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SUMMARY RECORD OF THE 53rd MEETING

Chairman:

Mrs. EMERSON (Vice-Chairman)

(Portugal)

<u>Chairman of the Advisory Committee on Administrative</u> and Budgetary Questions: Mr. MSELLE

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<u>In the absence of Mr. Hadid (Algeria), Mrs. Emerson (Portugal</u>), Vice-Chairman, took the Chair.

The meeting was called to order at 4.40 p.m.

AGENDA ITEM 136: FINANCING OF THE UNITED NATIONS PROTECTION FORCE (continued) (A/C.5/48/L.44)

1. The CHAIRMAN said that the delay in calling the meeting to order had been due to the need to finalize and circulate the text of amendments to draft resolution A/C.5/48/L.44. She intended to suspend the meeting and call it to order again as soon as the text was ready for the Committee's consideration.

The meeting was suspended at 4.45 p.m. and resumed at 5.25 p.m.

- 2. The CHAIRMAN invited the Committee to resume consideration of the draft resolution on the financing of the United Nations Protection Force (UNPROFOR) (A/C.5/48/L.44) submitted by the delegation of Canada and she read out a number of amendments on which consultations had been held.
- 3. No changes had been made in the preambular paragraphs but 16 new operative paragraphs had been added, numbered 1 to 13 and 23 to 25. Paragraphs 1 to 9 of the original draft resolution were renumbered as paragraphs 14 to 22.
- 4. <u>Mr. MICHALSKI</u> (United States of America) asked about the status of the decision on economy measures referred to in paragraph 10 of the draft resolution as amended.
- 5. <u>The CHAIRMAN</u> said that a text on economy measures had been agreed at an informal meeting and would be introduced later in the meeting under agenda item 138.
- 6. <u>Mr. MICHALSKI</u> (United States of America) suggested that the text on the economy measures referred to in paragraph 10 of the draft resolution as amended should be approved before the draft resolution itself was adopted.
- 7. The CHAIRMAN pointed out that the wording of paragraph 10 indicated that the economy measures referred to would be approved in the future. She suggested that it was therefore in order for a text relating to those measures to be approved after the adoption of the draft resolution.
- 8. Mr. CHU Guangyou (China) said that the reference to "economic ... measures" in paragraph 10 should be amended to read "economical ... measures". In the second line of paragraph 12, the words "and the necessity for the General Assembly to consider" should be amended to read "and the fact that the General Assembly has to consider". With regard to paragraph 6, he drew attention to the repetition of the word "concerning" in the expression "General Assembly resolutions concerning the form of budget documents concerning peace-keeping operations" and suggested that an alternative wording should be found.

- 9. <u>The CHAIRMAN</u> suggested that the words "concerning peace-keeping operations" should be replaced by the phrase "in respect of peace-keeping operations".
- 10. Mr. MICHALSKI (United States of America), explaining his delegation's position, said that, while it was prepared to join the consensus, it wished to make a statement concerning its understanding of the decision and to refer to an issue which it viewed with particular concern.
- 11. During the informal consultations, his delegation, together with others, had attempted to address specific concerns, which were not in any way politically motivated, regarding cost elements and practices common to United Nations peace-keeping operations.
- 12. His delegation's concerns regarding aspects of the current system for the calculation of staff assessment and the management of the Tax Equalization Fund had not been fully met. It had hoped that some of the issues could have been resolved through bilateral discussions with the Secretariat, but unfortunately the Secretariat had taken a completely irresponsible position and had refused to enter into any productive or meaningful dialogue with his delegation. A formal proposal submitted by the United States Government to the Secretary-General early in 1992 had received no formal acknowledgement, let alone any substantive response. His Government had therefore decided to bring the issues in question to the attention of the General Assembly.
- 13. His delegation believed that, during the past few days, the interest of other delegations had been aroused in the issues of staff assessment and the Tax Equalization Fund. It would have preferred to discuss those issues in isolation from any one peace-keeping mission, but that had not proved possible and it had become necessary to raise them in the context of UNPROFOR, which afforded the first opportunity to do so since September 1993. His delegation regretted any inconvenience that such an approach might cause other delegations, but assumed that all Member States would agree that traditional working methods should not be an obstacle to attempts to resolve urgent issues of particular concern to specific delegations.
- 14. Under the present system, the United States met the tax liabilities of United Nations staff members subject to United States taxation. The changes which his Government had proposed and which he understood were to be considered by the Secretariat and submitted to the General Assembly for further discussion would not have resulted in any transfer to other Member States of his country's obligations.
- 15. He called on the Secretariat to issue immediately the report on staff assessment which had been requested by the General Assembly at its forty-seventh session. The failure of the Secretariat to take any action on that matter during the past year was cause for great concern. In that connection, he formally reiterated his delegation's full support for any proposal calling for the deletion of any reference in the Financial Rules that would allow for even the possibility that Member States might be asked to provide funds for that purpose.

(Mr. Michalski, United States)

- 16. The Secretariat should also produce a full set of financial statements relating to the Tax Equalization Fund so that the consultations that had recently been initiated could be continued. His delegation hoped that changes in the procedures relating to the retention of the United States share of staff assessment, specifically in relation to peace-keeping budgets, could be implemented quickly, preferably no later than 15 April 1994.
- 17. In the interim, the United States would continue to seek information from the Secretariat regarding the amounts budgeted for peace-keeping operations so as to have a better understanding of the budgetary process involved, as well as of the relationship between the amounts charged to the United States in its assessed contributions for each of the peace-keeping operations and the amounts actually reimbursed from the corresponding accounts to tax-paying United States citizens and permanent residents.
- 18. His delegation appreciated the many expressions of support it had received on the matter and hoped that it would be able to help to shed light on the complex issues involved.
- 19. The CHAIRMAN invited the Committee to adopt without a vote draft resolution A/C.5/48/L.44, with the amendments which she had read out and those proposed by the representative of China.
- 20. Draft resolution A/C.5/48/L.44, as amended, was adopted.
- 21. Ms. JONSVIK (Norway), speaking on behalf of the Nordic countries, said that the delegations of those countries welcomed the adoption of a consensus resolution which would ensure that the resources urgently needed for UNPROFOR would be provided. However, they were concerned that the process whereby the decision had been reached should not constitute a precedent. The function of the Fifth Committee should be to scrutinize the proposals of the Secretary-General and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions in a logical and rational way so that peace-keeping operations, a key activity of the Organization, received the funding they needed and deserved. The Fifth Committee had a responsibility to ensure that the Organization had the resources needed to cover the operation. When the Committee worked under pressure, consideration of the budgets of individual peace-keeping operations should not be seen as an opportunity to introduce proposals relating to general administrative matters, especially when such proposals hindered the process of consensus. Such proposals were best dealt with in an orderly way under the separate agenda item on the programme of work entitled "Administrative and budgetary aspects of the United Nations peacekeeping operations".
- 22. The Nordic countries believed that there was a compelling need for an improvement in the budgetary process with respect to peace-keeping operations, a belief that had been confirmed by the present situation. They attached the greatest importance to the forthcoming discussion of the item on administrative and budgetary aspects of the financing of peace-keeping operations and looked

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(Ms. Jonsvik, Norway)

forward to receiving the long-promised report containing the Secretary-General's recommendations pursuant to General Assembly resolution 47/218.

- 23. Mr. ZEVELAKIS (Greece), speaking on behalf of the European Union, expressed satisfaction that the Committee had adopted the draft resolution on the financing of UNPROFOR by consensus. In that connection, he expressed his appreciation of the efforts of the Chairman and of the flexibility shown by all delegations.
- 24. <u>The CHAIRMAN</u> said that the Committee had concluded the present stage of its consideration of agenda item 136 and requested the Rapporteur to report direct to the General Assembly.

AGENDA ITEM 149: FINANCING OF THE UNITED NATIONS OPERATION IN MOZAMBIQUE ($\underline{continued}$) (A/C.5/48/L.45; A/C.5/48/L.46)

- 25. Mr. KUZNETSOV (Russian Federation) said that at the 50th meeting of the Committee his delegation had asked the Secretariat a question and had requested the Secretariat to provide an answer at the following meeting. In the interim, he had reminded the Secretariat, during informal consultations, that the authorities in his country expected to receive an answer. The failure of the Secretariat to provide an answer was a departure from normal procedure and a matter of great concern to his delegation.
- 26. The CHAIRMAN apologized for the omission on the part of the Secretariat and assured the representative of the Russian Federation that an answer would be provided. In the meantime, she invited the representative of Spain, who had coordinated informal consultations on the item, to introduce draft resolution A/C.5/48/L.46.
- Mr. RAMOS (Spain), introducing draft resolution A/C.5/48/L.46, drew attention, in particular, to paragraph 2, concerning the adverse effect of the deteriorating financial situation on reimbursements to troop-contributing countries; paragraph 7, concerning measures to be adopted by the General Assembly at its resumed forty-eighth session (which was similar to paragraph 10 of the draft resolution which the Committee had just adopted (A/C.5/48/L.44); and paragraph 10 (b), concerning the request contained in paragraph 3 of Security Council resolution 898 (1994), which had established a police contingent for the United Nations Operation in Mozambique (ONUMOZ), regarding the preparation of proposals for the drawdown of an appropriate number of military personnel with the objective of ensuring that there was no increase in the cost of the Operation without prejudice to the effective discharge of its mandate. There were two errors in paragraph 15: the two sums mentioned should read "26,900,000 dollars gross per month" and "53,800,000 dollars gross", respectively, and not "27,000,000 dollars per month" and "54,000,000 dollars". In paragraph 16 (a), the General Assembly would request the Secretary-General to submit full cost estimates for the period beginning 1 May 1994 should the Security Council decide to extend the mandate of ONUMOZ, and in paragraph 16 (b) it would request the Secretary-General to keep existing commitment authority

(Mr. Ramos, Spain)

levels under review in the light of the establishment of the civilian component. He hoped that the Committee would be able to adopt the draft resolution by consensus.

- 28. Mr. GRANT (United States of America) said that his delegation had been instructed, before the adoption of the draft resolution on ONUMOZ, to make the same comments regarding the Tax Equalization Fund as it had made before the adoption of the resolution on UNPROFOR. In order to save time, however, he would not repeat the statement made earlier by his colleague, on the understanding that his delegation's concern with regard to that matter would be reflected in the record of the meeting in connection with both draft resolutions.
- 29. <u>The CHAIRMAN</u> expressed her appreciation to the representative of the United States and assured him that his delegation's concern would be reflected in the record.
- 30. If she heard no further comments, she would take it that the Committee wished to adopt draft resolution A/C.5/48/L.46.
- 31. Draft resolution A/C.5/48/L.46 was adopted.
- 32. The CHAIRMAN said that, in view of the adoption of draft resolution A/C.5/48/L.46, the sponsors of draft resolution A/C.5/48/L.45 had agreed to withdraw it.
- 33. Mr. DOSSAL (Field Operations Division), responding to the question raised by the representative of the Russian Federation at the 50th meeting regarding the use of aircraft in Mozambique, said that the contract in respect of the MI-8 and MI-17 helicopters had expired on 28 February 1994. The United Nations had issued invitations for bids, in accordance with the standard procedures, revised in November 1993, which stipulated that only licensed operators possessing valid air operator certificates were eligible to bid for air operations including authorization to operate various types of aircraft and eligibility to render air charter services to the United Nations.
- 34. Mr. KUZNETSOV (Russian Federation) said that his delegation was disturbed by the comments made by the Secretariat in informal meetings regarding the safety of Russian and Soviet-made MI-8 helicopters. In February 1994, Russian-made MI-8 helicopters had been rejected for use in United Nations operations in Somalia and Mozambique, despite their lower purchase price. Russian MI-8 helicopters had a world-wide reputation for reliability and fully met the international safety standards for civil aviation, as well as national regulations, which were more stringent. The helicopters had received all the necessary licences and certificates and were brand-new aircraft with less than 30 hours of flight time. Despite those considerations, a contract had been awarded to another company for B-212 helicopters produced between 1972 and 1975, which had over 20,000 hours of flight time. The United Nations had thus paid an additional \$10 million for 20-year-old technology. His delegation believed that

(<u>Mr. Kuznetsov, Russian Federation</u>)

such expenditures were hardly in keeping with the Secretariat's goal of adopting practical and economically sound budgetary measures.

- 35. His delegation questioned the legality of the decision to discontinue the use of MI-8 helicopters without any consultation with the national authorities which had produced those helicopters. It was not until March 1994 that the Field Operations Division and the Purchase and Transportation Service had sought the advice of the Office of Legal Affairs regarding the legal basis of the decisions which they had taken five months earlier and which were already being implemented. That practice was a source of deep concern to his delegation.
- 36. His delegation wished to learn more about the findings of the Office of Legal Affairs, which had apparently differed from the decision taken by the Field Operations Division and the Purchase and Transportation Service. It hoped that the issue would be further reviewed by the Board of Auditors.
- 37. <u>The CHAIRMAN</u> said that the Committee had concluded the present stage of its consideration of agenda item 149 and requested the Rapporteur to report direct to the General Assembly.

AGENDA ITEM 138: 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)
- 38. The CHAIRMAN drew attention to the text of a draft decision which would subsequently be issued as document A/C.5/48/L.47.
- 39. Mr. ACAKPO-SATCHIVI (Secretary of the Committee) said that paragraph 1 of the draft decision had been revised to read:
 - "1. Notes the views expressed and the proposals introduced by Member States with a view to reducing overall costs relating to the administrative and budgetary aspects of peace-keeping operations and decides to consider, as a priority matter no later than the end of May 1994, all the administrative and budgetary aspects relating to peace-keeping operations, inter alia, cost-effective measures of air travel, allowances, treatment of credits and budget surplus, contractual arrangements, compensation for death and disability and reimbursements to troop-contributing countries;".

Paragraphs 2, 3 and 4 remained unchanged.

40. Mr. MICHALSKI (United States of America) suggested that the beginning of paragraph 3 should be amended to read: "Decides that the Secretary-General should develop a revised methodology for the estimation of the assessment in connection with the Tax Equalization Fund relative to the special account of peace-keeping operations ...".

- $41.\ \underline{\text{Mr. STITT}}$ (United Kingdom) suggested that the word "account" in that sentence should read "accounts".
- 42. Mr. MAYCOCK (Barbados) suggested that the words "inter alia" in paragraph 1 should be replaced by the word "including". He also sought clarification as to whether the Secretariat believed that it could complete the assignment referred to in paragraph 3 of the draft decision by the deadline of 15 April.
- 43. Mr. TAKASU (Controller) said that the Secretariat had not participated in the drafting of paragraph 3 of the draft decision. While it appreciated the urgency of the matter under consideration, its workload was particularly heavy at the end of March with the closing of accounts. The Secretariat would do its utmost to give high priority to the issue, but he was not currently in a position to provide assurances that the deadline of 15 April would be met.
- 44. The CHAIRMAN said that, if she heard no further comments, she would take it that the Committee wished to adopt the draft decision, as amended.
- 45. The draft decision, as amended, was adopted.
- 46. Mr. MICHALSKI (United States of America) thanked the Chairman for guiding the Committee in its work on the draft decision. With regard to the deadline referred to in paragraph 3 of that decision, he said his delegation believed that the issue in question was technical and relatively narrow in scope. It would therefore not require a major deployment of the staff of the Secretariat, nor would it significantly affect the capacity of the Secretariat to conduct its other vital work.
- 47. Mr. STITT (United Kingdom) said that, as the Committee was reaching the end of the first phase of the resumed forty-eighth session, it owed a great debt to the Chairman for her efforts and to the Secretariat for its support. He also expressed concern over the nature of the difficulties experienced during the past few weeks. In particular, his delegation had been distressed to hear certain representatives use less than diplomatic language with regard to both other representatives and members of the Secretariat who were not in a position to defend themselves easily.
- 48. <u>The CHAIRMAN</u> thanked the representative of the United Kingdom for his kind words and appealed to representatives to use diplomatic language when dealing with each other and with members of the Secretariat.
- 49. $\underline{\text{Ms. SAEKI}}$ (Japan) expressed the sincere appreciation of her delegation to the Chairman for her efforts in recent weeks.
- 50. Mr. TAKASU (Controller) expressed the deep regret and concern of the Secretariat and the Secretary-General that certain members of the Committee had made personal attacks and used abusive language with respect to the staff of the United Nations Secretariat. The Secretariat encouraged exchanges of views between representatives of Member States and members of the Secretariat, but those exchanges of views should be conducted in a professional and constructive manner.

51. The CHAIRMAN said that the Committee had concluded the present stage of its consideration of agenda item 138 and requested the Rapporteur to report direct to the General Assembly.

The meeting rose at 6.40 p.m.