

UNITED NATIONS
General Assembly

FORTY-FOURTH SESSION

Official Records

FIFTH COMMITTEE
50th meeting
held on
Thursday, 30 November 1989
at 3 p.m.
New York

SUMMARY RECORD OF THE 50th MEETING

Chairman: Mr. AL-MASRI (Syrian Arab Republic)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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Distr. GENERAL
A/C.5/44/SR.50
5 December 1989

ORIGINAL: ENGLISH

89-57522 2219S (E)

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The meeting was called to order at 3.45 p.m.

AGENDA ITEM 159: FINANCING OF THE UNITED NATIONS OBSERVER GROUP IN CENTRAL AMERICA (A/44/246/Add.1 and Add.2)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, by resolution 644 (1989), the Security Council had decided to establish a United Nations Observer Group in Central America (ONUCA) for a period of six months. The Secretary-General estimated the costs of ONUCA for that period at \$40.2 million net, including \$3,450,000 which, with the concurrence of the Advisory Committee, had already been committed in order to meet the start-up costs of the operation. At full strength, ONUCA would consist of 260 military observers and 165 other military personnel, plus 14 medical personnel, 128 United Nations international staff and 82 locally-recruited staff members. The military observers would be made available on the same terms as those provided to the United Nations Truce Supervision Organization, and the medical personnel would be made available on the same basis as observers. The other military personnel would receive subsistence allowances, and contributing Governments would be reimbursed at the standard rates established by the General Assembly for troop costs.
2. The report of the Secretary-General (A/44/246/Add.1) revealed that the estimates were subject to a number of uncertainties, making it very difficult to quantify actual requirements. Accordingly, the Advisory Committee was not recommending any reduction in the estimates, but emphasized that the Secretary-General should endeavour to maximize savings and that the expenditure estimates should be adjusted as the uncertainties diminished.
3. During the current session, the General Assembly would also have to decide on a mechanism for financing ONUCA in the event that the Security Council should decide to renew its mandate beyond 6 May 1990. For that purpose, the Advisory Committee recommended that the General Assembly should establish a monthly ceiling of \$4,524,100 gross from which the Secretary-General would be authorized to make commitments with the prior concurrence of the Advisory Committee. A detailed performance report on the initial six months of the operation, including information on pending issues such as accommodation and premises, the provision of equipment by Governments, and any voluntary contributions received, should be submitted for consideration by the Advisory Committee at its spring 1990 session. The Committee would take that information into account in reviewing the estimates for any further mandate periods.
4. Mr. GUTIERREZ (Costa Rica) said that the establishment and immediate start-up of the ONUCA operation was a vital necessity for Central America. The events of recent days, including the spreading violence in El Salvador and the charges being raised by the El Salvador Government against the Nicaraguan Government in the Security Council, marked a return to the most violent periods of the crisis in Central America. The difference was the existence of ONUCA.
5. Efforts to bring peace to Central America had begun with the activities of the Contadora Group. Beginning in 1987, the Presidents of the Central American

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(Mr. Gutierrez, Costa Rica)

countries had put forward a peace plan which exemplified their decision to deal with their own problems; nevertheless, they had felt the need to take advantage of the support and co-operation generously offered by the United Nations and the Organization of American States. The result had been activities vital to the peace process: the supervision of the elections in Nicaragua by the United Nations Observer Mission for the Verification of the Electoral Process in Nicaragua (ONUVEN), the monitoring of the demobilization of their irregular forces by the International Support and Verification Commission (CIAV), and the mandate entrusted to ONUCA.

6. The current debate in the Security Council lent urgency to the issue. The General Assembly must move with the utmost speed to help uphold the Central American peace process. The peoples of Central America had shown that they wanted peace; but if renewed economic growth and the democratization called for in the Esquipulas II agreements were to come about, action by the United Nations was vital.

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991 (continued)

Programme budget implications of draft resolution A/C.5/44/L.12 concerning agenda item 145 (A/C.5/44/38)

7. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, by adopting draft resolution A/C.6/44/L.12, the General Assembly would authorize the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization to hold its next session from 12 February to 3 March 1990 and to report to the General Assembly at its forty-fifth session. The Secretary-General indicated (A/C.5/44/38, para. 5) that the related conference-servicing requirements would amount to \$242,400; paragraph 6 of the same statement indicated, however, that the amounts already provided for in the proposed programme budget for 1990-1991 would cover those requirements and therefore, if the General Assembly adopted the draft resolution, no additional appropriations would be required under section 29. The Advisory Committee recommended that the General Assembly should be so informed.

8. The recommendation of the Advisory Committee was adopted without objection.

9. Mr. KINCHEN (United Kingdom) welcomed the Committee's decision. He said that the draft resolution told only part of the story: in fact, the Ad Hoc Committee on the Drafting of an International Convention against the Recruitment, Use, Financing and Training of Mercenaries had completed its work, and the Sixth Committee had therefore decided to move the session of the Special Committee on the Charter from the period originally scheduled to one where conference-servicing demand was lighter. His delegation hoped that the financial implications of that decision would be taken into account during the informal consultations on section 29 of the proposed programme budget.

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Programme budget implications of draft resolution A/C.2/44/L.24/Rev.2 concerning agenda item 82 (A/C.5/44/39)

10. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that operative paragraph 6 of draft resolution A/C.2/44/L.24/Rev.2 requested the Secretary-General to make available to the United Nations Conference on Trade and Development (UNCTAD) from the regular budget the extra funds needed to prepare a comprehensive study on the economy of the occupied Palestinian territory. The Secretary-General estimated the total requirements for that study at \$792,000. Of that sum, \$372,000 could be absorbed within the provisions under section 15 of the proposed programme budget for activities relating to the question of Palestine. The balance of \$420,000 could not be absorbed and would have to be met from the contingency fund.

11. The Secretary-General indicated (A/C.5/44/39, paras. 13 to 15) that he could not identify any activity for termination, deferral, curtailment or modification under the proposed programme budget for 1990-1991 to finance the additional costs which adoption of the draft resolution would entail. If the additional \$420,000 could not be covered by the contingency fund, therefore, it might be necessary to postpone preparation of the study, as provided for in the guidelines for use of the contingency fund annexed to General Assembly resolution 42/211.

12. The Advisory Committee noted that it had originally been expected that the study would be paid for with extrabudgetary funds, but those funds had not materialized. The Advisory Committee had been informed that the study was a complex undertaking involving 18 different subject areas. As the expertise needed to carry out the study could not all be obtained from the resources available under section 15, outside consultants would have to be recruited. The Advisory Committee therefore accepted the Secretary-General's submission.

13. Accordingly, the Fifth Committee should inform the General Assembly that adoption of the draft resolution would give rise to additional requirements of \$420,000 which would have to be governed by the procedures for the use and operation of the contingency fund. Such additional appropriations as might be requested by the Secretary-General in that connection would be considered by the Assembly in the context of the consolidated statement to be submitted shortly before the end of the current session.

14. Ms. GJICOCHEA ESTENOZ (Cuba) said that, in her delegation's view, activities related to the Palestinian people and the occupied Palestinian territory were perennial in nature and provision should therefore have been made for them in the proposed programme budget. Since there were estimates in other sections of the programme budget for possible future mandates for ongoing activities, her delegation was surprised that there were none in section 15. She felt that a uniform criterion should have been applied. She also wondered why, since section 15 had not yet been finally adopted in second reading, it was necessary to decide immediately that the expenditures proposed should come out of the contingency fund.

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15. Mr. LADJOUZI (Algeria) associated himself with the concerns expressed by the Cuban delegation. Referring to paragraph 15 of the statement of programme budget implications (A/C.5/44/39), he said he wondered why the Secretariat had made such haste to consider the possibility that the additional costs related to the proposed study could not be financed from the contingency fund. Resolution 43/214 on the use and operation of the contingency fund envisaged the possibility of an upward revision of the level of the fund if it seemed that the activities recommended by the various committees could not be accommodated. He asked why that possibility had not been considered in the case of section 15. It was also possible that certain activities, such as seminars, could be postponed to a later date in order to make funds available for the proposed study. He did not think it was necessary to assume that the additional costs could not be financed until all other possibilities had been exhausted.

16. Mr. AL-AYYAR (Kuwait) said that his delegation supported the appropriation requested for the study, in view of the hardship and suffering already endured by the Palestinian people. He believed that the Fifth Committee should pay greater attention to their plight.

17. Mr. BAUDOT (Director, Programme Planning and Budget Division) said that the activities recommended to the General Assembly by the Committee on the Inalienable Rights of the Palestinian People were indeed treated as perennial, in the sense that the Secretary-General proposed provision for them under section 1 of the proposed programme budget in the same manner as for other ongoing activities. When the Committee decided on its programme for the first year of the biennium a statement of programme budget implications covering the activities envisaged would be submitted, and it would then become evident whether or not they could be accommodated within the resources proposed by the Secretary-General. The study in question had not been treated as a semi-perennial activity, first, because it should clearly be considered in the context of section 15, and, second, because the Secretary-General had not budgeted for it in section 15 for the reason given by the Chairman of the Advisory Committee, namely, that it had been expected that sufficient extrabudgetary resources would be available to carry it out. Since that had proved not to be the case, a statement of programme budget implications had been presented indicating that, while part of the resources needed could be absorbed under section 15 from the funds estimated for the Special Economic Unit, the additional resources required would have to come from the contingency fund.

18. The statement in paragraph 15 of document A/C.5/44/39 to which the representative of Algeria had referred reflected the standard practice regarding the use of the contingency fund, in the sense that if resources proved not to be available for a given activity that activity might have to be postponed. Reference was made to the possibility of postponing the proposed study because it had not been possible to identify alternative sources of financing under section 15 in the event that the additional costs could not be financed from the contingency fund. That was quite different from the action that the Fifth Committee would take when it came to consider the consolidated statement of costs to be financed from the contingency fund. The relative flexibility of the fund itself was not something that was under consideration at the current meeting.

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19. Mr. LADJOUZI (Algeria) said that since he was assured that the question of the relationship of paragraph 15 of document A/C.5/44/39 to the general question of the contingency fund was not on the agenda of the current meeting, he would take it that that document was for information only and that the Committee was not adopting the programme budget implications of resolution A/C.2/44/L.24/Rev.2 in approving it.

20. The CHAIRMAN proposed that, based on the statement of programme budget implications and the recommendations of the Advisory Committee, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/C.2/44/L.24/Rev.2, (a) it was estimated that additional resources amounting to \$420,000 would be required to implement programme element 1.5 (Special Economic Unit) under section 15 (UNCTAD) of the proposed programme budget for the biennium 1990-1991, and that an additional appropriation of \$24,400 would be required under section 31 (Staff assessment) for the biennium 1990-1991 which would be offset by an increase of the same magnitude in the estimates of income under income section 1 (Income from staff assessment); (b) those requirements would constitute an additional expenditure derived from legislative mandates not provided for in the proposed programme budget and would therefore be subject to the guidelines for the contingency fund; (c) the Secretary-General was not in a position to propose termination, deferral, curtailment or modification of any activity in the proposed programme budget for the biennium 1990-1991 in order to finance the costs relating to the additional activities; and (d) in the event that the additional resources required could not be financed from the contingency fund, the activities might have to be postponed, as provided for in the guidelines for the use of the contingency fund set forth in General Assembly resolution 42/211.

21. It was so decided.

22. Mr. GROSSMAN (United States of America), speaking in explanation of his delegation's position, said that his delegation had opposed draft resolution A/C.2/44/L.24/Rev.2 in the Second Committee on the grounds that it constituted an example of unbalanced treatment of a sensitive issue by the General Assembly and an unnecessary politicization of the work of the Second Committee. Accordingly, it had been unable to support the Secretary-General's request for additional appropriations to undertake the proposed study. The United Nations had for several years provided substantial resources to the Special Economic Unit of UNCTAD to undertake similar research and analysis and the proposed programme budget for 1990-1991 contained a sizeable amount for continuing that work. His delegation did not consider that any additional benefit would be gained from an increased allocation. It had not objected to the Fifth Committee's decision regarding the programme budget implications but it would oppose adoption of the resolution itself on substantive and financial grounds when final action was taken in the plenary Assembly. His delegation reserved the right to reconsider its position when the Fifth Committee took action on the consolidated statement of programme budget implications.

23. Ms. BROINOWSKI (Australia) said that her delegation had voted in favour of the draft resolution in the Second Committee because it was in favour of improved housing for the Palestinian people, an objective that it had also supported through

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(Ms. Broinowski, Australia)

its contributions to international aid efforts. Extrabudgetary resources, however, had proved insufficient to meet the costs of the proposed study. Her delegation had therefore expressed reservations regarding the request for extra funds in paragraph 6 of the draft resolution because of its commitment to maintaining an orderly budgetary procedure and because of the large number of demands which it feared would be made on the contingency fund.

24. Mr. KINCHEN (United Kingdom) said that his delegation, like many others, would have been able to support the earlier version of the draft resolution (A/C.2/44/L.24/Rev.1). The statement of programme budget implications for that version had implied that, although there might have been difficulties in the past over the collection of extrabudgetary funds, the Secretariat was proposing to make a renewed effort in that direction and it was in fact suggested that some \$80,000 had already been received. That statement of programme budget implications had not found favour, however, and the draft resolution had been further amended, leaving the Secretariat no option but to propose an additional charge of \$420,000 against the contingency fund. His delegation had therefore been unable to vote in favour of the draft resolution.

25. It had been agreed that a review of the contingency fund should be conducted in the light of the experience gained during the 1990-1991 biennium. No fair judgment could be made of the fund's adequacy if the Secretariat was not allowed even to explore other options such as extrabudgetary funding. In his delegation's view, it would be appropriate for the Secretariat to consider redeploying resources from outside the area of programme expenditure. In that connection, the estimates proposed for support purchases, such as office equipment and supplies, might well come under consideration. His delegation had not objected to the Fifth Committee reporting to the General Assembly along the lines recommended by the Advisory Committee, but it reserved the right to revert to the issue in the context of the consolidated statement of calls on the contingency fund.

The meeting rose at 4.50 p.m.