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SUMMARY RECORD OF THE 55th MEETING

Chairman: Mr. TEIRLINCK (Belgium)

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

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The meeting was called to order at 3.30 p.m.

ORGANIZATION OF WORK

1. The CHAIRMAN drew the Committee's attention to the draft programme of work for the second part of the resumed forty-ninth session and status of documentation, and to the tentative programme of work for the first three weeks of the resumed session.

2. Mr. FATTAH (Egypt) said that in view of time constraints the Committee should focus on peace-keeping operations and on the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991.

3. Mr. STITT (United Kingdom) said that he agreed with the representative of Egypt that the main focus must be on peace-keeping operations, in which connection he noted that some of the documentation for the larger operations was behind schedule. He would welcome information on the expected dates of issuance of the relevant documents. Documents were also not yet available on other major items, including procurement activities, telecommunications, reform of the internal system of justice - in which connection the views of the Committee for Programme and Coordination were not yet available - and the current financial situation of the Organization. In connection with the latter item, the question of cash flow was highly germane to the Committee's consideration of peace-keeping operations. It was thus particularly important to be updated on that matter, as well as on the United Nations telecommunications system, one of the most challenging projects undertaken in the Secretariat. He understood that a Joint Inspection Unit report was soon to be issued thereon.

4. The CHAIRMAN said that he would contact the Joint Inspection Unit regarding its report on telecommunications.

5. Ms. ARAGON (Philippines), speaking on behalf of the Group of 77, said that the Committee should allocate time in a formal meeting to continue the general debate on the financing of United Nations peace-keeping operations, perhaps at the next meeting.

6. Ms. BUERGO (Cuba) said that the reports of the Office of Internal Oversight Services should be taken up under the items to which they related, as was the practice with JIU reports.

7. Mr. HANSON (Canada) agreed that it was important to make an early assessment of the Organization's cash-flow situation, which must be borne in mind during consideration of peace-keeping operations and the war crimes tribunal.

8. The CHAIRMAN said that he would take it that the Committee wished to proceed on the basis of the draft programme of work, on the understanding that it would be amended as necessary.

9. It was so decided.

AGENDA ITEM 132: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(a) FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued) (A/49/717 and Corr.1 and 2 and A/49/904)

10. Mr. TAKASU (Controller), introducing the report of the Secretary-General on the support account for peace-keeping operations (A/49/717 and Corr.1 and 2), said that the United Nations had been engaged in peace-keeping operations for most of its existence. For many years support had been provided with posts funded under the regular budget. That had proved inadequate with the launching of the United Nations Emergency Force (UNEF) in the 1950s, at which time the Secretary-General had requested, in the budget for UNEF, additional posts for backstopping. Those so-called overload posts had been in addition to regular budget backstopping posts. The Committee would note that the funding of backstopping posts under the regular budget was thus not a recent development.

11. The provision of overload posts had been made more systematic in January 1990 with the establishment of the support account, to which every peace-keeping mission contributed 8.5 per cent of its civilian component cost. That contribution from each peace-keeping budget was, in turn, used to fund additional backstopping activities at Headquarters. Experience over the past few years had demonstrated the usefulness of the support account. Indeed, it would not have been possible to have supported the expansion in peace-keeping activities in recent years without the posts funded from that account.

12. In 1992 the Department of Peace-keeping Operations and the Peace-keeping Financing Division (Office of Programme Planning, Budget and Accounts) had been established, essentially making use of inherited resources. In the current biennium the Department of Peace-keeping Operations (DPKO) had 54 regular budget posts, excluding the depot at Pisa, while the Peace-keeping Financing Division had no regular budget posts. Thus all additional posts in DPKO and all posts in the Peace-keeping Financing Division were funded from the support account, either as temporary posts or as general temporary assistance.

13. Approval for support account posts had generally been given for short periods of one to six months, which had made it difficult to plan and to attract well qualified staff, a state of affairs which must be improved. There could be no doubt that the Organization would have peace-keeping responsibilities for many years to come, in view of which it was essential to establish a more secure and strengthened infrastructure for peace-keeping operations support.

14. The report now before the Committee indicated the rationale, scope and funding of backstopping. Backstopping was defined in the report as the overall direction, assistance and guidance given by Headquarters for ensuring the

effective planning, implementation and liquidation of peace-keeping operations, and comprised "core" and "non-core" functions.

15. Core functions related to the need for a permanent capability for the planning and orderly and timely launching of peace-keeping operations, even if no ongoing peace-keeping operation existed, and comprised management of key policy issues and organizational performance, strategic planning and start-up capacity. Other examples of core functions would include the management of organizational performance, in other words of staff and activities; follow-up activities that were integral to completion of a mission mandate; and substantive servicing of the Special Committee on Peace-keeping. Such core functions represented fixed costs and must be funded by the regular budget. All other backstopping functions were defined as "non-core".

16. The Secretary-General had identified a need for 88 core posts, of which only 61 were currently available; the balance of 27 would be requested in the context of the budget for the biennium 1996-1997.

17. A number of practical difficulties arose in respect of the unencumbered balance in the support account. The first related to the time lag between the submission of proposals by the Secretary-General and their approval by the Advisory Committee and the General Assembly; frequently approval was given just prior to the start of the period to which the proposals related, thus making planning difficult. Further, approval for support account posts tended to be for periods of six months, while additional requirements tended to be approved initially as general temporary assistance.

18. In order to remedy those shortcomings approval for support account posts should be on a longer, preferably annual, basis, so that the Secretary-General would be given authority in respect of staffing requirements for 12 months before the year in question started. Such a change would make it possible to plan on a more predictable basis.

19. The methodology for calculating income in the support account must also be kept under review. It had been established on the basis of 8.5 per cent of the civilian component costs of peace-keeping operations, although, in fact, the military strength of an operation also had an impact on backstopping.

20. Although the Secretary-General had determined that the total number of posts required for effective backstopping was about 630, in view of the expected level of the support account in 1995 a total of 431 posts had been requested for the year. Of those, 346 had already been authorized. With regard to conversion from general temporary assistance to temporary posts, of the 65 posts funded for the period 1 July to 31 December 1994, 4 had been regularized by the General Assembly, and the Secretary-General was requesting conversion of the remaining 61. An additional 24 posts were also being requested, justification for which was provided in the report. That would mean a total of 431 posts under the support account.

21. In conclusion, the Secretariat looked forward to a constructive dialogue on resolving the difficulties involved in attempting to recruit against posts

offered on a short-term basis in the hope that effective support could be provided for peace-keeping operations.

22. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Advisory Committee (A/49/904) traced the history of the support account, which was intended to be nothing more than a simple mechanism to provide the Secretariat with a flexible, practical means of backstopping peace-keeping operations at Headquarters. The recent lengthy debates held in the Fifth Committee and in the Advisory Committee had arisen largely from a misconception of the purpose of the account and also from a tendency to use it for purposes not originally intended by the General Assembly. In recent years, the Advisory Committee had examined various methods of funding the support account, and it had debated the question again extensively at the current session. In the end, it had agreed with the Secretary-General that the current procedure of charging each peace-keeping operation with the equivalent of 8.5 per cent of the cost of the civilian component of that operation - namely the cost of salaries, common staff costs and travel - should be maintained because of its simplicity and practicability. Other methods had raised more problems than they had solved.

23. The purpose of the recommendations as set out in paragraphs 22 to 23 was to restore the original simplified procedure for consideration and approval of the expenditures for the support account in keeping with the current trend towards simplification. Further explanations would be given during the informal meetings of the Fifth Committee. There was absolutely no basis for the assumption that the Advisory Committee was proposing that it should be authorized to bypass the Fifth Committee, take on a legislative role, and approve posts and expenditure from the support account. There was nothing in paragraphs 22 to 23 which should lead to that conclusion; indeed, the procedure outlined in the report of the Advisory Committee had already been followed in the past. Similarly there was no basis whatsoever for the argument that the Advisory Committee was recommending assessment on Member States and would later decide how the funds would be spent. Every time the General Assembly approved the assessed funds for a peace-keeping operation, it also considered and approved the funds of the support account for the purpose of backstopping the peace-keeping operations in question. That was what the funds transferred to the support account were ultimately used for.

24. The question of effective management and control of the account had been a matter of concern to the Advisory Committee from the very inception of the concept. The report under review again touched on several management and control issues and drew attention, in the annex, to the previously published criteria to be used in examining proposals to establish posts and incur other expenses from the account.

25. The Committee had clearly abandoned the question of recommending criteria for determining core and non-core posts with respect to posts to be charged to the support account and those to be charged to the regular budget, having concluded that such an approach might lead to endless controversy and might even complicate debate on other aspects of United Nations financing; it had been informed that it might soon be seized with the question of core and non-core posts for humanitarian affairs.

26. The experience of operating the support account and considering the relevant reports of the Secretary-General and the often conflicting positions of Member States on the subject had all led the Advisory Committee to reaffirm that the regular budget "must be determined on the basis of proposals of the Secretary-General submitted in accordance with the financial regulations and General Assembly resolution 41/213" (A/48/955, para. 22). Thus, the Advisory Committee did not consider it appropriate to recommend, in the context of its review of the report of the Secretary-General (A/49/717), how many posts should be transferred from the support account to the regular budget. In accordance with the current practice, the views of the Advisory Committee on the subject would be presented in the first report of the Committee on the proposed programme budget of the biennium 1996-1997.

27. The recommendations contained in paragraphs 24 to 28, pertaining to resource requirements for 1995, if accepted, would permit operation of the account until the 31st of December 1995. The procedures recommended in paragraph 22 would, if accepted by the General Assembly, take effect as of 1 January 1996. Expenditure proposals for 1996 should be submitted to the Advisory Committee at the autumn 1995 session, together with the additional information requested in the current report of the Advisory Committee.

28. Finally, the Advisory Committee had held discussions on the most appropriate procedure for considering and presenting activities funded from the support account as opposed to the regular budget programmes. It had been suggested that support account activities might be considered in conjunction with the regular budget. In that connection, he indicated that resources for the support account were intended to support peace-keeping operations which, in accordance with resolution 49/233, would now be on a different financial cycle as compared with the regular budget financial cycle. Secondly, for information purposes, resources charged to the support account were shown in the extrabudgetary columns of the appropriate regular budget sections at Headquarters. That presentation, together with information on other extrabudgetary programmes, enabled Member States to have a fuller picture of total resources available to the section in question. Thirdly, whenever the Advisory Committee considered requests for expenditures from the account, it requested information on the related regular budget resources available to the section or Secretariat unit in question. Under the circumstances, the Advisory Committee had not made any recommendation regarding presentation and timing of the consideration of the support account in relation to the regular budget.

29. Mr. SCOTTI (France), speaking on behalf of the European Union, welcomed the Advisory Committee’s recommendations for simplifying procedures regarding the functioning of the support account and agreed with the views set out in paragraphs 16 to 21 of its report (A/49/904). Whereas the debate on the criteria for "core" functions and "non-core" functions was no longer appropriate, the distinction between "fixed" expenditure for peace-keeping to be funded from the regular budget and "variable" expenditure, linked to work-load, to be funded from the support account was still relevant. As suggested, the second issue could be examined in greater depth when the draft programme budget for 1996-1997 came up for consideration. The Union would welcome more precise information from the Secretariat in order to understand better the flows of resources and expenditure against the support account, the extent and causes of

delays in operation of the account, and the use to which unencumbered balances would be put. It endorsed the recommendations set out in paragraphs 22-23 of the Advisory Committee's report and believed that the Advisory Committee should submit an annual report to the General Assembly, which the Fifth Committee could consider in the early part of the year when it considered budgets for peace-keeping operations.

30. With respect to funding for 1995, the European Union supported the conclusions and recommendations contained in paragraphs 24-28 of the Advisory Committee's report, particularly regarding the impact that decisions on peace-keeping operations provided for under the proposed programme budget for 1996-1997 would have on the support account. It also supported maintaining the 61 posts currently financed as temporary staff.

31. Ms. STODDARD (United States) said that while her country agreed that administrative expenses or core functions associated with peace-keeping should be included in the regular budget, it was important to insulate the latter from peace-keeping. The effective management of resources in the support account was crucial. Those resources should be subjected to the same scrutiny as the regular budget. Furthermore, they should be subject to the Organization's financial as well as staff rules and regulations. With respect to the recommendations in paragraph 22 (a) of the Advisory Committee's report, concerning the financing of the support account, the United States representative called for an immediate review of the percentage and the methodology for its calculation. Before deciding on an appropriate percentage charge, it would be necessary to assess the extent of expenses incurred at Headquarters in support of peace-keeping.

32. With respect to the procedures outlined in paragraph 22 (b), the United States considered that the role of the Advisory Committee should not be changed from advisory to legislative. Decisions relating to the level and number of posts should be decided by the General Assembly. Strict compliance with both the intent and spirit of the Organization's financial and staff rules and regulations was essential. Prior to approval of any new posts, all existing posts ought to be properly classified and assurances given that they were being used for the functions specifically authorized by the General Assembly. She supported the recommendations that the previously authorized level of temporary posts, totalling 346 should be extended to December 1995 and that action on the Secretary-General's request for an additional 24 posts should be deferred until later in 1995. She did not support converting posts from general temporary assistance to temporary. On the other hand, she agreed to the proposal to maintain the level of non-post resources to the end of the current year.

33. Mr. GJESDAL (Norway) said that given that preservation of peace and security was the first priority of the United Nations, resource needs at Headquarters for peace-keeping, including a stronger capacity to supervise and direct missions, should, as far as possible, be funded through the regular budget. At the recent session of the Committee for Programme and Coordination, Norway had supported the Secretary-General's request to increase by 27 the number of posts performing core functions relating to peace-keeping in the regular budget for 1996-1997. It believed that the Secretary-General should be provided with the resources necessary to carry out the peace-keeping mandates

that were in place and also to be able to meet the requests from Member States in various General Assembly resolutions. In view of the difficulty of backstopping the current scale of peace-keeping operations with the staff resources provided for under the regular budget, support account funding must continue to play an important role.

34. His delegation did not agree with the Advisory Committee's comment (para. 17) that the criteria proposed by the Secretary-General for determining the scope and use of the support account were often confusing. In its view, the concept of "core" functions remained valid and was indispensable for arriving at meaningful positions on the programme budget. Nevertheless, it agreed that it was necessary to refocus on the main objective of the support account and endorsed the Committee's new proposal (para. 22) for new arrangements relating to approval of expenditures. Thus, the Advisory Committee would consider, on behalf of the General Assembly, requests for variations of posts and other resources from previously established levels and would report annually to the General Assembly. Norway supported the Secretary-General's request (A/49/717, para. 38) for 24 additional posts funded by the support account and it would like to know how many military officers were currently working in the Department of Peace-keeping Operations and the Department of Administration and Management on loan from Member Governments.

35. Current funding arrangements for the 61 posts funded by the support account under general temporary assistance for six months at a time ran counter to good budgetary and personnel practices. He therefore fully supported regularization of the 61 posts in question referred to in the Secretary-General's report.

36. Mr. TOYA (Japan) stated that his country was basically supportive of the recommendations of the Advisory Committee in particular the effort to restore simplicity to the procedure for approval of expenditures on the support account. With reference to paragraph 21, however, he was of the view that the effort to set up criteria to differentiate between core and non-core posts was still valid.

37. Mr. GOKHALE (India) stated that the regular budget already contained a substantial amount for peace-keeping. He was willing to consider redeployment within the regular budget with a view to ensuring that the Department of Peace-keeping Operations received more posts but was not willing to consider defining what constituted core posts to go into the regular budget and what might constitute non-core posts to be funded out of the support account.

The meeting rose at 4.40 p.m.