

17. *Invites* the Secretary-General to implement recommendation 37 in accordance with the recommendations of the Committee for Programme and Co-ordination as contained in paragraphs 82 to 88 of its report¹² and the comments and observations of the Advisory Committee on Administrative and Budgetary Questions as contained in paragraphs 40 to 60 of its report;¹²

18. *Requests* the Secretary-General and the Committee for Programme and Co-ordination to report to the General Assembly on the implementation of resolution 41/213 in accordance with recommendation 71, taking into account the views expressed in the Fifth Committee;

19. *Also requests* the Secretary-General to submit to the General Assembly at its forty-fifth session an analytical report assessing the effect of the implementation of resolution 41/213 on the Organization and its activities as a whole, and the way in which it has enhanced the efficiency of its administrative and financial functioning.

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43/214. Proposed programme budget outline for the biennium 1990-1991 and use and operation of the contingency fund

The General Assembly,

Recalling its resolution 41/213 of 19 December 1986, by which, *inter alia*, it requested the Secretary-General to submit in off-budget years an outline of the programme budget for the following biennium and to include in the programme budget a contingency fund and recognized the necessity of finding a comprehensive solution to the problem of all additional expenditures, including those deriving from inflation and currency fluctuation,

Recalling also its resolution 42/211 of 21 December 1987 in which it decided to consider at its forty-third session the question of a comprehensive solution to the problem of all additional expenditures, including those deriving from inflation and currency fluctuation,

Having considered the report of the Secretary-General,¹³ the relevant parts of the report of the Committee for Programme and Co-ordination⁴ and the report of the Advisory Committee on Administrative and Budgetary Questions,¹⁴

Taking into account the views expressed by Member States during the consideration of this item at its forty-second and forty-third sessions,

1. *Emphasizes* that sound programme budgeting, including a greater level of predictability of resources required, is not fully achievable until the current financial crisis is fully brought to an end by the full and prompt payment of assessments by Member States;

2. *Recognizes* that the outline of the proposed programme budget is part of the process of improving the efficiency and effectiveness of the Organization;

3. *Affirms* that the outline, being a part of the new budget process defined in its resolution 41/213, is in a developmental period, that its methodology requires further improvement and that the whole exercise should be applied with flexibility, in accordance with resolutions 41/213 and 42/211;

4. *Recognizes also* that the outline should provide a greater level of predictability of resources required for the following biennium, while ensuring that such resources are adequate for the fulfilment of the objectives, programmes and activities of the Organization, as mandated by the relevant legislative bodies of the United Nations, thereby facilitating the widest possible agreement on the programme budget;

5. *Decides* that the Secretary-General should prepare his proposed programme budget for the biennium 1990-1991 on the basis of the total preliminary estimate of 1,767,060,000 United States dollars at 1988 rates (equivalent to 1,982,523,700 dollars at 1990-1991 rates) as shown in paragraph 16 of the report of the Advisory Committee on Administrative and Budgetary Questions;¹⁴

6. *Decides also* that the contingency fund of the programme budget for the biennium 1990-1991 shall be established at a level of 0.75 per cent of the preliminary estimate at 1990-1991 rates referred to above, i.e., 15 million dollars, shall be appropriated as needed and shall be used according to the purpose and procedures set out in the annexes to its resolutions 41/213 and 42/211 and relevant regulations and rules;

7. *Decides further* to keep under review, during the implementation of the programme budget for the biennium 1990-1991 and in the light of the evolving situation, the appropriateness and adequacy of the level of the contingency fund, as well as its mode of operation;

8. *Reaffirms* the need for a comprehensive and satisfactory solution to the problem of controlling the effects of inflation and currency fluctuation on the budget of the United Nations;

9. *Notes with appreciation* the work undertaken on this issue by the Advisory Committee on Administrative and Budgetary Questions and its observations on the establishment of a reserve that would cover additional requirements due to currency fluctuation, non-staff costs inflation and statutory cost increases for staff;¹⁵

10. *Agrees* to the concept of a reserve as described in paragraph 9 above, requests the Secretary-General to formulate a set of procedures for the operation of the reserve to be submitted through the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its forty-fourth session, and agrees to address further at that time the question of setting up such a reserve for the biennium 1990-1991;

11. *Stresses* the importance of indicating in the outline of the proposed programme budget priorities reflecting general trends of a broad sectoral nature, endorses the recommendations of the Committee for Programme and Co-ordination in this regard,¹⁶ and requests the Secretary-General to submit a report on all aspects of priority-setting in future outlines to the General Assembly at its forty-fourth session through the Committee for Programme and Co-ordination;

12. *Requests* the Secretary-General to present his proposed programme budget for the biennium 1990-1991 in accordance with the present resolution and paragraph 10 of resolution 43/213 of 21 December 1988.

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¹² Official Records of the General Assembly, Forty-third Session, Supplement No. 16 (A/43/16), part two.

¹³ A/43/524.

¹⁴ A/43/929.

¹⁵ *Ibid.*, paras. 27-31.

¹⁶ Official Records of the General Assembly, Forty-third Session, Supplement No. 16 (A/43/16), part two, para. 34.