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at 3 p.m.
New York

SUMMARY RECORD OF THE 57th MEETING

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

later: Mr. DANKWA (Ghana)
(Vice-Chairman)

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

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UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

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The meeting was called to order at 3.30 p.m.

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

Programme budget implications of draft resolution A/C.2/44/L.31/Rev.2 concerning agenda item 12 (A/C.5/44/48)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the statement submitted by the Secretary-General (A/C.5/44/48) on the programme budget implications of the revised draft resolution on the International Decade for Natural Disaster Reduction (A/C.2/44/L.31/Rev.2), which had been recommended by the Second Committee. Under the draft resolution, the General Assembly would authorize the establishment of a Special High-level Council and a Scientific and Technical Committee on the International Decade for Natural Disaster Reduction. The requirements for the Special High-level Council, calculated on a full-cost basis, would amount to \$103,300, including \$67,700 for conference-servicing costs and \$35,600 relating to travel and subsistence allowance for members of the Council. The full cost for the Scientific and Technical Committee would be \$1,120,600, including \$554,000 for conference-servicing costs and \$566,600 for travel and daily subsistence allowance for members of the Committee and two staff members from Headquarters.
2. The Advisory Committee had noted, in paragraph 12, that conference-servicing costs for meetings of both the Special High-level Council and the Scientific and Technical Committee would be funded from the regular budget. In paragraph 13, it was estimated that no additional resources would be required under section 29 for conference-servicing costs if the draft resolution was adopted. The Secretary-General stated that travel and per diem requirements for meetings of both the Council and the Scientific and Technical Committee, amounting to \$602,200 for the biennium, would be financed from extrabudgetary resources and, therefore, no additional appropriations would be requested from the regular budget.
3. The draft resolution also proposed the establishment of a small secretariat attached to the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), which would be responsible for the day-to-day co-ordination of Decade activities and provide substantive and secretariat support to the Council and the Scientific and Technical Committee. The secretariat, which had yet to be established, would be funded from extrabudgetary resources and, therefore, no additional resources from the regular budget were required. In that connection, the Advisory Committee had been informed that the trust fund for the preparations for the International Decade would be converted into a trust fund for the Decade. The Advisory Committee had accepted the proposal by the Secretary-General and, accordingly, recommended that the Fifth Committee should inform the General Assembly that if it adopted draft resolution A/C.2/44/L.31/Rev.2, no additional requirements would arise under the regular budget.
4. Mr. INOMATA (Japan) inquired about the balance in the trust fund on natural disaster reduction, and whether the activities planned in connection with the Decade could be covered by that balance.

5. Mr. HALBWACHS (Programme Planning and Budget Division) said that it was estimated that the trust fund balance would be \$30,000 by the end of the year.
6. The CHAIRMAN proposed that, on the basis of the statement of programme budget implications submitted by the Secretary-General (A/C.5/44/48) and the recommendation of the Advisory Committee, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/C.2/44/L.31/Rev.2, no additional resources would be required under section 29 of the proposed programme budget for the biennium 1990-1991; that requirements for travel and per diem in connection with the meetings of the Special High-level Council and the Scientific and Technical Committee on the International Decade for Natural Disaster Reduction, totalling \$602,200 for the biennium, would be financed from extrabudgetary resources; and that no additional resources would be requested under the proposed programme budget for the biennium 1990-1991 for the implementation of the resolution.
7. The proposal was adopted without a vote.
8. Mr. HILL (United States of America) said that his delegation had joined in the consensus on draft resolution A/C.2/44/L.31 in the Second Committee, on the understanding that all associated costs, except for conference-servicing, would be financed from extrabudgetary resources. The Fifth Committee should be chiefly concerned that all costs for a so-called small secretariat in Geneva would be financed from extrabudgetary resources, from its establishment to the close of the Decade. All travel costs associated with conferences should also be financed from extrabudgetary resources. His delegation hoped that most of the expenditures on the Decade would be for substantive activities of benefit to Member States rather than for excessive air travel and expensive hotels. At no time during the Decade should regular budgetary resources be used, as had often been done in the past when donors lost their enthusiasm for extrabudgetary activities.

Programme budget implications of draft resolution A/C.2/44/L.74 concerning agenda item 12 (A/C.5/44/49)

9. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that draft resolution A/C.2/44/L.74 requested the General Assembly to proclaim the period 1991-2000 the Second Industrial Development Decade for Africa, proclaim 20 November as Africa Industrialization Day, and endorse the proposals of the Secretary-General, contained in his report (A/44/812) on the participation of the United Nations in the preparation of the programme for the Second Industrial Development Decade. It further requested the Secretary-General, in consultation with the United Nations Industrial Development Organization (UNIDO), the Organization of African Unity, the relevant subregional and regional economic groupings in Africa and the United Nations bodies concerned, to undertake the necessary preparations for the Decade. In his statement (A/C.5/44/49), the Secretary-General estimated at \$1,345,800, on a full-cost basis, the costs of implementing the activities arising out of the draft proposal. Of that amount, UNIDO would be responsible for \$883,900 and the United Nations for \$461,900. The Secretary-General indicated that \$280,000 of the United Nations portion would be

(Mr. Mselle)

financed from the provision under section 24 of the proposed programme budget for the biennium 1990-1991, since that amount related to the provision of advisory services for the preparation of country programmes. The balance of \$181,900 would have to be provided from the contingency fund. As indicated in paragraphs 9 to 12, the Secretary-General therefore intended to include the amount in his consolidated statement, to be examined by the Fifth Committee shortly, when the Committee would be informed of any actual additional appropriations that might be required.

10. Mr. UPTON (United Kingdom) expressed surprise that the Secretary-General had been unable to propose alternatives which would involve the redeployment of resources. Paragraphs 13.7 to 13.10 of the Advisory Committee's first report on the proposed programme budget for the biennium 1990-1991 (A/44/7) outlined one obvious alternative to resorting to the contingency fund for the \$181,900. The Committee had already taken note of observations by the Board of Auditors concerning the low delivery rates of the multinational programming and operational centres (MULPOCs) and the Pan-African Documentation and Information System (PADIS). Referring to paragraph 13.10 of the Advisory Committee's report, he said that \$368,300 relating to meeting-servicing for MULPOCs, could be released and redeployed if MULPOC activities were discontinued. That amount should be more than sufficient to cover the additional \$181,900.

11. Mr. LADJOUZI (Algeria) said at paragraphs 9 through 12 of the Secretary-General's statement pointed out the inadequacy of the resources provided under section 13. He wished to remind the representative of the United Kingdom that no decision had as yet been taken by the intergovernmental body concerned with respect to redeploying resources. Redeployments might indeed be possible, but the resources should be taken from other sections of the budget, i.e., the mini-contingency fund under section 23, and reallocated to the very crucial MULPOCs and PADIS.

12. Mr. ETUKET (Uganda) said that in view of the history of the United Kingdom's involvement in Africa, its representative should recognize the dire need for industrialization there. The MULPOCs and PADIS must be strengthened, not curtailed. That was borne out by the report of the Committee for Programme and Co-ordination and the views expressed by Member States. His delegation agreed with the representative of Algeria with respect to the importance of MULPOCs and the redeployment of resources.

13. Mr. ZAHID (Morocco) said that in the earlier discussion of section 13, his delegation and a number of other African delegations had stressed the inadequacy of the resources allocated to the Economic Commission for Africa (ECA). The Second Industrial Development Decade was a matter of very high priority and the necessary resources must be allocated to it. His delegation hoped that the international community, which had already been extremely generous, would continue to make voluntary contributions in order to implement programmes during the Second Decade. His delegation supported the statement by the representative of Uganda and rejected the proposals made by the United Kingdom representative.

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14. Mr. GEBREMEDHIN (Ethiopia) said that it was often stated that development activities should be undertaken by smaller, grass-roots bodies at the subregional level, of which the MULPOCs were a perfect example. The chief problem of ECA was a lack of resources, and every effort should be made to strengthen its capacities and its various branches through the allocation of sufficient resources. His delegation supported the views expressed in the previous statements by African delegations.

15. Mr. ZONGWE MITONGA (Zaire) and Mr. ABDULLAH (Iraq) supported the statements made by the representatives of Algeria, Ethiopia, Morocco and Uganda.

16. Ms. GOICOHEA ESTENOZ (Cuba) supported the statements made by the representatives of Algeria, Ethiopia, Morocco, Uganda and Zaire. In the programme budget for 1991-1992, serious consideration should be given to according higher priority to certain programmes under section 13, in view of the pressing needs of African countries.

17. The CHAIRMAN proposed that on the basis of the statement of programme budget implications contained in document A/C.5/44/49 and the recommendation of the Advisory Committee, the Fifth Committee should inform the General Assembly that, should it adopt draft resolution A/C.2/44/L.74, an additional amount of \$181,900 would be required under section 13 of the United Nations proposed programme budget for the biennium 1990-1991 in order to finance activities (ii), (v) and (vi) in paragraph 6 of A/C.5/44/49; that that requirement would constitute an additional expenditure derived from legislative mandates not provided for in the proposed programme budget for the biennium 1990-1991 and would therefore be subject to the guidelines for the use of the contingency fund approved by the General Assembly in its resolution 42/211, and that if the additional resources required could not be financed from the contingency fund, the activities might have to be deferred, as provided for in the guidelines for the use of the contingency fund.

18. The proposal was adopted without a vote.

AGENDA ITEMS 40 AND 125: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS AND FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued) (A/44/857 and Corr.1 and A/44/873; A/C.5/44/27)

19. Mr. BROCHARD (France), speaking on behalf of the twelve States members of the European Community, said that the agenda items under consideration represented two aspects of a single problem, namely, the failure of certain Member States to meet their financial obligations. The two items should in future be addressed in the context of a single report, to be issued at an earlier stage of the session.

20. The Twelve were seriously concerned at the Organization's financial situation, which was far from conducive to its effective functioning, particularly at a time when it was engaged in a process of reform and had to assume new responsibilities. The increasing scale of peace-keeping activities had highlighted the problems which affected such operations as a result, largely, of the fact that certain Member States were not paying their contributions, while others were paying them only

(Mr. Brochard, France)

partially or late. The Twelve, whose contributions to the regular budget were fully up to date, supported the Secretary-General's appeals for the payment of all contributions in full and on time. The long-term financial stability of the Organization could be restored only if all States fulfilled their obligations under the Charter.

21. The Twelve recognized, like the Advisory Committee, that the growth in the Organization's expenditures since 1982 could provide justification for an increase in the Working Capital Fund. They considered the options suggested by the Secretary-General to be interesting, particularly that contained in paragraph 39 of document A/C.5/44/27, and endorsed the Advisory Committee's recommendation that the options should be considered at the forty-fifth session of the General Assembly. In conclusion, it was their hope that the new political will which had transformed international relations in recent months, as well as the spirit of consensus seen in the work of the Fifth Committee, would translate into unanimous financial support for the Organization.

22. Ms. BROJNOWSKI (Australia) said that, if States wished to be Members of the United Nations, they should accept their obligations to the Organization as willingly as they accepted its services to them. Member States bore collective responsibility for the financing both of the regular budget and of peace-keeping operations. The same applied to the Organization's debts to troop-contributing countries. The benefits of peace were shared; their costs should be shared too. It was essential that all Member States should pay their assessed contributions, both to the regular budget and in respect of peace-keeping operations, in full, within a month of the request, and that Member States should agree to a doubling of the Working Capital Fund.

23. Her delegation viewed an increase of the Working Capital Fund not simply as the only long-term solution to the continuing need to meet unanticipated expenditures and to provide start-up funds for peace-keeping, but also as the only mechanism which was already in place, with clearly understood rules. As to the ways in which the increase could be financed, it was most interested in option (d), as mentioned in paragraph 11 of document A/44/873, and looked forward to the report of the Advisory Committee on that option in particular early in the coming year.

24. Recognizing that the relationship between the Organization and its Member States was based in each case on a balance between "give and take", her delegation regretted that too many countries appeared to be more interested in taking than in giving. The time might come when those who gave might no longer consider their efforts worthwhile. Her delegation stood ready to help the Secretary-General and the Advisory Committee to ensure that crisis did not lead to collapse.

25. Mr. WILKINSON (United States of America) said that his country, which had contributed over \$18 billion to agencies and programmes of the United Nations system, shared the concerns expressed by others over the current financial uncertainties. Its inability to meet its full assessments in recent years was a serious issue for his Government. The solution to the crisis, however, lay not in short- or medium-term financial devices but in a strengthening of confidence among

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(Mr. Wilkinson, United States)

Member States in the Organization, thus encouraging all Members to pay their assessed contributions to the regular budget and peace-keeping operations promptly and in full.

26. The current problems resulted from the dissatisfaction of a large number of Member States concerning the growth and spending patterns of the United Nations. The adoption of significant budgetary and administrative reforms under General Assembly resolution 41/213 formed a solid basis for rebuilding confidence in the Organization. Substantial progress had already been achieved, and it was the hope of his delegation that the ongoing reform process would not lose momentum. Since the adoption of that resolution, his country had made determined efforts to move towards full payment of its assessed contributions. President Bush himself had expressed regret when the Congress failed to restore contributions to their traditional level. Nevertheless, his country continued to be the largest contributor overall to the Organization and had in the past year paid approximately \$166 million towards peace-keeping operations and made voluntary contributions totalling \$380 million to various United Nations programmes.

27. While understanding the Secretary-General's need for an assured flow of income, his delegation was not convinced that the proposal for an increase of the Working Capital Fund met that objective. It concurred with the Advisory Committee's related analysis and recommendation.

28. Noting that, as at 8 December 1989, more than one half of Member States had failed to pay their contributions to the regular budget in full, including 22 countries which had made no payment at all, his delegation wished to emphasize that it would make every effort to meet its financial commitments in the coming year and return to a pattern of full payment. In that connection, it looked forward to the adoption by consensus of resolutions on the budget for 1990-1991, and on the subject of reform, with a view to strengthening the confidence of Member States in the Organization.

29. Ms. BERENQUER (Brazil) said that the proposal to increase the Working Capital Fund would be unacceptable if it gave rise to any additional financial burden for Member States. The payment of arrears remained the individual responsibility of each Member State: no State should be made to suffer the consequences of another's failure to fulfil its obligations. Noting the Advisory Committee's recommendation that consideration of the proposal be deferred to the forty-fifth session of the General Assembly, her delegation firmly believed that the only permanent solution to the problem lay in the final elimination of all arrears. It should, however, be borne in mind that outstanding contributions from the developing countries were closely linked to their serious economic difficulties and could not be compared to the deliberate practice of unilaterally withholding contributions for the purpose of exerting political pressure on the Organization.

30. The failure of certain States to pay their assessed contributions to peace-keeping operations had left the United Nations unable to provide full reimbursement to troop-contributing countries. It was shameful, at a time of renewed prestige for United Nations peace-keeping activities, that Member States,

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(Ms. Berenguer, Brazil)

including some developing countries, which had contributed troops to operations 25 years earlier should still be awaiting such reimbursement. In that connection, her delegation wished to recall and reaffirm the provisions of General Assembly resolution 1877 (S-IV).

31. Mr. Dankwa (Ghana), Vice-Chairman, took the Chair.

32. Mr. AKHTARUZZAMAN (Bangladesh) said that the United Nations, with its unique and essential role in the maintenance of international peace and security, needed the active support and involvement of all its Members. It was regrettable that, at a time when the Organization was demonstrating its ability to play that role effectively, it should face a serious financial crisis. The reform process initiated under General Assembly resolution 41/213 had constituted a turning-point in the history of the Organization: it would be ironic if financial problems were nevertheless to cripple it.

33. While agreeing in general with the conclusions of the Secretary-General presented in paragraphs 11 to 14 of document A/44/857, his delegation believed that the proposal to increase the Working Capital Fund should be studied in greater detail by the Advisory Committee, on a priority basis, for resubmission to the Fifth Committee at the forty-fifth session. The only viable and long-term solution to the financial crisis of the Organization, however, lay in the payment by Member States of their assessed contributions on time and in full.

34. Mr. BIDNY (Union of Soviet Socialist Republics) said that the United Nations could carry out the new tasks facing it only if it rested on a sound budgetary and administrative foundation. The payment of assessed contributions by Member States on time and in full was a major prerequisite for such a foundation. According to the report of the Secretary-General on the financial emergency of the United Nations (A/C.5/44/27), the number of Member States that were in arrears or had made no payment at all had increased in 1989. The peace-keeping capability of the Organization must not be jeopardized by the failure of Member States to fulfil their financial obligations under the Charter.

35. His delegation supported the Advisory Committee's recommendation concerning the proposal by the Secretary-General to increase the Working Capital Fund. The option of apportioning the amount of the increase among all Member States as part of their assessments was unacceptable. Particular attention should be given to alternative means of financing. The use of funds received from Member States in payment of their arrears and also voluntary contributions should be considered. Amounts realized from savings and the suspension of the provisions of financial regulations, however, should be returned to States.

36. In view of the expansion of United Nations peace-keeping activities, it was necessary to review the whole range of financial, administrative and budgetary questions relating to such operations. In that connection, he stressed the need to diversify the sources of funding for peace-keeping operations. It would probably be necessary in the near future to study the possibility of increasing the share of the financial burden borne by States that were parties to conflicts and those

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(Mr. Bidny, USSR)

deriving special economic benefits from such operations. Consideration should also be given to the use of external financing sources, including regional organisations, and involving the specialized agencies in the financing of operations.

37. In view of the collective responsibility of Member States for the maintenance of peace, careful consideration should be given to the question of the participation of all Member States on the broadest possible geographical basis in supplying troops and civilian personnel and providing their material and technical needs. The Soviet Union was prepared to take part in the search for ways to solve the financial problems confronting the Organization.

38. Ms. ZHANG Xian (China) said that the report of the Secretary-General (A/C.5/44/27) showed that the financial situation of the United Nations was still very serious. Her delegation expressed profound concern at the failure of Member States to pay their assessed contributions to the regular budget. One State, in particular, owed arrears amounting to more than \$400 million. In view of the serious problems affecting the financing of peace-keeping operations, she appealed to all Member States to comply strictly with their obligations to pay in full and on time their assessed contributions. Lastly, her Government agreed with the opinion of the Advisory Committee concerning the analysis submitted in the report of the Secretary-General on the financial emergency of the United Nations and supported its recommendation that consideration of the Secretary-General's proposal to increase the level of the Working Capital Fund should be deferred to the forty-fifth session of the General Assembly. In the mean time, the Secretary-General could give consideration to other alternatives.

39. Mr. GOMEZ (Controller), replying to questions raised by the representative of India, said that the Organization reimbursed each troop-contributing State for peace-keeping operations at the same rate for the same period of time. The amounts paid to troop contributors for UNEF (1956) and ONUC could be found in the relevant statements of assets and liabilities in the United Nations accounts. As at 31 December 1988, the amounts still owed to troop contributors was \$21,196,921 for UNEF (1956) and \$8,749,682 for ONUC. The specific amounts paid to or owed to individual Member States were not made public since such information was considered confidential.

40. As at 31 December 1988 the cumulative assessed contributions for UNEF (1956) were \$161,100,840, of which \$42,490,814 remained unpaid. The cumulative assessed contributions for ONUC were \$234,861,783, of which \$75,395,797 had still not been paid. It was clear from the report on the financial emergency of the United Nations (A/C.5/44/27) that the repeated efforts by the Secretary-General to secure payment of arrears and outstanding contributions to the regular budget had been less successful in 1989 than in 1988.

41. A concerted effort had been made to collect arrears. The Secretary-General and his senior advisers maintained continuous contact with the representatives of Member States which were in arrears or whose payments were outstanding. Furthermore, there was very close contact on an informal basis with all delegations

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(Mr. Gomez)

in order to gain an idea of payment prospects for purposes of cash-flow projections. In certain cases, personal envoys had been sent to the capitals of Member States to discuss the payment of arrears and the Secretary-General raised the matter in his meetings with senior government officials.

42. He had taken note of the views expressed by all delegations, particularly those that had endorsed, at least in principle, the proposal by the Secretary-General to increase the Working Capital Fund, and the comments by Member States concerning the various options. He agreed with the recommendation by the Advisory Committee that, taking into account the time and work constraints being faced by the Fifth Committee, consideration of the Secretary-General's proposal should be deferred to the forty-fifth session of the General Assembly. Lastly, he welcomed the statement made by Norway on behalf of the Nordic countries and stressed that the payment of assessed contributions in full and on time was an obligation, not an option, for Member States.

43. Mr. GUPTA (India) asked whether in recent years the Secretary-General had sent communications to Member States concerning the payment of arrears for UNEF and ONUC.

44. Mr. GOMEZ (Controller) said that he would obtain that information and provide it directly to the representative of India.

AGENDA ITEM 137: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued) (A/44/868; A/C.5/44/45)

45. Ms. GOICOCHEA ESTENOZ (Cuba) said that her delegation supported the establishment of a senior planning and monitoring group for the purpose of planning and monitoring all peace-keeping operations and was looking forward to receiving the Secretary-General's bulletin on the terms of reference for the group. Cuba supported the view of the Advisory Committee set forth in paragraph 6 of document A/44/868 that a separate account for support of peace-making and peace-keeping operations might more appropriately be named Support Account for Peace-keeping Operations, and its request that the concept should be developed more fully and resubmitted at a later stage.

46. She noted with satisfaction the organizational changes recommended by the Secretary-General within the Office of Programme Planning, Budget and Finance. Nevertheless, Cuba agreed with the opinion of the Advisory Committee concerning the establishment of a support post at the level of Assistant Secretary-General. At a time when the number of high-level posts was being reduced, there was no justification for establishing such a post, particularly when no analysis of the work-load in question had been provided. Lastly, Cuba questioned the use of the term "peace-making operations", which appeared repeatedly in the report of the Secretary-General (A/C.5/44/45). She requested a definition of that concept and inquired whether it was based on any provision of the Charter.

The meeting rose at 5.25 p.m.