



The Governance Crisis in the Fifth Committee

by Lydia Swart *

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This analysis explores the premise that there is a governance crisis in the Fifth Committee (Budgetary and Administrative) and is based on conversations with a number of key delegates from the EU, Group of 77, and the US as well as other insiders. In addition, significant dynamics taking place between Member States are described and the issues that will be under discussion in the May session of the Fifth Committee are outlined.

The clearest symptom pointing to a growing governance crisis in the Fifth Committee (budget and administrative) is fairly obvious. In March of this year, although the Fifth Committee met for a month, it did not succeed in agreeing to a number of resolutions whose early drafts had contained substantive decisions. Among the reform issues on the agenda that had to be deferred were:

- *Ongoing management reform proposals that came out of the 2005 World Summit:*
 - Human resources management issues, including the streamlining of contracts and harmonization of conditions of service;
 - New accountability architecture, including results-based management accountability, enterprise-risk management and internal control frameworks; and
 - Procurement reform.
- *A reform proposal originating from the Group of 77 and China and adopted by the General Assembly:* Strengthening the development pillar of the UN.
- *A reform proposal from Secretary-General Ban Ki-moon:* Strengthening the Department of Political Affairs in regard to conflict prevention.

Delegates themselves most often point to the following problems as the causative factors that prevent the Fifth Committee from achieving timely results:

Too many reports, too many of them issued late, not enough time to reach consensus

It is true that many reports are being submitted rather late by the Secretariat, often shortly before the onset of the Fifth Committee's sessions. As a result, the Advisory Committee on Budgetary and Administrative Questions (ACABQ) increasingly cannot provide its recommendations to the Fifth Committee on time either. The current Chair of the Fifth Committee, Ambassador Hamidon Ali sent a [letter](#) dated 22 April to a number of key officials in the Secretariat on this issue. The letter states that the late issuance of reports had been addressed in a number of resolutions in the past, but that the situation had nevertheless deteriorated. The letter points out that as a result, the agenda is determined by the documentation made available rather than by priorities set by Member States. Some Member States "even consider documents being presented late on purpose." Ambassador Hamidon urges the Bureau of the Fifth Committee, the Chair and Secretary of the ACABQ and responsible managers in the Secretariat to synchronize their efforts better.

On 28 April, Warren Sach (Officer-in-Charge, Department of Management) and Jane Holl Lute (Officer-in-Charge, Department of Field Support) replied to Ambassador Hamidon in a one-page [letter](#) saying that they "do not wish to make excuses, but there have been, in a number of cases, legitimate reasons for delay (e.g. greater need for consultations than anticipated, particularly where policies and procedures are involved, delayed receipt of information from offices away from Headquarters, vacancies, increased workload). They indicate that they have "instructed respective staff to pay greater attention to time management and planning."

Few Member States seem willing to recognize that they themselves are to a large degree the origin of the rather staggering amount of reports to be produced by the Secretariat. According to one source, of the 15,000 pages of reports prepared by the Secretariat each year, more than half are for the Fifth Committee. It is furthermore noteworthy that though many of the requests for additional information are genuine in nature, quite often – according to at least two delegates – asking for more reports from the Secretariat is a way to defer decision-making when agreement cannot be reached among Member States.

The Under-Secretary-General for Management, Alicia Barcena, agreed in an [interview](#) with the Center on 7 April that the late issuance of reports is something that will have to be addressed. She suggested that during the current budget cycle, apart from having to provide numerous reports on the ongoing management reform discussions that came out of the 2005 World Summit, Member States themselves asked for a report in December on development which had to be ready for the March first resumed session, which gave the Secretariat very little time. The new reform proposal of the Secretary-General also was time-consuming. And because some of the management reform proposals will determine the output of the Secretariat for years to come, some of these required extensive consideration. In addition, the Secretary-General's new team also brought a fresh new take on many outstanding issues. And as one delegate indicated, at times there are technical reasons for the delays: for instance it was difficult to find consultants available for a very short duration to help prepare the report dealing with results-based budgeting and management.

Barcena's [remarks](#) at the 8-9 April Thematic Debate on Management Reform explain that from the Secretariat's perspective, budget discipline begins with the mandate process and she explained that hundreds of mandates are adopted year after year which "must be implemented within resources constraints that do not keep pace. ... Member States confer additional responsibilities with neither corresponding funds nor guidance on how resources should be reallocated."

For the first resumed session, the ACABQ was not ready to present its recommendations on the proposed accountability architecture and strengthening the development pillar of the UN. Without the ACABQ's advice, the Fifth Committee could not proceed on these issues. However, in regard to human resources management, a large number of reports have been available for quite some time, including the recommendations of the ACABQ and the International Civil Service Commission which had taken the opinions of staff unions into account. Nevertheless, Japan and the US asked for additional information and submitted paragraphs to that effect on the last day of negotiations. One wonders whether their requests for information in fact points to another, potentially more serious symptom of the governance crisis in the Fifth Committee: the reluctance of some of the largest donors to approve resources in addition to the programme budget adopted in December.

Diverging perspectives about resources made available to the regular budget of the UN

At the first resumed session in March, according to our sources, the US was joined by Japan – and to a lesser extent by Germany - in regard to their concerns that a possible one billion dollars of additional resources might have to be approved on top of the \$4.17 billion regular budget.¹ This was one of the reasons cited by the US for its vote against the 2008/2009 budget in December 2007.² According to one US delegate, that so little detail was available on the possible additional 1 billion until 4 March 2008, when Warren Sach [briefed](#) the Geneva Group ³ on UN financial matters, was of great concern to the US as well as a number of other countries.

However, for many insiders, the dissatisfaction of the US with the presentation of the budget hardly disguises its foremost motivation: maintaining a zero-growth UN budget. US Ambassador Zalmay Khalilzad, for instance, clearly pointed out in his contribution to the [thematic debate](#) on 8 April that

“the Secretary-General should propose off-sets as one of the means for financing new or expanded activities not involving matters of peace and security.”

For many Fifth Committee delegates it is rather obvious that Member States from the South will most likely resist such off-sets (cost-savings). When Kofi Annan made proposals to cut costs in his Investing in the UN for a stronger Organization Worldwide: a detailed Report, for instance by outsourcing certain printing and translation services, his suggestions met fierce opposition from staff unions as well as Member States from the South. All in all, the Secretary-General has little flexibility on spending the budgeted funds, though Member States have provided up to \$20 million discretionary funding per biennium for the 2006/2007 and 2008/2009 budgets.

Japan – after the US (22%) the second biggest contributor (approx. 16%) to the programme budget – was even more specific than the US on making recommendations to the Secretary General on how he could pay for additional costs related to management and other reform activities. Japan said during the thematic debate on management reform that additional costs should where possible be funded from existing sources or the contingency fund. The Secretary-General, they suggested, should also use his \$20 million discretionary funds before asking for additional funds. Otherwise, Japan contented, add-ons should be deferred.

One delegate interviewed suggested that in the case of human resources management reform, the Secretariat had actually indicated that it could find the funds to cover the expenditures for the streamlining of contracts and harmonization of conditions of service. The same source implied that Japan did not agree with this solution as it would still result in an increase in the next budget. How the Secretariat could cover the expenditures for streamlining contracts or harmonization of conditions of service is unclear.

The contingency fund for the current budget cycle is \$31.5 million, which is 0.75% of the budget, a percentage that has been used for decades. The Secretariat, bearing in mind the number of outstanding issues that would result in additional costs, asked that the contingency fund be increased to 1.35% (A/62/229) but the ACABQ advised against this (A/62/349). Clearly, the contingency fund of \$31.5 million and discretionary funds of \$20 million, will not be able to cover one billion dollars of additional expenditures. It is also important to note that one of the resolutions establishing the contingency fund (41/213) has a paragraph that stipulates that if additional expenditure cannot be met by the contingency fund, “such additional expenditures can only be included in the budget through redeployment of resources from low-priority areas or modifications of existing activities. Otherwise, such additional activities will have to be deferred until a later biennium.” As noted earlier, reaching agreement on reallocating funds or savings exercises among the Member States is almost impossible.

Simply put, it seems that the Secretariat is presently caught between diverging perspectives among Member States as to whether and how to provide resources for a number of reform initiatives. It is likely that the largest donors - with the exception of the EU (collectively assessed almost 40% of the budget), which as a group still seems rather flexible - will refuse to make additional funds available, while many Member States of the South will likely continue to resist any suggested cost-savings.

The only positive note one hears is that this crisis may force Member States to review the UN’s budgetary process, including the way UN mandates are formulated, budgeted, implemented, reported on, and evaluated - with feedback from evaluations modifying mandates where necessary. Such a fundamental discussion - but only if it is not perceived by the South as just another attempt by the largest donors to move their own agenda forward or to undermine the power of the Fifth Committee – would make a lot of sense if it includes the full participation of the Secretariat. One observer noted

that such a review should not result in even more micro-management of the Secretariat by Member States.

Dynamics between Member States at the first resumed session

In the Center's analysis of the Fifth Committee's first session from October through December, it was noted that the US seemed very isolated while the EU and G77 were able to reach common positions within their blocs as well as with each other. But it now appears that small shifts took place in the first resumed session. Japan clearly shares common concerns with the US on additional expenditures. Within the EU, Germany apparently has strong concerns about additional costs as well, though it did apparently not resist action on human resources reform as a result. According to one US delegate, Japan and Germany already shared these concerns at the October-December session. Nevertheless, they did not join the US in voting against the approval of the 2008/2009 budget.

At the last session, some delegates complained that the US did not seem fully engaged. This seemed true of their participation in March as well. Observers indicated that US delegates have little freedom to make decisions or determine positions. Apparently, they have the difficult task of juggling input – sometimes contradictory – from Congress, some of its committees, the State Department, and the White House. Furthermore, within the UN mission there are reportedly differences as well, in particular among those who are political appointees and those who are career diplomats. Some political appointees have moved on – Amb. Mark Wallace left recently – and the US administration may have a difficult time to find replacements who can only be appointed until a new administration starts in January 2009.

Meanwhile, reaching common understanding within the Group of 77 and China seemed more difficult. Antigua and Barbuda, the current chair of the G77 for 2008, appears to have a harder time coordinating common positions than Pakistan in 2007. While the Group had come to agreement on human resources reform, this was not the case in regard to strengthening the Department of Political Affairs' capacity in regard to conflict prevention. A number of sources, both from the North and the South, indicated that the delegates from Nicaragua and Venezuela showed considerable “anti-reform bias” and were “more preachy than diplomatic” in their approach on this issue. Though to be fair, the documentation on this topic arrived quite late making it difficult to reach agreement in any case. And in the end, it was not lack of consensus among the G77 but resource concerns that caused a deferral.

Second resumed session: May 2008

The current session will primarily deal with peacekeeping accounts which are not funded from the regular budget and are assessed separately. The US – which has approved these activities in the Security Council – can hardly oppose additional costs for peacekeeping efforts and many assume that Japan's hope to have a permanent seat on the Security Council will likely prevent it from being very difficult as well. According to one source, however, both countries are carefully scrutinizing the budgets this time round.

The only two reform issues on the agenda are procurement reform and administration of justice. At the first resumed session, the Russian Federation submitted new language on procurement reform which will require further discussion. For Administration of Justice (the new internal system of justice at the UN) some transitional funding will have to be approved. As to progress on this issue, much will depend on whether the Sixth Committee (Legal) is able to agree on the statutes for its tribunals in the current Session.

A number of sources also indicated that the Capital Master Plan (the renovation of the UN Headquarters) could be on the agenda as well because additional expenditures to the tune of \$40 million had been identified by the Secretariat for associated costs, including security.

Some of the documentation on peacekeeping efforts is expected to arrive later in May – on UNAMID (Darfur) and MINURCAT (Chad and Central African Republic) for instance – which suggest that there won't be much time for close scrutiny of their related budgets. Unlike the management reform proposals that are paid out of the regular budget, however, the peacekeeping missions are unlikely to be deferred due to late issuance of relevant reports. Considering their urgent and critical importance, this is a good thing, but it does rather confirm what a former Fifth Committee Chair once told the Center, that unlike the regular budget, peacekeeping accounts are pretty much rubberstamped by the Fifth Committee.

Conclusion

The Secretariat has been repeatedly reprimanded for producing many of its reports late. But when it does produce the requested reports, Member States at this Session cannot seem to reach agreement primarily due the unwillingness of some of the largest donors to approve additional funding. Often, decision-taking on these reports are deferred as a result. Some countries insist that the Secretary-General use the contingency and discretionary funds to pay for new activities, including reform proposals. Clearly, those funds would not suffice for all outstanding proposals and attempts of the Secretariat to reallocate funds or save costs are likely to be opposed by Member States of the South who feel that the Secretariat needs more rather than less funds to carry out its mandates properly. The resulting paralysis clearly points to a governance crisis in the Fifth Committee. Blaming the Secretariat does not quite present a fair and complete picture of the multiple causes.

1. That both Germany and Japan hope to obtain permanent seats on the Security Council, according to one observer, may have something to do with these countries flexing their financial muscle.
2. For an analysis on the budget vote, see www.centerforunreform.org/node/300.
3. A group that has existed for some 40 years, consisting of member States' UN directors in foreign ministries of countries paying more than 1% of the budget, meeting twice a year: in Geneva in the spring, in New York in the fall.

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Unless attributed to a specific source, all expressions of opinion in this analysis are those of the author. The Center for UN Reform Education does not endorse any particular reform proposals.