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Agenda item 49**REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL
FUNCTIONING OF THE UNITED NATIONS**Report of the Fifth CommitteeRapporteur: Mrs. Flor Acconciamesse de RODRIGUEZ (Venezuela)**I. INTRODUCTION**

1. At its 3rd plenary meeting, on 23 September 1988, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its forty-third session the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" and to allocate it to the Fifth Committee. The General Assembly also decided to consider directly in plenary meeting under this item the report of the Special Commission of the Economic and Social Council on the In-depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields. The Assembly took this decision on the understanding that it would in no way prejudice the arrangements to be made for the future consideration of the item.

2. The Fifth Committee considered item 49 in conjunction with revised estimates for the biennium 1988-1989 under item 114, "Programme budget for the biennium 1988-1989", at its 7th, 8th, 10th to 12th, 14th, 16th, 18th, 19th, 21st, 23rd, 24th, 46th to 48th, 50th and 51st meetings on 12, 13, 18 to 20, 24, 25, 27, 28 and 31 October, 1 and 2 November, 13 to 15 and 18 and 19 December 1988. Comments and observations made in the course of the Committee's consideration of these items are reflected in the relevant summary records (A/C.5/43/SR.7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 46-48, 50 and 51).

3. For the consideration of these items, the Committee had before it the following documents:

(a) Report of the Committee for Programme and Co-ordination; 1/

(b) Second progress report of the Secretary-General on the implementation of General Assembly resolution 41/213: reform and renewal in the United Nations (A/43/236 and Corr.1) and the related reports of the Advisory Committee on Administrative and Budgetary Questions (A/43/651 and Add.1);

(c) Report of the Secretary-General on the proposed programme ' dget outline for the biennium 1990-1991 (A/43/524) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/43/929);

(d) Note by the Secretary-General on questions relating to the programme budget: use and operation of the contingency fund (A/43/324) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/43/929);

(e) Reports of the Secretary-General on revised estimates, including plans of the Secretary-General for the implementation of recommendation 15 on the reduction of personnel, as requested by the General Assembly in resolutions 41/213 and 42/211 (A/C.5/43/1/Rev.1 and Add.1 and 2) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/43/651 and Add.1).

II. CONSIDERATION OF PROPOSALS

A. Draft resolution A/C.5/43/L.19

4. At the 50th meeting, on 18 December 1988, the Vice-Chairman, following informal consultations, introduced a draft resolution entitled "Implementation of General Assembly resolution 41/213: progress report and revised estimates for the biennium 1988-1989" (A/C.5/43/L.19).

5. At the same meeting, the Committee adopted the draft resolution without a vote (see para. 10, draft resolution I), on the understanding that resolution 43/50 H and its administrative and financial implications (see report of the Fifth Committee A/43/901 and Corr.1) supersede the recommendation of the Committee for Programme and Co-ordination contained in paragraph 84 of its report 2/ referred to in paragraph 17 of the draft resolution. The Chairman of the Advisory Committee for Administrative and Budgetary Questions, recalling the provisions of paragraph 11 of resolution 42/211, stated that the Advisory Committee on Administrative and Budgetary Questions would be submitting its comments and observations on the reports of the Secretary-General called for in paragraphs 18 and 19 of draft resolution A/C.5/43/L.19.

1/ To be issued as Official Records of the General Assembly, Forty-third Session, Supplement No. 16 (A/43/16).

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

6. Statements in explanation of position were made after the adoption of the draft resolution by the representatives of Algeria, Kenya and the United Kingdom of Great Britain and Northern Ireland (see A/C.5/43/SR.50).

B. Draft resolution A/C.5/43/L.20

7. At its 51st meeting, on 19 December, following informal consultations, the representative of India introduced a draft resolution entitled "Proposed programme budget outline for the biennium 1990-1991 and use and operation of the contingency fund" (A/C.5/43/L.20).

8. At the same meeting, the Chairman orally revised the draft resolution by adding "by the full and prompt payment of assessments by Member States" after "fully brought to an end" at the end of operative paragraph 1.

9. Also at the same meeting, the Committee adopted the draft resolution, as orally revised, without a vote (see page 10, draft resolution II).

III. RECOMMENDATIONS OF THE FIFTH COMMITTEE

10. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Implementation of General Assembly resolution 41/213: progress report and revised estimates for the biennium 1988-1989

The General Assembly,

Recalling its resolutions 41/213 of 19 December 1986 on the review of the efficiency of the administrative and financial functioning of the United Nations and 42/211 of 21 December 1987 on the implementation of General Assembly resolution 41/213,

Reaffirming that measures to improve the efficiency of the administrative and financial functioning of the United Nations and to improve the planning, programming and budgeting process should aim at and contribute to strengthening the effectiveness of the Organization in dealing with political, economic and social issues in order better to achieve the purposes of and respect for the principles set out in the Charter of the United Nations,

Noting from the report of the Secretary-General on the work of the Organizations 3/ that the emerging world situation is bound to impose additional responsibilities on the United Nations,

Reaffirming also that all Member States must honour, promptly and in full, their financial obligations as set out in the Charter of the United Nations,

Re-emphasizing that the financial stability of the Organization will facilitate the orderly, balanced and well co-ordinated implementation of resolution 41/213 in all its parts,

Having considered the relevant reports of the Secretary-General, 4/

Having considered also the relevant parts of the report of the Committee for Programme and Co-ordination on the work of its twenty-eighth session 5/ and of the reports of the Advisory Committee on Administrative and Budgetary Questions, 6/

Taking into account the views expressed by Member States during the consideration of these items at its forty-third session,

1. Renews its appeal to Member States to demonstrate their commitment to the United Nations by, inter alia, meeting their financial obligations on time and in full, in accordance with the Charter and the Financial Regulations of the United Nations;

2. Stresses that, in order to carry out successfully the process of reform and restructuring, it is essential that the present financial uncertainties be dispelled;

3. Welcomes the determination of the Secretary-General to continue his efforts to implement fully those recommendations of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and

3/ Official Records of the General Assembly, Forty-third Session, Supplement No. 1 (A/43/1).

4/ A/43/286 and Corr.1, A/43/324, A/43/524 and A/C.5/43/1/Rev.1 and Add.1 and 2.

5/ Official Records of the General Assembly, Forty-third Session, Supplement No. 16 (A/43/16, Corr.1 (Part I) and Add.1, A/43/16 (Part II) and Add.1).

6/ A/43/651 and Add.1 and A/43/929.

Financial Functioning of the United Nations 7/ which fall within his purview as adopted in resolution 41/213 and in accordance with paragraph 7 of resolution 42/211;

4. Reiterates its support for the Secretary-General in the fulfilment of his responsibilities as chief administrative officer of the Organisation;

5. Stresses that the implementation of its resolution 41/213 must not have a negative impact on mandated programmes and activities;

6. Emphasises in this respect that, in accordance with the existing regulations and rules, while output revisions in programme budgets may be proposed in order to comply more efficiently with the objectives of those programmes and activities, outputs specifically requested in mandates should be fully delivered;

7. Requests the Secretary-General to submit his proposed revisions referred to in paragraph 6 above to the General Assembly in the context of proposed programme budgets;

8. Reiterates that further implementation of its resolution 41/213 should be carried out in a balanced way and with flexibility so as to improve the structure and composition of the Secretariat;

9. Endorses the recommendations of the Committee for Programme and Co-ordination on the Secretary-General's report on the implementation of recommendation 15 of the Group of High-level Intergovernmental Experts, as adjusted by a 10 per cent reduction in the staffing of conference services in New York and Geneva entailing an overall post reduction of 12.1 per cent by the end of the 1988-1989 biennium; and further endorses the recommendation of the Advisory Committee on Administrative and Budgetary Questions that the adjustment under section 29 of the programme budget should entail the restoration of 100 posts on the understanding that this restoration would not require additional appropriations for the 1988-1989 biennium;

10. Requests the Secretary-General to present, in the context of his proposed programme budget for the biennium 1990-1991, concrete recommendations for absorbing the costs of the posts referred to above including, to the maximum extent possible, through the elimination of additional posts, under the criteria set out in paragraphs 5, 8, and 9 above and paragraphs 11 to 13 below;

11. Endorses the recommendations of the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions pertaining to small offices, regional commissions and other units

7/ Official Records of the General Assembly, Forty-first Session, Supplement No. 49 (A/41/49).

referred to therein, and also requests the Secretary-General to keep in mind the concerns expressed by Member States in the Fifth Committee on proposed reductions of staff in small units such as the United Nations Environment Programme and the United Nations Centre for Human Settlements;

12. Concurs with the comments and observations of the Advisory Committee on Administrative and Budgetary Questions in paragraph 33 of its report 8/ regarding the organization, functions and staffing of the administrative and common services unit at Nairobi;

13. Requests the Secretary-General in further implementing recommendation 15 to continue to take into account the following guidelines:

(a) This recommendation should be implemented flexibly taking due account of work-load analyses, where applicable;

(b) Its implementation should have no negative impact on programmes;

(c) Its implementation should have no adverse effect on the structure and composition of the Secretariat bearing in mind the necessity of securing the highest standards of efficiency, competence and integrity of staff with due regard to equitable geographical distribution;

(d) It should be implemented in a balanced manner, taking into account recommendations 41, 46, 47 and 54;

14. Invites the Secretary-General to continue the implementation of recommendations 41, 46, 47 and 54 and to report thereon to the General Assembly at its forty-fourth session in the context of the report referred to in paragraph 18 below;

15. Invites the Secretary-General as regards recommendation 19, to proceed with the reclassification of the post as indicated in paragraph 7 of the Secretary-General's report; 9/

16. Endorses the recommendations of the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions as regards recommendation 25, relating to the location of the liaison functions with non-governmental organizations, and recommendation 29;

17. Invites the Secretary-General to implement recommendation 37 in accordance with the recommendations of the Committee for Programme and Co-ordination at its twenty-eighth session as contained in paragraphs 82 to 88

8/ A/43/651.

9/ A/C.5/43/1/Rev.1/Add.1.

of its report 10/ and the comments and observations of the Advisory Committee on Administrative and Budgetary Questions as contained in paragraphs 40 to 60 of its report; 8/

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. Further 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 Organisation and its activities as a whole, and how it has enhanced the efficiency of its administrative and financial functioning.

DRAFT RESOLUTION II

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 it decided, inter alia, to request the Secretary-General to submit an outline of the programme budget for the following biennium and to include in the programme budget a contingency fund and recognised 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 by 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 fluctuations,

Having considered the report of the Secretary-General, 11/ the relevant parts of the report of the Committee for Programme and Co-ordination 12/ and

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

11/ A/43/524.

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

the report of the Advisory Committee on Administrative and Budgetary Questions, 13/

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 of 19 December 1986, 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 \$US 1,767,060,000, at 1988 rates (equivalent to \$1,982,523,700 at 1990-1991 rates) as shown in paragraph 16 of the report of the Advisory Committee on Administrative and Budgetary Questions;

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, shall be appropriated as needed and shall be used according to the purpose and procedures set in the annexes to its resolutions 41/213 and 42/211 respectively and relevant regulations and rules;

7. Decides further to keep under review, 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, during the implementation of the programme budget for the biennium 1990-1991;

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;

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 forty-fourth session of the General Assembly, and agrees to address further at that time the question of setting up such a reserve for 1990-1991;

11. Stresses the importance of indicating in the outline priorities reflecting general trends of a broad sectoral nature, endorses the recommendations of the Committee for Programme and Co-ordination in this regard, and requests the Secretary-General to present a report on all aspects of priority-setting in future outlines 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 1990-1991 in accordance with the present resolution and paragraph 10 of resolution 43/___.
