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Chair: Mr. Taalas (Finland)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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The meeting was called to order at 10.05 a.m.

Agenda item 136: Improving the financial situation of the United Nations

1. **Mr. Takasu** (Under-Secretary-General for Management), accompanying his statement with a digital slide presentation, said that he would focus on four main financial indicators: the level of assessed contributions, unpaid assessed contributions, available cash resources and outstanding payments to Member States. Overall financial indicators for 2013 were generally positive: positive cash balances were predicted for peacekeeping and the tribunals. However, the regular budget cash balance remained a concern, and the final outcome would largely depend on incoming contributions in the remaining months of the year. While capital master plan cash would be positive until year-end, the project would run out of cash by the end of April 2014 and a decision would have to be taken by the General Assembly on financing for that year. The Secretariat was making considerable efforts to streamline and expedite the process of payments for troops and contingent-owned equipment, and the level of outstanding payments to Member States was projected to decrease considerably by the end of the year.

2. The level of regular budget assessments had been slightly higher and the level of payments slightly lower in 2013 than in 2012, by \$90 million and \$23 million respectively. Unpaid assessed contributions had amounted to \$945 million as at 1 October 2013, compared to \$855 million on 5 October 2012. As at 1 October 2013, 134 Member States, 5 more than on 5 October 2012, had paid their regular budget assessments in full. He urged the remaining Member States to pay their assessed contributions as soon as possible. The total of \$945 million outstanding as at 1 October 2013 was concentrated among a few Member States, whose action in the months that followed would determine the final financial picture for 2013.

3. Cash resources for the regular budget comprised the General Fund, into which assessed contributions were paid, the Working Capital Fund, which had been approved at a level of \$150 million by the General Assembly, and the Special Account. As a result of the \$35 million shortfall in regular budget cash at the end of 2012, the balance of the Working Capital Fund had fallen to \$115 million by the same date. As at 1 October 2013, regular budget cash had amounted to

\$55 million, excluding the Working Capital Fund and the Special Account. Taking into account the reserves, the total cash now available of \$464 million would not be enough to cover disbursements until the end of 2013, which were projected to total around \$620 million.

4. The cash situation had been expected to be extremely tight in the final months of 2013, since only a portion of recosting had been granted for 2012, with the remaining portion deferred until the end of 2013. The General Assembly had authorized the use of the Working Capital Fund as a cash-flow bridging mechanism to cover expenditures for repair works related to Storm Sandy pending the receipt of insurance settlements, but it had not been necessary to use the Fund for that purpose. The cash position would nonetheless continue to be monitored closely and the final situation would depend on incoming contributions in the final months of 2013.

5. It was difficult to predict financial outcomes for peacekeeping activities for a number of reasons. They included the fact that demand was unpredictable; that the financial period for peacekeeping ran from 1 July to 30 June rather than from 1 January to 31 December; that assessments were issued separately for each operation; and that, since assessments 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 those factors complicated a comparison between the financial situation of peacekeeping operations and that of the regular budget and the international tribunals. He was grateful to the 33 Member States that had paid in full all peacekeeping assessments due and payable as at 1 October 2013. He also thanked China for its significant payment of \$144 million received after the cut-off date of 1 October 2013.

6. The total amount outstanding for peacekeeping operations as at 1 October 2013 had been \$3.4 billion, approximately \$2.1 billion higher than at the end of 2012. However, the increase stemmed largely from the rise in peacekeeping assessments in 2013, owing to the fact that a portion of the 2012/13 fiscal year assessments could only be issued in January 2013. Following the decision on the new scale of assessments, the assessments for the period from January to June 2013 had been issued in January 2013, while assessments for the 2013/14 period had been issued in July 2013. On a positive note, the level of

unpaid assessments as at 1 October 2013 represented 35 per cent of total peacekeeping assessments in 2013, compared to 40 per cent the year before. The cash balance in peacekeeping accounts had stood at some \$3.7 billion as at 5 October 2012. That amount was divided among the accounts of a number of ongoing and closed operations and the Peacekeeping Reserve Fund.

7. The Secretariat had made a considerable effort to minimize outstanding payments to Member States, totalling \$525 million at the end of 2012 and projected to fall to \$423 million by the end of 2013. The Secretary-General was committed to meeting obligations to troop and equipment contributors as expeditiously as possible, and reductions in outstanding payments were expected by year-end. However, the actual level of payments would depend on Member States meeting their financial obligations to the United Nations in full and on time, as well as on the finalization of the relevant memorandums of understanding.

8. The financial position of the International Tribunals and the International Residual Mechanism had improved somewhat as at 1 October 2013 compared to 5 October 2012. A total of 96 Member States had paid their assessed contributions in full by 1 October 2013, one more than by 5 October 2012. He urged the remaining Member States to follow their example. While the cash position of the Tribunals and the International Residual Mechanism was currently positive and was expected to remain solid until the end of the year, the actual outcome would depend on Member States meeting their financial obligations in full and on time.

9. Recalling that the General Assembly had approved a total budget of \$1.87 billion for the capital master plan, he said that, as at 1 October 2013, the bulk of assessed contributions had been received, with \$1.6 billion still outstanding. As a result, cash balances for the plan had remained solid, but the cash would be exhausted by the end of April 2014 and a decision would need to be taken on financing and associated costs. He thanked the 166 Member States that had paid their capital master plan assessments and urged all Member States to make payment before completion of the project.

10. In conclusion, he paid a special tribute to the 33 Member States that had paid in full all assessments due and payable by 9 October 2013. The number of

Member States that had met their full obligations continued to improve, but a significant level of unpaid regular budget contributions was attributable to the remaining States. Cash positions were projected to be positive at year-end for all funds except the regular budget, although the final outcome would depend on contributions paid in the last quarter. The Secretariat was committed to monitoring incoming peacekeeping cash in order to expedite payment of outstanding amounts to Member States, which were projected to decrease to \$423 million by year-end. Despite notable increases in the number of Member States that had made full payment, unpaid assessments remained significant and the Organization had limited reserves. The financial health of the Organization continued to depend on Member States meeting their financial obligations in full and on time.

Agenda item 135: Programme planning (A/68/16)

11. **Mr. Bayat Mokhtari** (Chair of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (CPC) on its fifty-third session (A/68/16), said that, in keeping with its responsibility to review the Secretary-General's work programme with particular attention to programme changes arising out of decisions adopted by intergovernmental organs or suggested by the Secretary-General, CPC had examined the proposed changes to the biennial programme plan as reflected in the proposed programme budget for the biennium 2014-2015 and had made various recommendations. It had also reviewed the 2012 annual reports of the United Nations System Chief Executives Board for Coordination (CEB) and the New Partnership for Africa's Development (NEPAD) and had made recommendations thereon.

12. CPC had expressed satisfaction that the reports of the Joint Inspection Unit (JIU) were once again being submitted for its consideration after a lapse in recent years, and had reaffirmed that one of the key mandates of CPC was to assist the Economic and Social Council and the General Assembly on matters of coordination, as reflected in the recommendation adopted at its fifty-second session urging JIU to intensify its efforts to submit relevant reports to CPC.

13. Regarding evaluation, CPC had examined four reports of the Office of Internal Oversight Services and had made recommendations relating to the absence of the programme evaluation report on the Office of the United Nations High Commissioner for Refugees

required by General Assembly resolution 66/8. On coordination, after reviewing the annual overview report of CEB for 2012, it had reaffirmed the importance of achieving the Millennium Development Goals and had emphasized the key role to be played by CEB in ensuring coordinated United Nations system-wide support for the preparation of and follow-up to the post-2015 United Nations development agenda, in accordance with relevant intergovernmental mandates. To that end, it had recommended that the General Assembly should request the Secretary-General, in his capacity as Chair of CEB, to report to CPC on ways and means of strengthening that role in order to ensure coordinated and effective action to address the wide range of programmatic, management and operational issues linked to that global agenda.

14. On other matters, CPC had recommended that the General Assembly should reiterate its request to the organizations of the United Nations system to continue to promote greater coherence in their work in support of NEPAD, and had called upon the United Nations system to continue to mainstream the special needs of Africa in all of its normative and operational activities. It had also recommended that the General Assembly should request the organizations of the United Nations system to continue to coordinate closely with the NEPAD Planning and Coordinating Agency, as the technical body of the African Union, and other structures of the African Union Commission and NEPAD in order to further strengthen the implementation of the African Union/NEPAD African Action Plan 2010-2015. It had also recommended that the General Assembly should request the Secretary-General to include in his future reports detailed information on the possible outcomes of efforts to meet NEPAD targets, and had stressed that future reports should further enhance the focus on the impact of the activities implemented by entities of the United Nations system in support of NEPAD, with respect to the resources. Lastly, the Committee had made recommendations on the JIU reports on strategic planning in the United Nations system and financing for humanitarian operations.

15. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the work of CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council responsible for supporting the crucial task of translating intergovernmental

mandates into workable programmes. CPC offered guidance to the Secretariat by interpreting legislative intent and developed evaluation procedures to improve programme design and avoid duplication of efforts. The Group fully endorsed the recommendations and conclusions contained in the report of CPC on its fifty-third session.

16. The Group welcomed the guidance provided by CPC on the consolidated changes to the biennial programme plan, in particular those related to the outcome of the United Nations Conference on Sustainable Development. However, the programme narratives of the programme budget fascicles should be identical to the biennial programme plan, in accordance with resolution 58/269, and the task of setting the priorities of the United Nations was the exclusive prerogative of Member States.

17. It was important to strengthen the evaluation culture in the United Nations system as a tool to reinforce the decision-making process, transparency, accountability and efficiency in delivering intergovernmental mandates. The Group remained concerned at the lack of cooperation on the part of UNHCR with regard to programme evaluation and stressed the need for full implementation of the General Assembly's requirements.

18. CEB should play an important role in improving coordination within the United Nations system and enhancing the efficiency and effectiveness of the Organization. The Group therefore encouraged the Secretary-General, in his capacity as Chair of CEB, to continue to take actions designed to enhance the Board's transparency and accountability to Member States. The Group welcomed the continued cooperation between CEB, the International Civil Service Commission and the Joint Inspection Unit and called for more effective dialogue and cooperation on matters of common interest. Lastly, the Group welcomed the steps taken by the United Nations system to support NEPAD and the related discussions in CPC, and encouraged continued efforts in that regard.

19. **Mr. Onuma** (Japan) said that his country recognized the significant role that CPC played in the review of the proposed regular budget, and believed that strengthening the Committee's role and functions would have a positive impact on the budget process. The discussions at the fifty-third session of CPC had

been fruitful, and Japan would continue to actively participate in its deliberations.

20. The conflicting schedules of CPC and the second part of the resumed session of the Fifth Committee in both 2012 and 2013 had imposed a heavy burden on Member States and the Secretariat, and had affected the progress of both bodies. Given that all programmes included in the proposed strategic framework for the period 2016-2017 would be discussed extensively at the fifty-fourth session of CPC, it was important to establish realistic dates for the meetings of both CPC and the Fifth Committee in order to prevent any overlap.

21. **Mr. Lieberman** (United States of America) said that his delegation looked forward to examining ways to enhance the important role played by CPC in improving the effectiveness and strategic focus of the Organization while at the same time holding the Secretariat more accountable for results. His country had repeatedly expressed its concerns about shortcomings in the United Nations budget and programme process, particularly with regard to more effective implementation of results-based management.

22. Member States should consider both substantive and structural options for enhancing the role of CPC as the expert body responsible for establishing a viable, effective programme and budget process. A reformed and strengthened CPC could transform the current results-based management process and ensure that the goals outlined in the programme fascicles were specific, measurable, attainable, relevant and time-bound. CPC should be issuing recommendations that addressed the technical weaknesses of the current process, so that Member States were better equipped to hold the Secretariat accountable.

23. CPC should also identify which programmes, subprogrammes and programme elements were obsolete or only marginally useful. After all, it had the benefit of a panoramic view of the entire strategic framework and was in an excellent position to seek those types of efficiencies and identify areas of overlap or duplication across the system. At a time of budgetary constraints, optimum use of resources was vital, but the benefits of eliminating duplicative mandates extended beyond financial savings and would allow the Organization to promote programmatic and organizational synergies, and ensure better coordinated

service delivery to the people who benefited most from United Nations activities.

24. **Ms. Moreno Guerra** (Cuba) said that programming, planning and budgeting were at the heart of the United Nations, and her delegation attached great importance to the role of CPC as an intergovernmental body. In accordance with resolution [58/269](#), CPC had considered the changes to the biennial programme plan as reflected in the proposed programme budget for the biennium 2014-2015, which was an important exercise designed to ensure that changes in the budget narrative were fully in line with the legislative mandates. However, despite successive decisions of the General Assembly on the intrinsic link between programme narratives and intergovernmental mandates, concepts had again been included without the approval of Member States, including “societies in transition”, “global green new deal” and “fragile States”. That sustained practice by the Secretariat was contrary to resolution [67/236](#) and the Charter of the United Nations and did not respect the different roles of the Secretariat and the General Assembly.

25. Her delegation endorsed the changes to the narrative of the various programmes proposed by CPC. However, it was essential for the General Assembly to propose amendments to subprogramme 2 of programme 11, Environment, given that the changes proposed by the Secretariat had no legislative mandate and in some cases even ignored previous decisions of the General Assembly. Her delegation was deeply concerned at the inclusion of elements with a clear political impact that went far beyond the mandate of the United Nations Environment Programme (UNEP), and would therefore present amendments to that subprogramme. The heavy workload and time constraints had made it impossible to compare the budget narratives with those approved in resolution [67/236](#). However, that analysis should be carried out when the proposed programme budget for the biennium 2014-2015 was reviewed, and the need for that exercise should be borne in mind when taking decisions on the current item.

26. Her delegation would welcome information from the Secretariat about its plans to submit the necessary corrigendum to the biennial programme plan contained in document [A/67/6/Rev.1](#). It was concerned at the brevity of the introduction by the Secretariat of the report of the Secretary-General on consolidated changes to the biennial programme plan as reflected in

the proposed programme budget for the biennium 2014-2015 (A/68/75), which was unacceptable and contrary to the spirit and letter of resolution 58/269. The Secretariat should be more accountable to Member States for the way in which it fulfilled its functions; responsible, respectful and substantive dialogue was needed between the Secretariat and Member States during the deliberations of both CPC and the Fifth Committee, especially on matters covered by the Programme Planning and Budget Division of the Office of Programme Planning, Budget and Accounts.

27. It was regrettable that CPC had been unable to make the proposed revisions to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME Rules) approved by the General Assembly because of inconsistencies in the document containing those revisions, and because some of the revisions did not correspond to decisions of the General Assembly. The Secretariat was urged to present a new document that would enable a decision to be taken on the PPBME Rules, which were vital to the functioning of the Organization. Lastly, her delegation would participate actively in the negotiations on that issue, in order to ensure that the decisions taken and the functioning of the Organization were in line with resolution 58/269.

The meeting rose at 11 a.m.