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Held at Headquarters, New York, on Friday, 20 July 2001, at 10.30 a.m.

Chairman: Mr. Rosenthal (Guatemala)
*Chairman of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Mselle

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The meeting was called to order at 10.40 a.m.

Agenda item 117: Programme budget for the biennium 2000-2001 (*continued*) (A/C.5/55/45 and A/55/L.82)

Programme budget implications of draft resolution A/55/L.82 (A/C.5/55/45 and A/55/L.82)

1. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the statement submitted by the Secretary-General (A/C.5/55/45) concerning the programme budget implications of draft resolution A/55/L.82 for the bienniums 2000-2001 (paras. 2-4) and 2002-2003 (paras. 5-11). For the biennium 2000-2001, activities relating to the International Conference on Financing for Development as well as conference-servicing costs for the Preparatory Committee would be funded within existing resources, with any additional requirements to be reviewed at the fifty-sixth session of the General Assembly in the context of the second programme budget performance report for the biennium. Activities to be implemented in 2002 had not been included in the proposed programme budget for the biennium 2002-2003 and the additional requirements for those activities in 2002 were estimated to be \$295,100, under Section 9 (para. 6), 11A (para. 7), 16-20 (para. 8) and 26 (para. 9). Conference-servicing requirements for 2002 under Section 2 (paras. 10-11) for two meetings a day for five days were estimated at \$858,700, to be covered by resources to be approved for the calendar of conferences in 2002-2003. Additional expenditures with regard to the convening of the Conference would be borne by the host government (para. 11). The Advisory Committee supported the Secretary-General's proposal (para. 12) that the additional requirements of \$295,100 relating to activities to be carried out in 2002 in the context of the preparatory process of the International Conference on Financing for Development should be subject to the procedures for the use and operation of the contingency fund for the biennium 2002-2003. He recalled that the General Assembly, in paragraph 14 of resolution 55/233, had approved a contingency fund of \$18.9 million for the biennium 2002-2003, to which the additional requirements of \$295,100 would be charged.

2. **Mr. Nakkari** (Syrian Arab Republic) said that statements made by the Chairman of the Advisory

Committee should be provided in writing in the official languages of the Organization. Noting that the current biennium was not yet completed, he wondered why it was necessary to act immediately on the \$295,100 in additional requirements for 2002. Referring to conference-servicing needs (paras. 3, 4, 10 and 11), he expressed concern about provisos concerning the financing of activities in 2001 "to the maximum extent possible, within the resources available" (para. 3) and stressed the importance of ensuring adequate financing not only for planned activities, but also for unforeseen eventualities such as the need for additional meetings.

3. **Ms. Bentley-Anderson** (United States of America) said her delegation had no objection to activities being funded to the extent possible within the budget for the biennium 2000-2001; she noted that paragraphs 4 and 5 implied that, while no additional requirements were foreseen, any unforeseen requirements would be dealt with within the context of the second performance report for the biennium 2000-2001. Her delegation, however, opposed charging the additional cost of \$295,100 for 2002 activities to the contingency fund for the biennium 2002-2003. That relatively small amount could be spread over eight sections and be easily absorbed within the existing budget request for the biennium 2002-2003. The use of the contingency fund was not justifiable.

4. **Mr. Lewyllie** (Belgium), speaking on behalf of the European Union, said that, while it was technically possible to charge the additional requirements to the contingency fund, he wondered why no amendments had been presented to the budget for the biennium 2002-2003.

5. **Mr. Chandra** (India) asked whether the Chairman of the Advisory Committee could confirm that the proposal being made was in accordance with the programme planning and budgetary procedures of the United Nations. If that were indeed the case, paragraph 12 of the Secretary-General's statement on action required by the General Assembly should be approved.

6. **Mr. Orr** (Canada), while recognizing that the procedure being proposed was technically correct and that the contingency fund for 2002-2003 had already been established, felt it was somewhat illogical to be adding additional requirements to a budget which the Committee had not yet seen or approved. It seemed that any additional costs could be absorbed within existing

resources for 2001 but not for 2002-2003. Perhaps some formulation could be found whereby, without mentioning any specific amount, the Committee would take note of the possible budget implications mentioned in paragraph 12 and indicate that any such additional requirements would be considered within the context of the programme budget review during the fifth-sixth session.

7. **Mr. Fujii** (Japan) expressed concern that the additional requirements under Section 11A for a two-day seminar on market access to be organized by the United Nations Conference on Trade and Development (UNCTAD) (para. 7) might have an impact on the ongoing discussions on servicing requirements within the context of the preparatory process for the Conference.

8. **Mr. Chaudhry** (Pakistan) regretted the systematic opposition to any use of the contingency fund. Tremendous progress had been made towards preparation of the Conference and there had truly been unforeseen costs; the proposal was technically and procedurally sound and should be adopted. If some delegations preferred, however, he would not object to some formulation providing for further review at the next session.

9. **Mr. Lossifov** (Russian Federation) asked the Secretariat to clarify whether the amount of \$858,700 for servicing the Conference (paras. 10 and 11) had been included in estimates already submitted and approved or whether that sum represented an increase in costs.

10. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the \$858,700 under section 2 would be covered by appropriations for the calendar of conferences and did not represent at that time an additional request. With regard to concerns raised by the representative of Canada regarding the procedure being followed, he explained that, in accordance with General Assembly resolution 41/213 which had established the contingency fund and subsequent resolutions regarding the operation of that fund when decisions by intergovernmental bodies with programme budget implications were taken after the Secretary-General had submitted his budget, those additional implications were subject to the operation of the contingency fund. In the current case, the Secretary-General had prepared his budget proposals for 2002-

2003 at a time when the possible programme budget implications of draft resolution A/55/L.82 had not been known. It was perfectly proper for the Committee to be considering those implications since there was a draft resolution before the plenary and the Rules of Procedure of the General Assembly required the Assembly to receive the advice of the Fifth Committee on the programme budget implications of any draft resolution before taking a decision. Any amendments to the budget for the biennium 2002-2003, as suggested by the representative of Belgium, would be made during the General Assembly's review of that budget at its fifty-sixth session.

11. The proposal contained in the Secretary-General's statement on the programme budget implications of draft resolution A/55/L.82 (A/C.5/55/45) would be included in a consolidated statement submitted by the Secretary-General in December before the Assembly's adoption of the budget, which would include all other programme budget implications to be charged to the contingency fund. It would be for the General Assembly to take a final decision. The Secretary-General's proposal did not imply that the amount of \$295,100 should be appropriated immediately by the General Assembly but simply indicated that a final decision would be taken in December, taking into account the recommendations of the Fifth Committee. The suggested language therefore met concerns raised by some delegations about appearing to approve sums for the budget for the biennium 2002-2003, before it had been reviewed by the Assembly.

12. In response to the question from the representative of the Syrian Arab Republic, he said that it was a well-established practice of the Fifth Committee for the Chairman of the Advisory Committee to make oral statements and reports to the Committee. Those reports would eventually be published in all official languages.

13. **Mr. Hosang** (Budget Division) said that any conference-servicing costs in 2001 associated with the preparatory process for the Conference would be absorbed in the existing budget. If any additional costs arose, they would be reflected in the second performance report for the biennium.

14. **Mr. Mirmohammad** (Islamic Republic of Iran) said that the procedure proposed under the draft resolution seemed correct and the Conference in question was an important one. Speaking on behalf of

the Group of 77 and China, he urged the Committee to support the statement of programme budget implications submitted by the Secretary-General (A/C.5/55/45) and the comments made in that connection by the Chairman of the Advisory Committee.

15. **Mr. Nakkari** (Syrian Arab Republic) supported the statement made on behalf of the Group of 77 and China. His delegation also attached great importance to the Conference. He reiterated his objection to the lack of written comments by the Advisory Committee. The rules specified that there should be written documentation and oral reports by the Chairman of the Advisory Committee should only be exceptional.

16. **Mr. Fujii** (Japan) said he was still concerned at the specificity of the language in paragraph 7 of document A/C.5/55/45, which dealt with the programme budget implications with respect to Section 11A of the budget, in particular UNCTAD participation in the preparatory process.

17. **Mr. Seth** (Department of Economic and Social Affairs) said, in response to the concern voiced by the representative of Japan, that under paragraph 8 of the draft resolution (A/55/L.82) various expert panels and round tables were being organized to support and enrich the Conference. The UNCTAD seminar on market access was very relevant to the agenda of the Conference.

18. **Mr. Yussuf** (United Republic of Tanzania) agreed with the representative of Pakistan that the Committee should not appear to reject all efforts to use the contingency fund. The matter under consideration had arisen as a contingency and that was what the fund had been created for by the General Assembly. Delegations agreed that the Conference was important and that the Secretary-General needed adequate resources for the preparatory process. The Committee had heard the advice of the Chairman of the Advisory Committee on the matter, including his assurances as to the correctness of the procedure, and should now adopt the proposal made in good faith by the Secretary-General.

19. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) noted that the contingency fund and its resources had already been approved by the General Assembly. In particular, paragraph 14 of General Assembly resolution 55/233 specified the size and use of the contingency fund. He proposed that the end of

the proposal, starting from the words "be charged against ...", should be amended to read "be subject to the procedures for the use and operation of the contingency fund for the biennium 2002-2003".

20. **Mr. Kandanga** (Namibia) said that the amendment proposed by the Chairman of the Advisory Committee should meet the concerns expressed by certain delegations.

21. **Mr. Chandra** (India) said that his delegation would have preferred explicit approval of the expenditure to be charged against the contingency fund subject to the procedures for the use and operation of the fund. The force of General Assembly resolution 41/213 on the administrative and financial functioning of the United Nations seemed to be diminishing each year. He proposed that the Committee suspend its deliberations for 15 minutes to work out a compromise text.

The meeting was suspended at 11.50 a.m. and resumed at 12.05 p.m.

22. **The Chairman** proposed that, based on the informal consultations held during the suspension, the Committee should take the following decision:

"Based on the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Fifth Committee decides to inform the General Assembly that, should it adopt draft resolution A/55/L.82, the additional requirement of \$295,100 related to activities to be carried out in 2002, in the context of the last months of the preparatory process of the International Conference on Financing for Development, would be subject to the procedures for the use and operation of the contingency fund for the biennium 2002-2003, in accordance with General Assembly resolution 41/213 of 19 December 1986 and 42/211 of 21 December 1987 and in the context of the consideration of the proposed programme budget for the biennium 2002-2003."

23. *It was so decided.*

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations
(continued)

Letter dated 5 July 2001 from the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/55/44)

24. **The Chairman** drew the Committee's attention to a letter dated 5 July 2001 from the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/55/44) transmitting a letter dated 29 June 2001 from the Chairman of the Committee on Contributions regarding its report on the requests for exemption under Article 19 of the Charter of the United Nations from Burundi, the Comoros, Georgia and the Republic of Moldova, for appropriate action by the Fifth Committee.

25. **Mr. Nteturuye** (Burundi) said that, despite the difficulties caused by its ongoing civil war, Burundi had made a payment of \$136,565 to the Organization on 12 June 2001. Internal procedures had delayed the release of the funds by the Central Bank of Burundi and the amount had also been reduced as a result of the rapid depreciation of the national currency. The final amount paid to the Organization had therefore not been enough to prevent the loss of Burundi's voting rights in the General Assembly, as provided for in Article 19 of the Charter. While Burundi took its obligations to the Organization very seriously, it was one of the five poorest countries in the world and even the staff of its Permanent Mission to the United Nations were not spared the difficulties that resulted from the country's resource constraints. Burundi therefore requested an exemption under Article 19, while the Government sought the additional funds to fully meet its obligations to the Organization.

26. **Mr. Chandra** (India), supported by **Mr. Orr** (Canada), speaking also on behalf of Australia and New Zealand, said that Burundi was a most deserving case for exemption under Article 19. He suggested that the meeting be briefly suspended to permit members to discuss informally the possible language of a draft decision that might be recommended to the General Assembly.

27. **Mr. Nakkari** (Syrian Arab Republic), joined by **Ms. Sun** Minqin (China), **Mr. Mumbey-Wafula** (Uganda), **Mr. Fujii** (Japan), **Mr. Lewyllie** (Belgium), on behalf of the European Union, **Mr. Chaudhry**

(Pakistan), **Mr. Yussuf** (United Republic of Tanzania), **Mr. Barnwell** (Guyana), **Ms. Lajous** (Mexico), **Mr. Benítez Versón** (Cuba), **Mr. Kamenov** (Bulgaria) and **Ms. Chebomui** (Kenya), expressed understanding for the situation faced by Burundi, acknowledged the genuine effort which that State had made to meet its obligations to the Organization, and supported the request of Burundi for an exemption under Article 19 of the Charter.

The meeting was suspended at 12.40 p.m. and resumed at 1 p.m.

28. **The Chairman** proposed that, on the basis of the informal consultations held during the suspension, the Fifth Committee should recommend to the General Assembly the following draft decision:

"The General Assembly,

"Having considered the letter dated 5 July 2001 from the President of the General Assembly addressed to the Chairman of the Fifth Committee,

"(a) Endorses the recommendations of the Committee on Contributions as transmitted in the letter dated 5 July 2001 from the President of the General Assembly addressed to the Chairman of the Fifth Committee transmitting a letter dated 29 June 2001 from the Chairman of the Committee on Contributions regarding the recommendations of the Committee on Contributions and decides that the failure of the Comoros, Georgia and the Republic of Moldova to pay the full minimum amount necessary to avoid the application of Article 19 of the Charter of the United Nations was due to conditions beyond their control and that they should be permitted to vote in the General Assembly until 30 June 2002;

"(b) Also decides, welcoming the undertaking and assurances provided by the Permanent Representative of Burundi, to permit Burundi to vote in the General Assembly until 30 June 2002."

29. *It was so decided.*

The meeting rose at 1.05 p.m.