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## Fifth Committee

### Summary record of the 30th meeting

Held at Headquarters, New York, on Friday, 10 May 2013, at 10 a.m.

*Chair:* Mr. Wilson (Vice-Chair) ..... (Saudi Arabia)  
*Chair of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Ruiz Massieu

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*The meeting was called to order at 10.25 a.m.*

**Agenda item 132: Improving the financial situation of the United Nations** (*continued*)

1. **Mr. Takasu** (Under-Secretary-General for Management), accompanying his statement with a digital slide presentation, said that he would focus on four financial indicators: assessments issued, unpaid assessed contributions, available cash resources and outstanding payments to Member States. Overall financial indicators were generally positive, although some areas would require close monitoring in 2013. At the end of 2012, unpaid assessments had been lower in all areas except the international tribunals. Cash balances were positive across all categories, with the exception of the regular budget. However, the Working Capital Fund had adequately covered the shortfall in regular budget cash at year-end.

2. The level of regular budget assessments had been lower in 2012 than in 2011 by \$3 million and unpaid assessed contributions had decreased to \$327 million as at 31 December 2012, compared to \$454 million a year earlier. For 2013, regular budget assessments of \$2.6 billion had been issued; \$1.4 billion was currently outstanding for the regular budget for 2013 and prior years. By the end of 2012, 143 Member States had paid their regular budget assessments in full, matching the level reached the year before, and there had been a significant reduction in outstanding assessments during the last quarter of 2012. He invited the remaining Member States to pay their assessed contributions in full as soon as possible. As at 30 April 2013, a large portion of the outstanding \$1.4 billion was owed by five Member States and the final outcome for 2013 would largely depend on action taken by those Member States. By the same date, 76 Member States — 16 fewer than at a similar stage the previous year — had paid their regular budget assessments in full.

3. Cash resources available for the regular budget comprised the General Fund, the Working Capital Fund, which had been approved at a level of \$150 million by the General Assembly, and the Special Account. At the end of 2012, there had been a shortfall of \$35 million in regular budget cash, which was fully covered by the Working Capital Fund. As at 30 April 2013, the regular budget cash balance had increased significantly, reflecting the receipt of contributions at the beginning of the year. If the 2012 trend continued, however, the cash position would decline in the second

half of the year. Towards the end of 2013, the cash flow was expected to be much tighter than in previous years because only a portion of the regular budget recosting for 2012 had been approved and consideration of the remaining requirements had been deferred until the end of 2013. In addition, the Assembly had authorized the use of the Working Capital Fund as a cash-flow bridging mechanism to cover expenditures for repairs relating to storm Sandy pending the receipt of insurance settlements. Both of those factors would put pressure on the cash situation of the regular budget in the second half of 2013. As at 30 April 2013, it had not yet been necessary to utilize the Working Capital Fund. However, the Secretariat would monitor the cash position closely and report to the Assembly on a regular basis. The final cash position at the end of 2013 would largely depend on the payments to be made by the Member States in the months that followed.

4. Peacekeeping had a different financial period from the regular budget; assessments were issued separately for each operation; and, since assessment letters could only be issued through the mandate period approved by the Security Council for each mission, they were issued for different periods throughout the year. All of those factors complicated a comparison between the financial situation of peacekeeping operations and those of the regular budget and the international tribunals. The total amount outstanding for peacekeeping operations at the end of 2012 had been \$1.3 billion, roughly half the amount outstanding at the end of 2011. That stemmed largely from a lower level of peacekeeping assessments for the 2012/13 fiscal year, pending approval of a new scale of assessments for 2013.

5. As at 30 April 2013, new assessments of \$3.5 billion had been issued and the total balance outstanding amounted to \$1.5 billion, of which a large portion was concentrated among five Member States. The unpredictable amount and timing of peacekeeping assessments made it difficult for Member States to keep fully current with their payments. The 37 Member States that had paid all their peacekeeping assessments as at 31 December 2012 therefore deserved special thanks. Following the new assessments, 32 Member States had paid all their peacekeeping assessments as at 30 April 2013.

6. Although the cash available for peacekeeping at the end of 2012 had been over \$2.7 billion, that amount

had been divided among the separate accounts maintained for each operation and there were restrictions on its use. The General Assembly had specified that no peacekeeping mission should be financed by borrowing from other active missions and the terms of reference of the Peacekeeping Reserve Fund restricted its use to new operations and the expansion of existing operations. At the end of 2012, cash balances for peacekeeping had totalled \$2.27 billion in the accounts of active missions, \$338 million in those of closed missions and \$125 million in the Peacekeeping Reserve Fund.

7. With respect to outstanding payments to Member States, the amount owed for troops, formed police units and contingent-owned equipment as at 31 December 2012 had been \$525 million, compared with \$529 million at the start of the year. An additional \$64 million was owed for letters of assist and \$1 million was owed for death and disability claims. The amount outstanding was expected to decrease to \$496 million by the end of 2013. The Secretary-General was committed to meeting the Organization's obligations to troop and equipment contributors as expeditiously as possible. The cash situation was monitored continuously in order to maximize quarterly payments to Member States based on cash availability. However, Member States must meet their financial obligations to the United Nations in full and on time and the relevant memorandums of understanding with troop contributors must be finalized.

8. For the international tribunals, outstanding assessments had amounted to \$36 million at the end of 2012, compared with \$27 million at the end of 2011. Assessments for the International Residual Mechanism for Criminal Tribunals had been issued for the first time in 2012. A total of 104 Member States had paid their assessed contributions for the international tribunals in full by the end of 2012, 1 fewer than at the end of 2011. As at 30 April 2013, outstanding assessments for the tribunals amounted to \$178 million and 41 Member States had paid their assessed contributions in full. The month-by-month position of cash balances for the tribunals had been positive in 2012 and so far in 2013. Clearly, the final outcome of 2013 would depend on Member States continuing to honour their financial obligations to the tribunals.

9. A total of \$1.87 billion had been assessed under the special account for the capital master plan. As at 30 April 2013, the bulk of the assessed contributions

had been received, with \$3 million still outstanding. As at that date, 158 Member States had paid their capital master plan assessments in full and the other Member States were urged to make their payments before the completion of the project.

10. In conclusion, he paid special tribute to the 29 Member States that had paid in full all assessments due and payable by 10 May 2013. The Organization's financial situation at the end of 2012 had been healthy and unpaid assessments had been lower than at the end of 2011 for all categories except the international tribunals. The level of outstanding payments to Member States had also improved by the end of 2012 and was expected to decrease further by the end of 2013 as the Secretariat made every effort to expedite payment of outstanding amounts. The cash position was positive for all categories; however, the regular budget situation would be considerably tighter towards the end of 2013. The Organization would continue to monitor the cash situation closely and would strive to manage resources prudently. As always, the financial health of the Organization depended on Member States meeting their financial obligations in full and on time.

**Agenda item 153: Financing of the United Nations Integrated Mission in Timor-Leste** (A/67/614, A/67/774, A/67/780/Add.14 and A/67/813)

**Agenda item 155: Financing of the United Nations Stabilization Mission in Haiti** (A/67/605, A/67/719 and A/67/780/Add.5)

**Agenda item 157: Financing of the United Nations Mission in Liberia** (A/67/609, A/67/755 and A/67/780/Add.12)

11. **Ms. Casar** (Controller, introducing the budget performance report of the United Nations Integrated Mission in Timor-Leste (UNMIT) for the period from 1 July 2011 to 30 June 2012 (A/67/614), the revised budget for UNMIT for the period from 1 July 2012 to 30 June 2013 (A/67/774) and the Secretary-General's report on the financing of UNMIT (A/67/813), said that the General Assembly was being requested to assess an additional amount of \$4.9 million for the period from 1 July 2012 to 30 June 2013 and to approve the donation of assets with an inventory value of \$4.5 million and a residual value of \$1.7 million to the Government of Timor-Leste on a free-of-charge basis.

12. Introducing the budget performance report of the United Nations Stabilization Mission in Haiti

(MINUSTAH) for the period from 1 July 2011 to 30 June 2012 (A/67/605) and the budget for MINUSTAH for the period from 1 July 2013 to 30 June 2014 (A/67/719), she said that the 2013/14 budget reflected a reduction of 1,070 troops, 190 formed police, 400 United Nations police and 50 Government-provided personnel, pursuant to Security Council resolution 2070 (2012). It also reflected the abolishment of 191 posts, United Nations Volunteer positions and temporary positions as a result of the Mission's reduction of its post-earthquake surge activities and the restructuring of its civilian component.

13. Lastly, introducing the budget performance report of the United Nations Mission in Liberia (UNMIL) for the period from 1 July 2011 to 30 June 2012 (A/67/609) and the budget for UNMIL for the period from 1 July 2013 to 30 June 2014 (A/67/755), she said that the 2013/14 budget reflected a reduction of 3,042 troops and contained proposals for a reconfiguration of the Mission's organizational and administrative structure, in accordance with Security Council resolution 2066 (2012).

14. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of the Advisory Committee (A/67/780/Add.5, 12 and 14), said that the Advisory Committee recommended approval of the revised budget for UNMIT for the 2012/13 period, which amounted to \$101.6 million. The Advisory Committee commended UNMIT for the important role it had played in the planning and implementation of the 2012 national elections in Timor-Leste, as well as the implementation of its transition strategy, and recommended that the lessons learned from that exercise should be documented and shared. Furthermore, it noted the Mission's liquidation plans and had no objection to the exceptional retention of the Serious Crimes Investigation Team until 30 June 2013 to complete its work. It also supported the donation of assets to the Government of Timor-Leste in light of the need to enhance its operational capabilities and to ensure sustainability of the Mission's achievements. However, the disposition of assets of peacekeeping operations should follow the order of precedence stipulated in regulation 5.14 of the Financial Regulations and Rules of the United Nations.

15. With regard to MINUSTAH, the Advisory Committee recommended against approval of the

continuation of the temporary Director of Mission Support (D-2) position, in light of the Mission's drawdown of its military and police components to pre-earthquake levels and the discontinuation of all other remaining temporary positions approved in the context of the post-earthquake surge. With the exception of that reduction, it recommended approval of the Secretary-General's proposals for 2013/14. It also had no objection to the proposed consolidation of the human resources and finance functions at the Santo Domingo Support Office, but believed that the division of labour and physical location of support services should be kept under close review.

16. The Advisory Committee had serious reservations about the proposed withdrawal of the Mission's remaining fixed-wing aircraft in the 2013/14 period, given that reliable alternatives for the provision of medical evacuation services to Mission personnel were not yet in place. It therefore recommended that the existing fixed-wing aircraft arrangement should be maintained until the contract for the provision of air ambulance services had been concluded. Additional expenditures in that regard should be reported in the Mission's 2013/14 performance report.

17. The Advisory Committee recommended a reduction of some \$670,000 to the budget of UNMIL for 2013/14, based on adjusted vacancy rates to be applied to international and national staff in light of recent incumbency patterns. The budget contained proposals for the reconfiguration of the Mission's organizational and administrative structure, in keeping with the Security Council's call, in its resolution 2066 (2012), for UNMIL to make internal adjustments in order to ensure a sustainable transition planning process. Adjustments would be made to the support component to reflect the ongoing military drawdown and there would be efforts to improve the ratio of substantive to support staff.

18. On air transportation, the Advisory Committee's report included information about the reconfiguration of the Mission's air fleet during the 2011/12 period. It recommended that the General Assembly should request the Secretary-General, in future performance reports, to present information about efficiencies resulting from reconfigurations of aircraft fleets in a comprehensive manner by indicating both the total savings realized and the total additional costs incurred. It also stressed the need for the Secretary-General to

give due consideration to the operational impact of changes to the structure of air transportation contracts.

19. Lastly, the Advisory Committee was disappointed that the Secretary-General had been unable to identify greater levels of efficiency gains for the budget period, particularly in view of the fact that UNMIL was drawing down its military component. It therefore recommended that the Mission should be requested to identify further areas for efficiency initiatives during 2013/14 and to report on the results achieved in the performance report.

20. **Mr. León González** (Cuba), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that MINUSTAH had made important efforts to assist Haitians in rebuilding the country after the 2010 earthquake and strengthening stability, rule of law, and economic and social development. Despite those efforts, Haiti still faced challenges. The Mission's increased procurement from local vendors was a welcome practice that should be continued. CELAC member States, which contributed troops and police to MINUSTAH, also supported Haiti through technical cooperation and humanitarian and medical assistance.

21. CELAC opposed any arbitrary reduction to the Mission's resources; peacekeeping budgets must be based on the actual situation on the ground and the mandate approved by the Security Council. The proposed budget for MINUSTAH for the 2013/14 period represented a reduction of 11.7 per cent, compared with the budget for 2012/13. While some of that reduction was owing to a drawdown in the force strength, some aspects of the budget were a source of serious concern. It was inadvisable to withdraw the remainder of the Mission's fixed-wing aircraft without having guaranteed medical evacuation services in place; efficiencies should not be made by risking the lives of those who served the United Nations in the cause of peace. Furthermore, at a time when force mobility should be strengthened, the decision to reduce the aviation fleet was questionable. The States members of CELAC would also examine the proposals to reduce the Mission's civilian personnel beyond the levels of the post-earthquake surge, with a view to ensuring that it had the necessary capacity to support the Haitian Government.

22. MINUSTAH was responding to Haiti's urgent needs in cooperation with other stakeholders and

should make every effort to continue supporting the country's reconstruction and development. Relations between MINUSTAH and the local population had improved thanks to quick-impact projects, which should continue to be implemented in accordance with Haitian Government priorities. The amount allocated for such projects should be increased, as they helped to improve public services and bolster social stability.

23. CELAC would continue to work with the Government of Haiti in a spirit of regional unity in order to establish long-term development strategies and, as necessary, contribute to peacekeeping activities.

24. **Mr. Sheck** (Canada), speaking also on behalf of Australia and New Zealand, said that the core tasks set out in MINUSTAH's consolidation plan, which focused on security and stability; democratic governance and State legitimacy; rule of law; and human rights, were the outcome of consultations with the Haitian Government and its partners in the international community and reflected the right priorities at the current stage. He commended MINUSTAH on its efforts to improve the security situation in Haiti; those efforts should continue to focus on building the capacity of the Haitian National Police as the country's primary security force. Welcoming the recent improvement in police recruitment figures, he urged the Haitian Government to make every effort to implement its new police development plan for 2012-2016.

25. The reduction in force levels authorized by Security Council resolution 2070 (2012) reflected confidence in the ability of MINUSTAH to carry out core tasks with fewer personnel as Haitian authorities assumed greater responsibility for security. The restructuring of the Mission's civilian component was a logical part of the consolidation process and the three delegations for which he spoke welcomed the efforts to ensure that the Mission had the right number of personnel with the right skills. While he recognized that the implementation of the consolidation plan would require changes in the Mission structure and adjustments in its personnel profile, he would like to receive further information on the rationale for the proposed reassignments and redeployments. He would also seek further clarification of the proposed air fleet reduction, in light of the need to maintain adequate air capability.

26. The three delegations also wished to discuss in informal consultations the proposed increase in the use of consultants, particularly as it related to the need to avoid overlap or duplication with the activities of the United Nations country team. He would seek further detail on the proposed expenditures for consultants and the related issue of training costs. He also wished to receive further information about the Mission's vehicle and other equipment ratios; quick-impact projects and community violence reduction programmes; and the current operations and future management of the Santo Domingo Support Office.

27. Noting the progress achieved in the previous year in preparations for senatorial and local elections, housing construction and the resettlement of internally displaced Haitians, he reiterated that Australia, Canada and New Zealand would continue to support the Haitian people as they forged a more secure and prosperous future.

28. **Mr. dos Santos** (Brazil) said that his delegation had supported a consolidation plan for MINUSTAH that would ensure a sustainable transition from the current United Nations presence in keeping with the security situation on the ground. Financial needs must not, however, dictate the pace of the transition, as that would undermine a responsible Mission exit strategy. Some of the current budget proposals for MINUSTAH were a cause for concern in that they suggested that financial considerations might be playing a decisive role in the reconfiguration of the Mission. The proposed reductions in the aircraft fleet were not aligned with the need for force mobility and contradicted the Secretary-General's position, set out in a report to the Security Council (S/2013/139), that MINUSTAH must be able to airlift a quick reaction force to remote areas in order to support the national police. Moreover, the proposed reduction in civilian staff appeared to prejudice the progress of the consolidation plan. Indeed, the plan emphasized tasks to be performed by the Mission's civilian component, such as strengthening rule of law and local administration and advancing human rights, prison administration and border management reforms.

29. His delegation strongly opposed the adoption of efficiency measures at the expense of the safety and security of MINUSTAH personnel. The proposed withdrawal of the remaining fixed-wing aircraft without a viable alternative in place demonstrated that financial considerations were being given priority. He

urged the Secretariat to refrain from taking such measures in any peacekeeping mission.

30. Community violence reduction programmes and quick-impact projects had been effective tools for strengthening national capacities and creating a peaceful and stable environment for the transfer of security responsibilities to the Haitian National Police. They also fostered dialogue between the Mission and the local population. Such programmes should therefore be adequately funded and fully implemented as integral elements of the consolidation strategy.

31. Peace would be achieved in Haiti only if the issues of security, national reconciliation, development and social justice were addressed simultaneously. Hasty reductions in the Mission's budget would constrain its ability to discharge its mandate and adversely affect its reconfiguration. MINUSTAH required continued support during the consolidation phase in order to lay a sustainable foundation for Haitian stability and development.

32. **Mr. Gaspard** (Haiti) said that his Government was grateful to the international community for its assistance to the Haitian people, which had resulted in significant social, political and economic progress, together with institutional capacity-building and the strengthening of the rule of law and security. Despite that progress, Haitians continued to face challenges.

33. Peacekeeping operations were conducted in complex circumstances that required flexibility and adaptability not only to solve problems but also to promote stability and progress. Peacekeeping budgets were an important tool that must take into account social and political realities as well as the priorities of local and national authorities. While the balanced budget proposed for MINUSTAH for the 2013/14 period was welcome, it was regrettable that a further reduction of 11 per cent was proposed and that, despite the immense challenges faced by the Haitian Government, the 2012/13 budget performance had shown an unspent balance for that period. The Committee could undoubtedly improve the current budget proposal, particularly in areas such as air transport and communications, which merited re-evaluation.

34. The issue of quick-impact projects required particular attention; although the current proposal of \$5 million for 120 projects maintained the level of the previous fiscal year, it was lower than the \$7 million

allocated for 177 projects in the 2011/12 period. That proposal should be urgently examined, as quick-impact projects were designed to remedy deficiencies in public services and forestall problems that could jeopardize the country's stability. Local populations valued such projects and they had positive effects; projects in areas such as irrigation, agriculture and animal husbandry had enhanced the Mission's image by helping develop sources of income for the neediest. The international community should ensure that peacekeeping operations had appropriate and balanced budgets, taking Governmental priorities into account, so that they enjoyed the credibility and confidence necessary to be effective on the ground.

**Agenda item 130: Programme budget for the biennium 2012-2013 (continued)**

*Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (continued) (A/67/346/Add.8 and A/67/604/Add.3)*

35. **Ms. Casar** (Controller), introducing the Secretary-General's report on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council: Office of the Special Envoy of the Secretary-General for the Sahel (A/67/346/Add.8), said that the Secretary-General had appointed a Special Envoy for the Sahel in October 2012 to address the situation in that region. For the initial period from October to December 2012, the requirements for the Office of the Special Envoy had been funded from extrabudgetary resources. Pending the General Assembly's decision on the current proposals, the interim requirements since January 2013 were being funded through the Secretary-General's commitment authority for unforeseen and extraordinary expenses. The resources set out in the current proposal reflected the full estimated requirements for 2013, amounting to \$4.1 million and a total of 19 positions. The action requested of the Assembly was set out in paragraph 30 of the report.

36. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/604/Add.3), said that the Advisory Committee recommended that 7 of the 19 proposed positions should not be approved and that the

operational requirements should be reduced accordingly. The proposed staffing and resources appeared high in relation to the activities that could be realistically carried out by the Office. Some of the proposed functions could also be provided through increased collaboration with other United Nations entities in the region that dealt with similar issues.

37. With respect to the location of the Office in Rome, the Advisory Committee questioned whether a large proportion of the staff should be located outside the Sahel. Closer proximity would enable the Office to engage and coordinate better with the many United Nations entities and international stakeholders present in the region. Co-location with a United Nations office, such as the United Nations Office for West Africa, would allow the Office of the Special Envoy to benefit from available expertise, infrastructure and support, thereby reducing the requirements for substantive and administrative support, official travel, facilities and other operational costs. Accordingly, the Advisory Committee recommended that the Assembly should invite the Secretary-General to review the current arrangements and consider alternative locations for the Office in the Sahel region.

*The meeting rose at 11.35 a.m.*