuviéramos necesidad de la votación en la Conferencia. Es mejor dejarla abierta en la Conferencia para dar un consenso y llegar a esta decisión, y si hay necesidad de votación durante el Plenario, lo agregamos en el informe, o sea, o una cosa u otra, es exactamente igual. No podemos adelantar que va a haber un consenso, como no podemos adelantar que va a haber una votación.

**A. Daniel WEYGANDT (United States of America):** I think the delegate of France has pointed out a problem that can be easily solved by a simple drafting amendment, and that would be to replace the expression "reaching a consensus" by substituting "with a view to achieving the broadest possible support." That does not prejudice reaching a consensus or not. I think that was the spirit in which the amendment was put forward. Maybe I am overly optimistic, but it seems to me that should solve the concern about the particular use of the word "consensus", and I think it has a nice ring to it, if I may say so. I think that by substituting "achieving the broadest possible support" we could solve the problem and could proceed to the remainder of the report.

**CHAIRMAN:** Having heard the arguments, I wonder if the latest suggestion by the delegate of the United States is acceptable to the delegates of France and El Salvador.

**Jean-Luc GRAEVE (France):** Oui

**Sra. María Eulalia JIMENEZ (El Salvador):** sí

**THE CHAIRMAN:** I see some agreement in that respect. We could delete the word "consensus" and substitute therefore "wider support". If there is no objection, we will adopt paragraph 2. I see no objection.

Paragraphs 1 to 2, as amended, approved

Les paragraphes 1 à 2, ainsi amendés, sont approuvés

Los párrafos la 2, así enmendados, son aprobados

Paragraph 3, including draft resolution, approved

Le paragraphe 3,y compris le projet de résolution, est approuvé

El párrafo 3, incluido el proyecto de resolución, es aprobado

PARAGRAPHS 4 TU 8 INCLUDING DRAFT RESOLUTION

PARAGRAPHERS 4 A 8 Y COMPRIS LE PROJET DE RESOLUTION

PARRAFOS 4 A 8,INCLUIDO EL PROYECTO DE RESOLUCION

**CHAIRMAN:** We come now to Item 25.3, Replenishment of the Special Reserve Account. Paragraph 4: any objection? It is approved. Paragraph 5: any objection? It is approved. Paragraph 6? There was a suggestion by the delegate of the United States for an amendment. I wonder if the delegate of the United States would be kind enough to clarify that amendment.

**A. Daniel WEYGANDT (United States of America):** I think it might be clearer if I read the paragraph from the beginning and then I will point out what it is that I am substituting: "Following extensive discussion on possible ways to replenish the Special Reserve Account, and with many delegations objecting to the replenishment by further assessments, it was proposed, as recommended by the Council, to replenish the Account. I am suggesting deletion of the phrase "the Conference decided that the best solution", and the word "was", and add in place of that "it was proposed."

It may not follow tremendously well from the logic of the beginning of the sentence, but I think it gets over the hurdle, and I do not think that we need to spend too much more time trying to reformulate the beautiful English wording.

**Sra. María Eulalia JIMENEZ (El Salvador):** Respecto al párrafo 6, también estaría de acuerdo en que lo planteáramos como lo expreso el delegado de los Estados Unidos, dejándolo de conformidad con la recomendación del Consejo.

**Elio PASCARELLI (Chairman, Drafting Committee):** I do not wish to contribute to prolonging the deliberations, but I want to say that I do like the formula of the delegate of the United States, who was a member of the Drafting Committee. In the Committee there were no objections from anyone to this paragraph. We worked on it together, but I must recognize that I told the delegate of the United States that he would be defended by his Chairman if he made a proposal for a change in the meeting of the Commission. Therefore, I say that to oblige.

**Gonzalo BULA HOYOS (Colombia):** El colega Pascarelli, Presidente del Comité de Redacción, tiene razón a nuestro juicio. Pensábamos que este párrafo estaba redactado de manera cuidadosa y equilibrada. Antes de anunciar la decisión de la Conferencia, se reconoce que hubo oposición de muchas delegaciones. De manera que sería difícil aceptar cambios que puedan inducirnos a un debate excesivamente controvertido. Convendría adoptarlo tal como está.

**Ronald DEARE (United Kingdom):** In order to save the concern of the Chairman of the Drafting Committee, I shall adopt this proposed recommendation as my own because I think it is eminently sensible in the light of what we have just discussed in relation to paragraph 2. The amendment originally proposed by the delegation of the United States - and now proposed by the delegation of the United Kingdom - is simply designed to avoid the difficulty into which we ran on paragraph 2. It in no way affects the sense of the sentence: it simply brings it into line with the situation which we have decided applies at this stage of the report in relation to the recommendation in paragraph 2, and it brings this particular recommendation into line. I therefore urge that we adopt it - and get on with the real business of this afternoon.

**CHAIRMAN:** There seems to be a divergence of opinion in this case, although very few members have spoken. I would like to have some idea of the views of others.

**John LYNCH (Canada):** After my first intervention, as I sit back here waiting for the last paragraph, which is the only other time I shall intervene, I can only say that after having listened to the various speakers we support the United Kingdom.

**Gonzalo BULA HOYOS (Colombia):** ¿Podría acaso leerse la propuesta del Reino Unido lentamente indicando la redacción y el sitio?

**Ronald DEARE (United Kingdom):** The amendment occurs in about the middle of the first sentence of paragraph 6. There, there is a phrase beginning "and with many delegations objecting to the replenishment by further assessment": delete "the Conference decided that the best solution", and substitute "it was proposed"; leave in "as recommended by the Council" and delete "was". So, in the English version it would read from the beginning of the paragraph: "Following extensive discussion on possible ways to replenish the Special Reserve Account, and with many delegations objecting to the replenishment by further assessments it was proposed as recommended by the Council to replenish the Account with a special assessment ..", and the paragraph then continues as in the original text.

**Gonzalo BULA HOYOS (Colombia):** Creemos que habría incoherencia si aceptásemos una redacción del párrafo 6 con la sola expresión de proponer y luego adoptásemos la resolución respectiva. Sin embargo, para avanzar, para tratar de lograr compromisos, podríamos aceptar la propuesta del Reino Unido, pero en vez de "se propuso", "se acordó que"; no se propuso porque hubo un acuerdo y por eso aparece el proyecto de resolución en el texto; se acordó. Espero que en esto haya también concesiones de la otra parte porque estamos tratando de lograr compromisos que nos permitan avanzar.

**CHAIRMAN:** Is that agreeable to the United Kingdom?

**Ronald DEARE (United Kingdom):** I am sorry, but I cannot agree with my distinguished friend from Colombia. What we are trying to do here is to bring the language of paragraph 6 into line with the language which we have already all agreed was appropriate in paragraph 2, where we said "With a view to reaching wide support it was proposed.." and then, after that, we go on to say, "The Conference adopted the following Resolution:". I am not a star gazer, but I am pretty confident that that will have to be amended by the addition of the words "after a vote".

The same applies to paragraph 6. We are trying to bring paragraph 6 into line with paragraph 2 by saying "It was proposed", and eventually paragraph 8 will say "The Conference, after a vote, adopted.." - the decision is in the Resolution.

**Gonzalo BULA HOYOS (Colombia):** Nos extraña verdaderamente que no se acoja nuestro gesto de buena voluntad. No podemos seguir proponiendo en cada párrafo. En el párrafo 2 aceptamos ya esa transacción, pero creemos que ahora estamos en la etapa de presentar un informe. El informe no recoge propuestas; el informe recoge decisiones obtenidas a base de las propuestas que se hicieron, y yo creo que esto es claro. Habíamos aceptado que se dijera "se acordó", pero ahora sólo aceptamos la redacción original "La Conferencia decidió". Las delegaciones que no estén de acuerdo con este texto, pueden dejar sus reservas.

**Ms Josephine KAMSVAG (New Zealand):** The New Zealand delegation supports the amendment to paragraph 6 as proposed by the United Kingdom, as this is in line with the amendment and wording agreed to in paragraph 2.

**Jean-Luc GRAEVE (France):** Je voudrais également soutenir l'amendement britannique. Il s'agit réellement d'harmoniser une rédaction qui a été jugée logique et convenant aux usages de notre Conférence.

A partir du moment où la rédaction a été jugée convenable à un point donné et que le problème est exactement le même, il n'y a pas de raison de la changer.

**Elio PASCARELLI (Chairman, Drafting Committee):** So as to avoid the conclusion which sharply offended my feelings - and I hope someone will repent of it- this is the Chairman of a Committee who tells you that this is a false parallel because in the first case, paragraph 2, we - because I was included - were trying to reach a consensus or a wide support. There was no recommendation of the Council. Here we do have a recommendation of the Council - so I cannot see that we can talk about "propose" when we have a recommendation of the Council. The Council did not propose - it recommended. We accept the recommendation of the Council: we do not propose. So that is a false parallel - false.

**Sra. María Eulalia JIMENEZ (El Salvador):** Simplemente para apoyar lo mencionado por el Delegado de Colombia. Aunque él ha retirado su propuesta, yo la repropondría nuevamente a la Comisión. Sería posible que pongamos "acordó" ya que estamos aprobando la Resolución en el párrafo 8. No veo cuál es el problema de poder aprobar un párrafo con "acordó que tal como recomendó el Consejo", ya tenemos una recomendación del Consejo que nos sustenta.

**Mounir KHORAYCH (Liban) (Langue originale arabe):** Il existe un point qui n'est pas clair pour moi: le Conseil juridique avait déjà mentionné que le texte qui nous est soumis et qui a été rédigé en tant que Commission indépendante reflète ce que la Conférence dira.

Le texte du paragraphe 6, si nous l'adoptons conformément à ce qu'on a proposé, revient à la commission et par conséquent on ne peut pas dire "on propose" au paragraphe 6 et dire en même temps au paragraphe 8 "la Conférence a adopté".

Le paragraphe 6 reflète ce que la commission a dit alors que le paragraphe 8 reflète ce que la Conférence a adopté.

Pour conséquent, j'estime que la proposition du délégué de Colombie, à savoir que "la Conférence a décidé" est conforme au texte de ce rapport.

**LEGAL COUNSEL:** If I may say so, I think your Commission is making very heavy weather of this, to me, relatively simple proposition. It is agreed that we do not reflect every step in the evolution which leads to the Conference decisions. The Resolution is in paragraph 8: "The Conference adopted the following resolution:"The words leading up to it - or rather the paragraphs leading up to it - obviously require a certain logical sequence, and I have some difficulty in seeing that paragraph 6 would be inconsistent with paragraph 2, which was adopted previously, because the Conference decides what is the best way of taking the necessary action. The logical sequence, although interrupted in what one might call a parenthesis in paragraph 7, is paragraph 8. The Conference decided, in paragraph 6, what had to be done, and therefore went on to adopt the Resolution which is reflected in paragraph 8.

So I think that we are perhaps going around in circles, where the text seems fairly straightforward -at least, to me.

**Sra. Doña Silvia CARBALLO VIVES (Cuba):** Después de escuchar las aclaraciones que nos ha vuelto a hacer el Asesor Jurídico, estamos completamente de acuerdo con la propuesta de la distinguida delegación de Colombia. Dejar el párrafo tal como está propuesto aquí en este proyecto que nos dice "la Conferencia decidió", ya que la palabra "sugirió" no refleja en realidad lo que hemos debatido aquí en esta Comisión ni está en concordancia con el párrafo 8.

**Germán CAKRASGO DOMINGUEZ (Chile):** Mi delegación también suscribe lo que acaba de decir la delegación de Cuba que en realidad suscribe lo que acaba de decir el Consejero Jurídico de la Organización. Este párrafo refleja exactamente lo que ocurrió. Fue la Conferencia la que decidió reponer la cuenta. Eso es lo que ocurrió es lo que dice aquí el Proyecto de Informe.

**John NG'ONGOLO (Tanzania):** I support the proposal put forward by Colombia to leave paragraph 6 as it was before, but I am worried about the word "many" in the second line of the paragraph. I do not recall that it was many delegations that objected to the replenishment of the Reserve Account. What I remember is that a few delegations objected to the replenishment of the Reserve Account. That is why the Conference decided as recommended by the Council. I would propose that the word "many" should be deleted and that instead it should say "a few delegations".

**T.F.F. MALUZA (Zambia):** It appears that my flag is too small. I think I would request the Secretariat to give me a much bigger flag so that it can be easily seen. Since I have been asking for the floor for a long time, my views have changed, in the light of what Cuba and the Legal Counsel have said. I think the best way for this House is to adopt the paragraph as presented to us by the Drafting Committee.

**Pedro SEBASTIÃO (Angola):** Nous sommes aussi d'accord pour adopter cette proposition telle qu'elle nous a été soumise. Donc, nous sommes d'accord avec la délégation de la Colombie.

**Assefa YILALA (Ethiopia):** We also should like to support the proposal made by the distinguished Ambassador of Colombia.

**Ronald DEARE (United Kingdom):** I must say I am a little baffled. It seems to me that the Conference does not actually decide anything until it adopts the Resolution, and the Resolution is the last act of the Conference on this particular item. It is the last paragraph in this Report, so everything leading up to the Resolution pre-dates the adoption. I may be illogical, but it seems to me that, until you get to that point, you have not decided anything. But, in the interests of saving time, since obviously the majority of my colleagues are not particularly interested in logic this afternoon, I will withdraw my amendment on the understanding that we do not touch the word "many" in that paragraph because "many" actually does reflect very accurately what happened in the discussions on this item in the Commission.

**CHAIRMAN:** If that is agreeable, we can adopt the Report as it was originally agreed. I recognize the delegate of the United States.

**A. Daniel WEYGANDT (United States of America):** I am happy to get this over and done with. I would just like to say that, if anyone really thinks about it, they will recognize that there cannot be any difference between proposing something and agreeing to something. Obviously, you do not propose something unless you agree to it. The only reason that this language was put forward in the first place was to make a logical connection between the two issues, and I reject emphatically that there is a false parallel between these two questions. I do not want to start a discussion on this, but it seems to me that we have the same situation pertaining, and it seems to me we are wasting an awful lot of time here. I will, for my part, refrain from making any more positive constructive suggestions because it does not do a damn bit of good.

**Gonzalo BULA HOYOS (Colombia):** Señor Presidente, quiero agradecer el gesto constructivo de colega del Reino Unido, y pedirle, de manera cordial y respetuosa a mi amigo Daniel Weygandt de los Estados Unidos que trate de entender nuestra posición y que no crea, en ningún momento que menospreciamos y desatendemos aquellas propuestas que generalmente sabemos que ellos las hacen con ánimo constructivo pero que a veces no reflejan un debate sobre un punto. Con estas palabras espero que se pueda aceptar el párrafo 6, inclusive con la referencia a "muchas delegaciones" que como lo demuestra este mismo momento en esta sala no corresponde a la verdad. Sin embargo, queremos dar esa satisfacción al Reino Unido y a los Estados Unidos, adoptemos así el párrafo 6 y pasemos al párrafo 7.

**CHAIRMAN:** Paragraph 6 is approved. We go to paragraph 7. I see no objections.

Paragraphs 4 to 7 approved

Les paragraphes 4 à 7 sont approuvés

Los Párrafos 4 a 7 son aprobados



Paragraph 8, with a Resolution on the replenishment of the Special Reserve Account for 1988/89: no objection.

Paragraph 8, including draft resolution, approved

Le paragraphe 8, y compris le projet de résolution, est approuvé

El párrafo 8, incluido el proyecto de resolución, es aprobado

**CHAIRMAN:** We come to Item 25.5, Headquarters Accomodations.

Paragraphs 9 to 13 approved

Les paragraphes 9 à 13 sont approuvés

Los párrafos 9 a 13 son aprobados

**CHAIRMAN:** We come now to Item 25.6 Personnel Matters.

PARAGRAPHS 14 to 18

PARAGRAPHERS 14 à 18

PÁRRAFOS 14 a 18

**Ms Janet Lesley TOMI (Australia):** In paragraph 17 (ii) it says: "Those Member Nations who were represented in the Fifth Committee of the General Assembly would alert their delegations to the need to improve the conditions of employment of staff;". Australia is a member who is represented in the Fifth Committee. My only concern is that I would prefer that after saying.." to the need to improve the conditions of employment of staff" it should say "within the common system". I would have difficulty accepting this phraseology without adding "within the common system".

**Rainer PRESTIEN (Germany, Federal Republic of) (original language German):** I support the proposal of Australia.

**Gonzalo BULA HOYOS (Colombia):** Aunque parece innecesario, queremos también apoyar la propuesta australiana, que es constructiva, y que refleja la realidad: la paridad que se aplica a estas condiciones de servicio en todo el sistema de las Naciones Unidas.

**J. Augusto DE MEDICIS (Brazil):** I think we should adjust our text here. All Member Nations are represented in the Fifth Committee of the General Assembly of the United Nations. They are represented in the Committee of the General Assembly. The Committees of the General Assembly are open committees. All Member Nations of the United Nations are present on those committees. I think we should change that. All Member Nations should alert their delegations in the Fifth Committee, rather than put it that way.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** The delegate from Brazil is certainly correct in saying that all members of the Fifth Committee are members of the General Assembly, but there is a very slight difference in the membership of the General Assembly and the membership of the FAO. I think there are six members that are different, and therefore there is just a slight distinction between both the membership in the Fifth Committee and the membership here, so there needed to be some qualification.

**Koo Bum SHIN (Republic of Korea):** I do not have any intention to propose an amendment to this paragraph, but, as you know, we expressed our deep sympathy and concern, having listened to the address given by the Secretary-General of the APS, so I should like to know, concerning paragraph (iv), whether the Director-General has already sent a telegram to the Secretary-General of the United Nations on behalf of this Conference.

**Dean K. CROWTHER (Assistant Director-General, Administration and Finance Department):** Since the request is being made by the Conference, and therefore the Conference must adopt this Report, let me assure the distinguished representative that the telegram has been prepared and is ready for signature, but until the Report is adopted it cannot be sent.

**CHAIRMAN:** I believe there is no objection to the amendment proposed by Australia. In that case, we adopt paragraph 17. Paragraph 18? No objections.

Paragraphs 14 to 18, as amended, approved  
Les paragraphes 14 à 18, ainsi amendés, sont approuvés  
Los párrafos 14 a 18, así enmendados, son aprobados

**J. LYNCH (Canada):** I will save you time, Mr Chairman. It is a proposal for an additional paragraph, 19. It is a small item but one which is of considerable concern to my country. We would propose adding a very short paragraph to deal with a subject which we raised under this item of Personnel Matters, along the lines of: "A few delegations, while noting the United Nations General Assembly target figure of 30 percent of women professionals in the UN Secretariat by the year 1990, sought information regarding the employment of women at the professional level within the FAO Secretariat."

**J. Augusto DE MEDICIS (Brazil):** First, allow me to admit my mistake in my previous intervention. I did not realize the difference between the membership of FAO and the membership of the UN.

Second, I think we should change that to "many delegations" because you will recall that a great many delegations spoke on behalf of this proposal. My delegation spoke on that, and I feel that rather than "a few" it should be "many" delegations.

**Mrs Astrid BERGQUIST (Sweden):** My delegation wish to support the Canadian proposal as amended by Brazil. I have no objections to stating "many" instead of "a few".

**Clifton E. MAYNARD (Barbados):** My delegation would like to support the Canadian proposal, whether it be a few, many, some or whichever way it is written.

**Sra. María Eulalia JIMENEZ (El Salvador):** Brevemente para apoyar la propuesta hecha por el Delegado de Canadá con la modificación planteada por el delegado de Brasil.

**A. H. COPPER (Netherlands):** As you know, it is the standing policy of the Dutch government to support the increasing number of women in international organizations. We have expressed these objectives many times. We fully support the new paragraph proposed by Canada, and instead of "a few" delegations, we propose "several", and then as was suggested by Canada.

**Gonzalo BULA HOYOS (Colombia):** Sr. Presidente, parece evidente que son muchísimas las delegaciones que están en favor del contenido de esta adición, pero el último delegado va más allá, como yo lo dije también en mi declaración.

Si el colega de Canadá me lo permite, yo quisiera completar la idea que él expreso porque pensamos que no basta haber pedido informes. Pedíamos agregar, después de la propuesta de Canadá, "y pidieron que ese porcentaje trate de reflejarse en el personal de la FAO". Esto completa la idea porque no solamente pedimos información, sino que tratamos de que se aumente. La relación es más flexible "tratar". Espero que esto no moleste a la Secretaría de la FAO.

**CHAIRMAN:** Are there any comments on the further addition as proposed by Colombia? If there are none, then I take it there is a consensus to the addition suggested by Canada, with a further addition by Colombia. It is decided that there is a new paragraph, 19.

Draft Report of Commission III, Part 2, as amended, was adopted  
Projet de rapport de la Commission III, partie 2, ainsi amende., est adopté  
El proyecto de informe de la Comisión III, parte 2, así enmendado, es aprobado

Jozef Wiejacz, Chairman of Commission III, took the Chair  
Jozef Wiejacz, Président de la Commission III, assume la présidence  
Ocupa la presidencia Jozef Wiejacz, Presidente de la Comisión III

PART III - CONSTITUTIONAL AND ADMINISTRATIVE MATTERS (continued)

PARTIE III - QUESTIONS CONSTITUTIONNELLES ET ADMINISTRATIVES (suite)

PARTE III - ASUNTOS CONSTITUCIONALES Y ADMINISTRATIVOS (continuación)

B. Administrative and Financial Matters (continued)

B. Questions administratives et financières (suite)

B. Otros asuntos administrativos y financieros (continuación)

25. Other Administrative and Financial Matters (continued)

25. Autres questions administratives et financières (suite)

25. Otros asuntos administrativos y financieros (continuación)

25.4. Other Measures to deal with Budgetary Uncertainties (continued)

25.4. Autres mesures destinées à faire face aux incertitudes budgétaires (suite)

25.4. Otras medidas para hacer frente a las incertidumbres presupuestarias (continuación)

**CHAIRMAN:** We now come back to Item 25.4, Other Measures to deal with Budgetary Uncertainties. I would inform you that we have the situation where our interpreters are ready to work for us until 18.45. D.m. unless of course there is the need to stay longer, but I hope this will not be the case. I count on your cooperation.

I would recall that we have spent quite a long time on this item. There was a lengthy discussion and many clarifications were given.

I also wish to appeal to all of you to stay in the hall because we expect to have the vote and we need a quorum of course.

I remember that when we last discussed this item certain delegations made reservations to come back and speak on it. Are there any delegates who wish to speak on this item? This is item C 87/LIM/9, the draft resolution contained in this document.

I do not see any speakers. I would ask the Secretariat to count how many delegations are present.

**A.H. COPPER' (Netherlands):** Mr Chairman, are you asking us again to discuss document C 87/LIM/9 which has already been discussed, or are you asking for any new comments?

**CHAIRMAN:** I am not of course trying to reopen the discussion on that item. As I said, it has already taken place.

Unfortunately, we do not have enough delegations in order to vote. We will make certain efforts to increase the number of delegations. In the meantime, maybe there are some other comments on document C 87/LIM/14?

**Ronald DEARE (United Kingdom):** We do not have any comments on these documents. We think we have all had ample time and opportunity in which to make our comments. I was just going to say that, although the light is on for the red room, they are in recess there. I wondered if there was some way of appealing to members there to move over here to give us the quorum.

**CHAIRMAN:** Thank you very much, we are going to follow your good advice. .

Of course, under this item we cannot foresee that we shall have a quorum within a few minutes so we shall also not vote on this resolution but I would remind delegates that this item has not been discussed by the Commission. So there is a proposal on my side that we should devote a certain time to discussing the Draft Resolution under Item 22.3 with the understanding that without a quorum we cannot take a decision, although this resolution will be passed for decision to the Plenary Session. Are there any remarks or objections to this proposal? I do not see any. Who would like to speak on this item. I shall ask Mr Roche to make his introductory remarks.

I have a proposal to make, to save your time and ours. As we have no quorum, we cannot take a decision on these draft resolutions contained in document C 87/LIM/9, C 87/LIM/14 and the Supplement. So we propose not to take a decision in the Commission and to pass it directly to the Plenary Session, with a proposal to vote on this document in the Plenary Session. If I see no objections we shall do that. I see none.

A. Constitutional and Legal Matters (continued)

A. Questions constitutionnelles et juridiques (suite)

A. Asuntos constitucionales y jurídicos (continuación)

22. Other Constitutional and Legal Matters (continued)

22. Autres questions constitutionnelles et juridiques (suite)

22. Otros asuntos constitucionales y jurídicos (continuación)

22.1. Procedure for the Election of the Chairmen and Members of the Programme Committee and Finance Committee (continued)

22.1. Procédure à suivre pour l'élection des présidents et des membres du Comité du programme et du Comité financier (suite)

22.1 Procedimiento de elección de los presidentes y los miembros de los Comités del Programa y de Finanzas (continuación)

**LEGAL COUNSEL:** In view of the time constraints I shall present this item in a somewhat summary form. The item relates to the procedure for the election of the chairmen and members of the Programme Committee and the Finance Committee. The documents which relate to this item are C 87/LIM/8, C 87/LIM/43 and C 87/LIM/46.

Document C 87/LIM/8 is an extract from the report of the Ninety-second Session of the Council held earlier this month. C 87/LIM/43 is a draft resolution which has been presented by the delegation of Italy, and document C 87/LIM/46 is the Eighth Report of the Resolutions Committee, and contains certain observations on the Draft Resolution set out in C 87/LIM/43, as well as a slightly revised presentation of the amendment to the General Rules of the Organization proposed in C 87/LIM/43.

To sum up very briefly what the issue actually is, in 1985 when the Council proceeded to the election of the members of the Finance Committee, one of the regions which had put up a candidate was not elected. As a consequence, this matter was considered by the Council on three occasions. The nub of the problem was whether the General Rules of the Organization which apply to the election of the members of the Finance Committee - it is, in fact, Rule XXVII paragraph three - and also the similar procedure set out in Rule XXVI paragraph three, relating to the Programme Committee, should be amended to guarantee that every region that wished to be represented would be represented. Some delegations<sup>^</sup> were in favour of amending the Regulations.

The other proposal was that, rather than amend the General Rules to achieve this objective, the matter should be left entirely to coordination among the various regions, and also within the regions as far as rotation was concerned.

No consensus was reached on the first two rounds of the discussions in the Council as to which of these two solutions was preferable. The Council referred the matter back to the CCLM at its 91st Session, asking the CCLM to endeavour to find a solution which would lead to a consensus in the Council. The proposal of the CCLM, which was endorsed by the Council, was to take an intermediate course of action whereby the Conference would adopt a resolution affirming certain principles.

If you look at document C 87/LIM/8 you will see the summary of the Council's deliberations ;on this matter, and on page three of the English text there is a Draft Resolution recommended by the Council containing the principles that the Conference would endorse. The three operative paragraphs read that the Conference decides: "1. To affirm the need for just and equitable representation of the various regions on the Programme Committee and the Finance Committee; 2. To underline that an essential element of such representation - that is to say just and equitable representation - "is that all regions that so wish are in fact represented on the Committees; and 3. That members of the Council should bear the above in mind, as well as the importance of securing equitable rotation among the countries constituting each region, when electing the chairmen and members of the two Committees in accordance with Rules XXVI.3 and XXVII.3 respectively."

That is the proposal that was submitted to you by the Council.

In document C 87/LIM/43, which has been proposed by the delegation of Italy, a substantially different approach has been adopted. The delegation of Italy has proposed the amendment of the General Rules of the Organization, but only in so far as the Finance Committee is concerned. Hence, it would be an amendment to Rule XXVII. The proposal sets out in detail the amendment. needed to achieve the objectives described in the Council's Report, which I have just quoted, and how the election procedure would be changed. Rather than go into a description of this proposal, let me just say that, having elected the Chairman, there would be a first round whereby there would be an election for one member for each region except the region from which the Chairman had been elected.

The second round would be to elect four members, one from Europe and three from the second group of regions, and I should draw your attention to the fact that this amendment also necessarily implies an increase of two members of the Finance Committee. One would be allocated to the region of Europe; the other additional seat would be allocated the the group of regions which is composed of Africa, Asia and the Pacific, the Near East, and Latin America and the Caribbean.

The issue, therefore,that you have before you is whether you wish to choose the course of action recommended by the Council, or whether you wish to choose the course of action recommended by Italy, as proposed in document C 87/LIM/43, with the observations of the Resolutions Committee in C 87/LIM/46.

**Elio PASCARELLI (Italy):** I think it is my duty to state first of all that I made it clear at the very beginning of one of these Commission meetings that it would not be called the Draft Resolution proposed by the delegation of Italy, but just "a proposal" until we found sponsors. At the state of affairs here, I see that my country is still singled out, which we do not like.

The reason why this proposal was tabled by Italy, waiting for sponsors, was sufficiently' clearly explained when we said that, however respectable, principles established by the Council had not been respected and we had no warranty that they would be respected by the Council members.

The main reason is the lack of sufficient posts for Europe. This is the fourth time that Europe has had more candidates than posts. We do not want to argue about specific weight, because we are all equal, but for God's sake, we have 29 countries and we have 1 seat. North America has 50 states plus 1, thus 2 countries and one post, and we have never contested that. The South West Pacific has one seat and 8 states, and we never contested that. What we were not satisfied with was the practical course of affairs, because for four successive elections some Europeans have had to make way for others, except on the last occasion. On the last occasion Italy, having been beaten once, and having been forced to renounce other times, after 40 years of not being minor donors to this Organization -I think you have some proof that we are not a minor donor in this Organization - notwithstanding the fact that we do not flood the Secretariat with papers but with a million dollars, this time again we find that the consultation was not even tried. After two months of our name being known to our group another name came out, which we have nothing to object to except what I said in the Conference: there is no seat. If we want to respect the principle of one seat to each region, there is no seat for the latecomer.

In view of the fact that we do not want to displace any country from the same continent as ours, in view of the fact that our donations are quite substantial and this candidate represents a very important group of European countries, we thought that this solution might avoid the risk that one region is not represented. I am not sure that my fellow candidate from Europe will fall - not at all. I would rather be in doubt about whether the remaining regions would be represented. That would be a tragedy that we want to prevent, so we put forward a proposal.

The proposal became a resolution sponsored by Italy dot dot dot. Nobody authorized the Secretariat to put a bracket, so the dots should be there. As such, I do not accept there should be dots, and we accept to be a sponsor of the Resolution if we find at least one sponsor for Africa, one sponsor for Latin America, one sponsor for the Near East, one sponsor for Asia and one other sponsor for Europe.

Much to my regret, the only interested country was so terribly proud and sure of being elected that they refused to co-sponsor. God bless them! I would not be so sure.

Now, Mr Chairman, may I for practical purposes ask you to relieve me from the task of further explaining that the consultation, advice by the Council, did not work; and may I ask you kindly, if sponsors are present here tonight and they lend their name, to allow me to defend and participate in the debate; otherwise I withdraw the Resolution.

**CHAIRMAN:** I think the statement by the delegate of Italy was very clear, so I would like to ask whether there are countries willing to co-sponsor this Draft Resolution.

Before that, I recognize that certain delegations have already asked for the floor. Colombia was the first.

**Gonzalo BULA HOYOS (Colombia):** Cuenta la historia que hasta los amores apasionados suelen llegar a su final. En esta Conferencia, hemos tratado de estar a la par del Osear de la velocidad de que nos hablara el Embajador Pascarelli, hace poco, pasando de una sala a otra para apoyar a nuestro distinguido colega Pascarelli de Italia. Pero esta vez, tenemos que abandonarle. Pensamos que el LIM/8 constituye el máximo que ha podido dar el Consejo a través del asesoramiento del CACS durante dos años, entre 1985 y 1987, y este Proyecto de Resolución es el resultado de un proceso decantado y estudiado detenidamente, que es lo único que podremos aprobar.

Es muy tarde; yo también estoy cansado. Podría hablar muchísimo sobre esto. En primer lugar, estoy seguro de que el Embajador Pascarelli está guiado por buena voluntad y no por circunstancias coyunturales, no obstante que en su declaración incurriera en algunas referencias que no podrían ayudar sus buenos propósitos.

Hace once años, cuando el Embajador Pascarelli tal vez estaba empezando a perder sus primeros cabellos, se introdujo una reforma en la composición de los Comités del Programa y de Finanzas que hasta ese año, 1976, era elegido a base estrictamente personal y sin representación geográfica definida. Pero ese acuerdo se obtuvo no en tres o cuatro días, como ahora se pretende hacernos aprobar una propuesta, sino a lo largo de un proceso intenso de consultas entre los representantes de todas las Regiones.

Fue así como se llegó a lo que está operante hoy. En relación con los Comités del Programa y de Finanzas, este punto como ningún otro, impone esas consultas porque justamente se hace referencia a la manera como están representados en esos Comités las distintas Regiones de la FAO. No se puede improvisar.

El propio Embajador Pascarelli ha confesado, con la sinceridad que le caracteriza, que sus consultas no han dado buen resultado. Todo esto conllevaría, como lo anotó el Comité de Resoluciones en el C 87/LIM/46 y como lo ha explicado el Sr. Roche, Consejero Jurídico, a una serie de complicaciones a menos de veinticuatro horas, por lo menos esperamos, de concluir esta Conferencia; a la suspensión del Reglamento, a aprobar un texto que no ha sido revisado por el CACJ que implica aumento de gastos en el presupuesto. Además, yo creo que el Embajador Pascarelli sin duda cuando hizo sus estudios, sobresalía mucho en literatura y otras materias, pero tal vez era poco aplicado en Aritmética porque si la composición actual del Comité de Finanzas es seis y tres, no se puede proponer un aumento que no corresponda a esa proporción.

De manera que en caso de que fuese viable esa propuesta, sería obviamente, manteniendo la misma proporción: dos para el grupo de los países en desarrollo, y uno para el grupo de los países industrializados. Aun así, Señor Presidente, eso traería problemas en este momento, porque el grupo de los países en desarrollo hizo esfuerzos y se puso de acuerdo para presentar un número de candidatos al Comité de Finanzas igual al que corresponde a nuestras regiones. De manera, que no es sensato tratar de arreglar el problema en una región para crear dificultades en otras regiones.

Pensamos Señor Presidente que esta es una buena idea, que debemos conservarla en nuestras mentes, y aun en el informe, como una iniciativa, como una propuesta y seguirla estudiando en los dos años que vienen para, después de una meditación serena, juiciosa y atinada tomar la decisión en la Conferencia.

Siento mucho, Señor Presidente, haber hablado con franqueza y no nos extendemos más por lo tardío de la hora, pero esa es nuestra posición.

**Sra. Maria E. JIMENEZ (EL Salvador)** : La Delegación de El Salvador quiere manifestar que, por principio, apoya la solución de compromiso que está contenida en el documento C 87/LIM/8, o sea el proyecto de resolución que ha sido examinado por el Comité de Asuntos Constitucionales y Jurídicos, por el Consejo y remitido a esta Conferencia. Decimos por principio porque mi delegación, El Salvador, es miembro del Comité de Asuntos Constitucionales y Jurídicos y en su oportunidad aprobó este proyecto de resolución. Sin embargo, no debemos tener la mente cerrada a cuestiones que podrían mejorar nuestra Organización; estamos de acuerdo con la última parte de la declaración hecha por el Delegado de Colombia en el sentido de que la propuesta que ha hecho el Delegado de Italia, podría ser analizada por los órganos competentes y en este caso se podría remitir, como bien lo dice el C 87/LIM/46 en su Artículo 5 para su examen, al Comité de Asuntos Constitucionales y Jurídicos para que analice este proyecto de Resolución presentado por Italia.

Queremos de jar constancia, desde ahora, que estamos completamente de acuerdo con que si se va a hacer un incremento de miembros en el Comité de Finanzas tendría que ser proporcional a la relación que existe en este momento; o sea, 4 para el primer grupo de países y 8 para el segundo grupo de países, porque, Señor Presidente, el primer grupo de países, si vamos a relacionar los miembros que componen esas regiones, ese primer grupo, repito tiene 40 países; el segundo tiene 118, Señor Presidente. O sea, las regiones de Africa, Asia, el Cercano Oriente y América Latina están compuestas por 118 países. Si lográramos una proporción justa tendríamos que tener 12 miembros para estas regiones y 4 para el primer grupo de países. Sin embargo, nos parece que la proporción hasta ahora mantenida de 3 a 6 se podría continuar manteniendo con 8 y 4.

**Atif Y. BUKHARX (Saudi Arabia, Kingdom of) (original language Arabic):** We should like to begin by thanking our colleague, Ambassador. Pascarelli. He has done a praiseworthy job in order to find a solution to a problem that one of the groups might be facing. Within the Resolutions Committee we have already discussed this issue. We examined this Resolution as a matter of fact, and there is a report prepared by the Resolutions Committee. That report has been distributed, and we should like you to take a look at it before reaching any decision on this Resolution before us, whether you are going to accept it or reject it.

This question certainly does deserve careful scrutiny. This Resolution should be taken into account because of the very positive aspects it contains. Nevertheless, I would like to mention that we have a document before the Conference, C 87/LIM/8, which gives us an account of the legal procedure covering these two committees, the Finance Committee and the Programme Committee. It covers the question of their Chairmen and Members. In adopting this Resolution we do not know whether it would be incompatible with the terms of that document.

The delegation of the Kingdom of Saudi Arabia has absolutely no objection to this Resolution. We would suggest that the number for the Group of 77 be eight and for the OECD Group, four. If this proposal is acceptable, we certainly could accept this Resolution.

**Mrs Astrid BERGQUIST (Sweden):** My delegation certainly appreciates the efforts of Ambassador Pascarelli to find a solution to a matter that has been a problem for some time, but I am afraid that my delegation has considerable problems with the resolution as proposed by Italy.

The text as amended by the Resolutions Committee does not, I am afraid, make it any easier for us, although we certainly share some of the concerns raised by the Resolutions Committee.

Last time, as was pointed out by the delegate of Colombia, the rules guiding the Finance Committee together with that of the Programme Committee were reviewed and changed after very careful consideration, taking quite a long time in a special group of which my country was a member. If I remember correctly, that group was chaired by the delegate of Colombia in his then capacity as Independent Chairman of the Council. And we are now rather concerned that we would be asked to adopt a change of the basic text without this matter having been considered carefully by the Members, and also we do not benefit from the comments of the CCLM.

When it comes to changes in the constitution of the basic text, I think we need to do that only after careful consideration. I do not question the need for the review of the Finance Committee and the Programme Committee. The Nordic Countries have asked for such a review of such aspects of our Organization in order to make it more effective in the years to come. But we feel that at this stage we would not be able to support the Resolution as tabled in C 87/LIM/43 and amended by the Resolutions Committee, C 87/LIM/46. On the contrary, we could give our support to the Resolution already adopted by the Council in C 87/LIM/8.

POINT OF ORDER

POINT D'ORDRE

PUNTO DE ORDEN

**Elio PASCARELLI (Italy):** I do not like this resolution to be called a resolution of Italy. Please, I withdraw unless I find a sponsor. Why should we go on wasting time with a debate?

**CHAIRMAN:** If Ambassador Pascarelli prefers not to call this resolution a resolution of Italy, please follow that request.



**A.H. COPPER (Netherlands):** I did not mention a resolution of Italy. I listened with interest to the statement of the delegate of Italy regarding the resolution presented by Italy, or whatever it is called. But I wonder if this resolution is replacing the draft Resolution as presented by document in C 87/LIM/8, with which we have no difficulty, or are we discussing both? That is my first question.

We have no difficulty with document C 87/LIM/8, and in general we have no difficulties with the resolution presented by the delegate of Italy, but we have a few observations regarding the remarks made. I want to put on the record, in view of the remarks of a few countries who also contribute largely to FAO, that the Netherlands consistently during its participation in FAO has always supported FAO, and has been one of the largest donors in the multi-bilateral programme. This year we have been surpassed by Italy in the trust fund contributions. Therefore, I congratulate Ambassador Pascarelli for that, because I think Italy is a larger country than the Netherlands and it would be a shame if the Netherlands had been the largest multi-bilateral donor.

**Sra. María Eulalia JIMENEZ (El Salvador):** Disculpe que le pida nuevamente el uso de la palabra, pero es que quería llamar la atención a la Comisión en lo que dijo el delegado de Arabia Saudita. Tenemos ante nosotros el documento C 87/LIM/46, que es el octavo informe del Comité de Resoluciones, en el cual dicho Comité hizo un análisis pormenorizado de la resolución presentada por el delegado de Italia.

En el artículo 4 se menciona que, "en vista de que el plazo para la presentación de candidaturas para este bienio ya pasó, la aplicación inmediata de esta resolución no sería posible". En ese caso, creo que sería más conveniente que remitamos esto al Comité de Asuntos Constitucionales y Jurídicos para que lo analice durante este bienio, para que durante la próxima Conferencia nos presente un análisis de la cuestión sobre la base de la resolución presentada por Italia.

El delegado de Italia dijo hace poco que retiraba su resolución. Nosotros estimamos que el contenido de la misma no hay que dejarlo perder. Se podría aprovechar. Únicamente no es el momento apropiado para hacerlo. Podríamos obtener en el futuro, con un análisis adecuado, que este cambio se logre en los reglamentos para que se consiga una representación equitativa de todos los países miembros de la FAO en los Comités de Finanzas y del Programa, pero no es el momento adecuado. Remitámoslo al Comité de Asuntos Constitucionales y Jurídicos y veamos si durante la próxima Conferencia podemos tomar una decisión sobre esto.

**CHAIRMAN:** Before giving the floor to the United States delegation I would remark that it would now be very difficult to withdraw "the resolution of the Italian delegation", since it is not an Italian draft resolution! But we shall find the solution, because international practice is very rich -sometimes. Delegations and conferences are discussing documents that I call "non documents", papers which are not papers - so I am sure that we will find a solution to this problem!

**A. Daniel WEYGANDT (United States of America):** I am beginning to think, Mr Chairman, that your wit is exceeded only by your wisdom! It is in fact very difficult to know exactly what we are supposed to talk about, and I was tempted to ask you informally for a point of order because it is not clear to me how we should proceed. It seems fairly clear, in the light of what our distinguished colleague from Italy has said that there is not a consensus, at least yet, and a resolution will not be formally submitted to the Commission.' In those circumstances, I am wondering how to express myself, because my opinion differs about the content of this from some of the previous speakers. I don't want to talk about the resolution, but in the interests of a full record of this discussion I have to record my view that in the event that somewhere down the line there might be a possible expansion of the Finance Committee, my delegation emphatically does not support the idea that it should be on the basis of four to eight. It seems important to record that at this point, to highlight the fact that any negotiations about this would be quite complicated and difficult, and I think beyond the scope of the time that we have available to us.

I would like to confine my comments to C 87/LIM/8 and say that since we commenced our discussions last week and a number of delegates at that point indicated their support for it, I have yet to hear any delegation say that they oppose the resolution contained in C 87/LIM/8. That is not perhaps surprising - but I do want to record the fact in the Commission that even though we support this resolution, my delegation continues to have some difficulties with the fact that there is no provision in it for guaranteeing regional representation. This is a point to which we attach great importance and it is certainly a point contained in the "non-resolution" in C 87/LIM/43, and it is that point which I think we perhaps could profitably study in the CCLM. But I do not think that we have any kind of consensus from this Commission about the actual expansion of the Finance Committee, and therefore, if we are giving a mandate to the CCLM, I think we have to be very careful at least as to charging CCLM with anything particular at all, and therefore I am not at all convinced that we should remand this to the CCLM.

I would point out, however, that in paragraph 5 of C 87/LIM/8, there is in my opinion a very important clause which is to remind the Commission, and ultimately the Conference, that should the solution envisaged in the C 87/LIM/8 resolution not prove to be effective, we should have to reconsider the matter. So, with that in mind, perhaps this discussion has not been completely in vain. We have had an exchange of views and in the unfortunate event of the solution proposed in the document - which I think most, or even all, members here supported - not proving effective we have now. I think some basis on which to proceed in the future; but, until it becomes clear that this solution is not effective, I think it is premature to remand the issue to the CCLM.

**LEGAL COUNSEL:** I would like to address one particular aspect which has just been referred to by the United States delegation. As you are aware, the CCLM is not a policy-making adviser - it would advise on the legal texts, which should be prepared to reflect the policy decisions taken by either the Council or the Conference. In this respect I would submit that it would be preferable for any future discussions on this particular item, including the size of the Finance Committee, to be first discussed by the Council, in order that the Council can determine what it wants to achieve, and then - but only then - would it refer the matter to the CCLM with a view to the CCLM preparing the appropriate texts for endorsement by the Council and eventual approval by the Conference at a future session.

**Ms Anne Lise PETERSEN (Denmark):** The Danish delegation would like to fully support the comments made by the delegate of Sweden. As a member of the Council, the Danish delegation has already supported the compromise text contained in C 87/LIM/8.

**Gonzalo BULA HOYOS (Colombia):** Señor Presidente, yo se que usted es un Presidente excelente y que sin duda va a presentar un resumen pertinente de este debate, pero sin embargo quisiera tratar de ayudarle, señor Presidente, sobre todo después de la declaración de nuestro Consejero Legal.

Estoy de acuerdo con lo que ha dicho nuestro colega Weygandt, de Estados Unidos, en el sentido de que el C 87/LIM/8 puede que todavía no logre alcanzar el propósito que persiguen algunos representantes de gobiernos, pero como pareció dejarlo entender el colega de los Estados Unidos, él reconoce, señor Presidente - como lo dije yo antes - que este proyecto de resolución del LIM/8 es el resultado de dos ocasiones en las cuales el Consejo se ocupó de este asunto, y en ambas ocasiones recibió la asesoría del CACJ. De modo que, en cuanto a nuestra manera de proceder, entendemos que no hay objeción para que se adopte el proyecto de resolución contenido en el LIM/8.

Luego, señor Presidente - y aquí en este caso sí quiero que mi delegación se una a la del Embajador Pascarelli - diríamos en nuestro informe simplemente lo siguiente: "Algunas delegaciones consideraron que había llegado el momento de revisar la composición, la forma de elección y la representación geográfica de los Comités del Programa y de Finanzas."

Creo, señor Presidente, que los Comités del Programa y de Finanzas, que son los dos órganos asesores más importantes del Consejo, no pueden tocarse separadamente. Esto lo demuestra la experiencia del pasado. La colega Astrid, de Suecia, se refirió a los detalles, en los cuales yo no quise entrar por modestia personal a pesar de que fui no solamente testigo, sino actor - y muy importante - en el proceso que llevó a la modificación que rige actualmente.

Después de expresar que algunas delegaciones manifestaron ese deseo de que se revisen esos aspectos a que me he referido, la Conferencia consideró que no había tiempo para tomar una decisión al respecto. Yo traslado este asunto al Consejo. El Consejo, si lo considerara oportuno, se ocupará del fondo de la cuestión y para los aspectos legales contará el Consejo con la asesoría del CACJ.

Pensamos también que la Conferencia debe recomendar algo que es muy importante, señor Presidente, y que es generalmente conocido, como que todo este proceso debe adelantarse a través de consultas pertinentes y adecuadas entre todos los grupos regionales vinculados a esta iniciativa.

**T.F.F. MALUZA (Zambia):** My delegation is one of those who do not fully agree with the compromise resolution contained in C 87/LIM/8, mainly because it does not guarantee regional representation. We believe that we must find a way in which every region which wants to be represented should be represented and this is not to be found in C 87/LIM/8. Even in the forthcoming elections, if all the regions will be represented equitably, I am sure that it will be by pure luck and not by design. In this respect we really congratulate the delegation of Italy for the bold move he has taken in giving us the resolution in C 87/LIM/43.

We recognize that according to the Resolutions Committee there is not much time for us to actually decide on this matter. I think however that we can agree with the Legal Counsel that the time has come for us as a Conference, or as a Commission, to give a clear mandate to the Council (of which Zambia is a member) as to what is the next move. We feel that the next thing to be done is to agree that a change must come, and that the change can only come by increasing the number of representatives on both the Finance and Programme Committees. That should be the first step: that we should agree to have a change, and that it should be by increasing the number.

Secondly, the Legal Committee should now look at the question of how this should be done. We seem now to have a good framework - the numbers which are reflected in C 87/LIM/43 are not, I know, acceptable to all delegations, but we have some basis on which to work.

**Ronald DEARE (United Kingdom):** My delegation has no difficulty in supporting the resolution contained in C 87/LIM/8, but I have to say that it remains a matter of regret to us that it has not been possible to find a solution that guarantees a place on both the Finance Committee and the Programme Committee for a region which wishes to have one.

In this respect we very much share the thoughts expressed by the distinguished delegate of Zambia, and we certainly believe that it will be necessary to return to this issue - which I emphasize is not an issue between the OECD and G 77 countries.

Two of the regions of this Organization are mixed regions composed from members from both OECD and G.77. I would not comment on the "non-Italian" Resolution, particularly as I assume that it is not any longer before us, except to say that we share the view of the United States in that, if it were proposed to proceed along this track, we could certainly support a ratio of 7 to 4, as proposed in the Resolution. We would have great difficulty with the suggestion that has been made about a ratio of 8 to 4.

**Hidayat Ganda ATMADJA (Indonesia):** I will give my opinion on C 87/LIM/43. My delegation has studied the proposal of the Draft Resolution presented by the delegate of Italy, or from wherever. We are of the view that the proposal is realistic enough, which is intended for a more equitable distribution in the country representation on the Finance Committee, both by region as well as by group of countries. The proposal, I believe, provides room for more participation of member countries in financial deliberations of the Organization, while at the same time maintaining considerations of

effectiveness and efficiency. We believe that the proposal deserves support as far as my country is concerned. However, we should not like to see the change of representation in the Finance Committee creating a new problem or tension among the regions due to inequitable balance in the increase of the Finance Committee membership. We are therefore prepared to support the Resolution, provided the increase of membership becomes 4 from OECD and 8 from developing regions.

**Sra. Maria E. JIMENEZ (El Salvador):** Brevemente, mi delegación quería apoyar la propuesta que hizo hace poco el delegado de Colombia. Tanto el delegado de Colombia, como Estados Unidos, como el Asesor Legal, nos han ilustrado sobre los mecanismos adecuados para que esta cuestión se siga estudiando. Es importante que dejemos planteado esto, que planteemos el resultado en nuestros debates, como dijo el delegado de Colombia, y que lo encomendemos a los órganos que corresponda para que esta cuestión se siga analizando.

**J. LYNCH (Canada):** I will be relatively brief but, given our experience two years ago, it would, I think, be unseemly if we did not make a comment. First, we have a problem, and that problem has not been solved. The problem is expressed in its most visible sense by the fact that a region that contributes more than 23 percent of the budget of this Organization is not represented in any way on the Finance Committee of the FAO. However, given the problems which have been identified in this debate, it appears that the only solution open to us at this particular Conference is that found in LIM/8, and we would be willing to accept it.

**Mrs Kate ABANKWA (Ghana):** Briefly, my delegation sees no objection to the Draft Resolution in C 87/LIM/8. However, my delegation is of the view that there is also increased interest on the part of a number of countries in the second group of countries, just as in the first group of countries. This is because the deliberations of the Finance Committee have effect on the programmes of interest today. Therefore, as stated by the delegate of Colombia and supported by others, if Group 1, which originally had three members on the Finance Committee, is to be given one additional seat, then it will be fair and logical to give two additional seats to Group 2, which originally had six seats. My delegation cannot, therefore, support Resolution C 87/LIM/43.

My delegation is also of the view that the question of expanding the Finance Committee should be further studied by the Council.

**Elio PASCARELLI (Italy):** As a free man, Mr Chairman, because I am not proposing any resolution, I think I can give my advice. Italy was represented in the CCLM, and, as Dr Roche just said, they do not aim to make political decisions, because that is not their duty. They did a wonderful job. They submitted to the Council three alternatives. We, as host country, as a member country of the Council, chose the third alternative, and we would have expected this choice to be enacted by a very simple change to Rule XXVII which, according to the Regulation, is possible even tonight, and by an extension of the terms, because we have to allow for this if, as we proposed, as a certain country proposed, the number of the members of the Finance Committee in view of the very difficult financial problems that are expected in the next biennium. I expanded on it yesterday. We think the time is sufficient. 24 hours are long enough to present new candidatures.

Let me make a little brag, I have the highest esteem for my distinguished colleague from Colombia, but he does not know that I studied mathematics for four years at university level, I almost hold a degree in engineering and I am a permanent army officer of artillery: I could hit his head from here, but I will not do it. He knows that mathematics are sometimes empoisoned by politics. I know exactly that six is twice three, so it will be extremely easy to say that eight is twice four. The only question I have for the members of the Group of 77 who were sitting in that committee on a draft resolution is: why did they not do it then?

**Mounir KHORAYCH (Liban) (langue originale Arabe):** Après tout ce que nous avons entendu à ce sujet, je serai très bref dans mes propos. Ce sur quoi je voudrais concentrer mon propos, c'est le fait que ce sujet, semble-t-il, à cette heure, n'est pas assez mûr pour permettre qu'une décision véritable soit prise maintenant, surtout après ce qui a été dit dans le document C 87/LIM/46. Il nous semble donc plus opportun de poursuivre l'examen de cette question au sein du CQCJ, et le résultat de cet examen serait soumis à la prochaine conférence.

**Clifton E. MAYNARD (Barbados):** This delegation regrets that this problem, which arose after the last Conference, which is to some extent reflected in document C 87/LIM/8 was not satisfactorily resolved because the solution proposed in the Resolution attached to document C 87/LIM/8 is only one part of the solution. It seems to me that the proposal which is presented in document C 87/LIM/43 goes a long way towards resolving the problem, because I must emphasize that, for as long as there has been international organizations, the principle of equitable geographic distribution in those bodies has been understood and accepted. Therefore, for me, the Finance Committee and Programme Committee have always been organized to the disadvantage of that principle. Therefore, my delegation would have been happy to support C 87/LIM/43 and even co-sponsor it had it been amended to show eight seats for the second group of states, because that would be reflective of the equitable geographic distribution. This Conference must not decide that things that happen in other fora of international organizations do not apply - particularly important principles. It seems to me that there is still a great deal of work to be done on this. While, for the moment, one can accept the solution proposed in C 87/LIM/8, it seems to me that the proposal by the distinguished representative of Colombia is the only way out, but I would emphasize - because this delegation would not be present when the Council or any other subsidiary body is looking at this question - that a solution which does not involve the principle of equitable geographic distribution will not be acceptable to this delegation. We can therefore support the resolution in C 87/LIM/8, emphasizing that paragraph 3 of that resolution is a very important principle from which we must not depart. I would therefore suggest that we adopt the solution, insofar as C 87/LIM/43 is concerned, that has been proposed by the representative of Colombia.

**Manuel DE GUZMAN PEREZ (Ecuador):** La verdad es que usted, cuando se inició esta reunión, empezó indicando que lamentablemente no teníamos el quorum como para poder tomar una resolución sobre el tema, pero usted había indicado que habría un debate que en mi concepto ha sido muy útil, porque se ha logrado determinar cuál es, más o menos, el ambiente que existe respecto de las dos proposiciones sometidas a consideración de la Sala.

E'n función de ahorrar tiempo, Sr. Presidente, yo propongo que al presente momento usted se sirva dar por concluido el debate, remitir el proyecto de las dos resoluciones a la Conferencia para que allá pueda nuevamente instaurarse el debate pertinente y se tome la votación. Esta es una propuesta que mi delegación le hace en atención del ahorro de tiempo.

**Akbar Mirza KHALEELI (India):** The suggestion of the representative of Barbados that the principle of proper regional and geographical group distribution needs to be respected. To the extent that document C 87/LIM/43 goes in that direction, we would be inclined to support it. I think the developing group of countries would require eight from the second group in the Finance Committee for a proper distribution. To that extent we would be prepared to go along with the proposal.

**LEGAL COUNSEL:** Mr Chairman, before you sum up and in order to assist the Secretariat in preparing the report on this discussion - which will have to be done very quickly in order to get it to the Plenary tomorrow - is it my understanding that the resolution in C 87/LIM/8 is generally acceptable and should go forward to the Plenary? Also that C 87/LIM/43, although the concept in it received varying degrees of support with various shades of interpretation, should be discussed in the Council? I think as the delegate of Colombia suggested, the actual text of the resolution - or "no-resolutions",

as it came to be known - would not actually be submitted as part of the report of this Commission, but the report would, on the other hand, reflect various views and various proposals which were made, in order that the whole background would be available for the Council to take action upon in the next biennium.

**Gonzalo BULA HOYOS (Colombia):** Yo creo que el Sr. Roche ha expresado exactamente lo que queríamos. Además, el colega de Ecuador ha propuesto que se cierre el debate. Todos queremos ahora pasar, con las pocas energías que nos quedan, a la Sala Roja.

**CHAIRMAN:** I do not see any other speakers. It is difficult to sum up this discussion. I found it very useful, very interesting, as many speakers have said. I thank you for your remarks, Mr Roche. As far as C 87/LIM/43 is concerned, there were different views. Certain support was expressed, but there were also certain reservations. However, it is not so important because we cannot decide as we are short of a quorum, but that does not mean that the discussion was not interesting.

If you have no objections, my proposal is that we ask the Secretariat to prepare the report of this afternoon's session to be accepted by the Plenary session. The Drafting Committee will not have enough time to do this job in time for it to be presented tomorrow morning. If I do not see any objections, we shall decide in this way. I do not see any objections.

We are now approaching the end of our work in Commission III.

**Elio PASCARELLI (Italy):** Since I have to chair the Drafting Committee, Mr Chairman, would you decide how C 87/LIM/43 is to be chaired? I formally request that you cross out "presented by the delegation of Italy."

**CHAIRMAN:** I will ask Mr Mifsud to give an explanation.

**F.MIFSUD (Secretary, Commission III):** I am sorry, I advised Ambassador Pascarelli earlier on to find out whether he was agreeable to chairing the Drafting Committee meeting, to deal with the business concluded which is not covered in the two reports which we approved this afternoon. But this was earlier on and now we find that for logistic reasons it is just not possible to consider a Drafting Committee meeting tomorrow morning because the Draft has to be prepared for the Plenary tomorrow morning.

So the proposal is that the Draft Report will be prepared by the Secretariat and referred directly to the Plenary. In the Plenary you will all of course, have an opportunity to discuss it and approve it or otherwise.

**CHAIRMAN:** Thank you for these additional explanations. I see no objections so on behalf of the Chairman and Vice-Chairmen I would like to thank all delegates and colleagues for their cooperation. I also thank the representatives of the Secretariat for their important contributions to our debates and our work. The Lesotho delegation has asked to have a message of thanks to Ambassador Pascarelli inserted in this report.

**P.N. KHADI (Lesotho):** The Lesotho Delegation wishes to join the other delegations in thanking H.E. Ambassador Pascarelli and the Italian Government for the generous offer particularly to FAO. Ambassador Pascarelli has often shown that he has the welfare of developing countries at heart.

**CHAIRMAN:** I also wish to thank the interpreters and all technical staff members for their help. With this we end the work of Commission III.

The meeting rose at 18.30 hours

La séance est levée à 18 h 30

Se levanta la sesión a las 18.30 horas