

conference

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FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ROME

Twenty-sixth Session

Rome, 9 - 28 November 1991

FOURTH REPORT OF THE GENERAL COMMITTEE (PROGRAMME OF WORK AND BUDGET 1992-93)

1. At the conclusion of the substantive debate in Commission II on Item 16: Programme of Work and Budget 1992-93, the General Committee met the Chairman of Commission II in order to review the outcome of the debate and possible steps leading to the approval of the Programme of Work and Budget 1992-93 in the Plenary, as scheduled, on Wednesday 20 November 1991. At this discussion the General Committee also invited the Chairman of the Group of 77 and the Chairman of the OECD Group.
2. The General Committee recognized the widespread desire of Member Nations for the approval of the Programme of Work and Budget 1992-93 by consensus.
3. The Programme and Finance Committees, at their Joint Meeting in September 1991 "... reiterated the importance they attached to the continuation of the spirit of consensus which had hitherto prevailed in discussions of proposals for 1992-93. They expressed the hope that Member Nations would pursue the search for consensus, that the Director-General would continue his own efforts to this end and that the Conference would see its way to approving the Programme of Work and Budget for 1992-93, by consensus."¹
4. At its One Hundredth Session 5-7 November 1991 "... the Council agreed to commend the Director-General's Programme of Work and Budget to the Conference. It looked forward to fruitful deliberations in Commission II with the objective of consensus approval of the 1992-93 Programme of Work and Budget".²
5. The General Committee recognized the firm consensus on the proposed Programme of Work. However, consensus had not yet been reached on the budget level.
6. In this connection, the General Committee noted the statement made by the representative of the USA in Commission II that "... the United States believes a lower budget level reflecting a 13.5 percent nominal increase from the 1990-91 biennium would be more sustainable and supportable."

¹ CL 100/4, para. 1.16

² C 91/LIM/10, para. 10

7. The proposals of the Director-General, which have the firm support of the overwhelming majority of Member Nations, if approved at the budget rate of Lit. 1 230 to the US dollar would result in a budget level of US\$ 672 726 000. The budget level indicated as "supportable" by the USA would result in a budget level of US\$ 645 588 000.

8. The General Committee recognized that this would amount to a decline in the current budget level, as recosted, of US\$ 27 138 000, i.e., a real decline of 4 percent.

9. The General Committee noted that such a decline in the level of the FAO budget was unprecedented and was not evidenced in the budgets of other organizations in the UN system which had been approved so far by Member Nations for 1992-93.

10. The General Committee considers that the matter is in the hands of Member Nations. If a consensus is desired in the circumstances indicated above, the General Committee submits to the Conference that the Draft Resolution on Budgetary Appropriations submitted by the Director-General in document C 91/3, The Director-General's Programme of Work and Budget for 1992-93, be replaced by a Draft Resolution on the Programme of Work and Budget and Budgetary Appropriations 1992-93 (attached).

11. If the Conference could reach consensus on the attached Draft Resolution, the General Committee expects that the Conference receive a specific commitment from the USA regarding the amounts and timing of its payments relating to current assessments and arrears; that the present solution resulting in a negative budget growth of 4 percent be considered as an exceptional one, not setting a precedent for future Programmes of Work and Budget; that Member Nations reserve the right to consider on their merit future Programme of Work and Budget proposals as may be submitted by the Director-General in accordance with Article XVIII para. 1 of the FAO Constitution. The General Committee also expressed the hope that, taking into account the consensus decision eventually reached on the Programme of Work and Budget 1992-93, the Conference would reach positive solutions on the Director-General's proposals for increasing the level of the Working Capital Fund and replenishing the Special Reserve Account for 1992-93.

12. The General Committee invites the Plenary to take note of the present report and make it available to Commission II so as to permit conclusion of its work on the Programme of Work and Budget 1992-93 and transmission of its report for eventual adoption by Plenary, as scheduled, on 20 November.

DRAFT RESOLUTION FOR ADOPTION BY THE CONFERENCE
Programme of Work and Budget and Budgetary Appropriations 1992-93

THE CONFERENCE

Having considered the Director-General's Programme of Work and Budget and the conclusions of its Commissions:

1. Approves the Programme of Work¹ proposed by the Director-General for 1992-93, as follows:

	<u>US\$</u>
Chapter 1 - General Policy and Direction	51 048 000
Chapter 2 - Technical and Economic Programmes	326 088 000
Chapter 3 - Development Support Programmes	104 364 000
Chapter 4 - Technical Cooperation Programme	77 409 000
Chapter 5 - Support Services	96 439 000
Chapter 6 - Common Services	16 778 000
Chapter 7 - Contingencies	600 000
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Total Programme of Work	672 726 000
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2. Decides on the following appropriations for the financial period 1992-93:

Net Base Budgetary Appropriation	645 588 000
Transfer to Tax Equalization Fund	108 100 000
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Total Appropriations (Gross)	753 688 000
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3(a) The appropriations (gross) voted in paragraph 2 above, shall be financed by assessments on Member Nations, after deduction of Miscellaneous Income in the amount of US\$ 12 028 000, thus resulting in assessments against Member Nations of US\$

(b) In establishing the actual amounts of contributions to be paid by individual Member Nations, the assessment of each Member Nation shall be reduced by any amount standing to its credit in the Tax Equalization Fund provided that the credit of a Member Nation that levies taxes on the salaries, emoluments and indemnities received from FAO by staff members shall be reduced by the estimated amounts of such taxes to be reimbursed to the staff member by FAO.

(c) The contributions due from Member Nations in 1992 and 1993 shall be paid in accordance with the scale adopted by the Conference at its Twenty-sixth Session, which contributions, after the deduction of amounts standing to the credit of Member Nations in the Tax Equalization Fund, result in net amounts payable totalling US\$ as set out in Appendix to this Report.

4. Requests the Director-General to submit a report to the Council, at its Hundred and Second Session, through the Programme and Finance Committees on progress in the implementation of the approved Programme Budget.

¹ Calculated at Lit. 1 230 = US\$ 1; final rate to be determined by Conference and figures to be changed accordingly.