

INTRODUCTORY STATEMENT OF THE SECRETARY GENERAL TO THE
FIFTY-SEVENTH SESSION OF THE ADVISORY COMMITTEE ON
ADMINISTRATIVE, BUDGETARY AND FINANCIAL MATTERS

Mr. Chairman,

Your Excellencies,

Ladies and Gentlemen,

I would like to welcome you to the Fifty-Seventh Ordinary Session of the Advisory Committee on Administrative, Budgetary and Financial Matters. I would like in particular to extend a warm welcome to the distinguished Ambassadors who are participating for the very first time in the proceedings of this Committee. I wish especially to refer to the most recent arrivals. These are Ambassador Bechir Ben Aissa of Tunisia and Ambassador Emmanuel Mendoume-Nze of Gabon.

The purpose of your meeting is to consider the financial, budgetary and administrative situation of the Organisation with the objective of adopting the programme budget for 1993-1994 financial year.

I would like from the outset to report that efforts have been made to improve on the financial management of the Organisation. Indeed, the Board of External Auditors has referred in its report to certain shortcomings which still hamper the smooth financial management of the Organisation. However, I was pleased to note that the Board did acknowledge that, compared to previous financial years, progress had been made in the financial management of the Organization mainly as a result of the effective implementation of most of the

recommendations made during previous auditing exercises coupled with the relevant instructions issued on a regular basis by the Secretary General. I wish to report in this respect that I have, in fact, among other measures, surcharged Officers who incurred over-expenditure without my express authorisation. In taking this decision, I have also made it clear that further disciplinary action will be taken against any and all officers who continue to violate the Financial Rules and Regulations and in particular relating to overexpenditure without authorization.

With regard to the administrative situation, I would like to report that the re-organisation exercise decided upon by the Fifty-Fifth Ordinary Session of the Council of Ministers has become effective since June 1, 1992. Moreover, the Secretariat has pursued the recruitment exercise in order to fill the various existing vacancies. However, despite our efforts to expedite action on the recruitment of new Staff, we are faced with serious obstacles, namely, the delays inherent in the recruitment procedure and the financial implications of the exercise which limits the ability of the Secretariat to recruit. At this rate of recruitment, the Secretariat will not be able to fill the numerous vacancies now existing especially as each year goes by, new vacancies occur as a result of resignations, departures on retirement and deaths. This issue needs to be addressed because the present situation is clearly not satisfactory. The recommendation proposed by the Structural Review Committee to cut down the installation

allowance will, after its formal adoption by the Council of Ministers, reduce the financial burden on the budget and thus enable us to recruit more Staff to fill more vacancies. I am of the view that this step together with other measures which need to be considered subsequently, will contribute to facilitate a solution to our problem in this area. The proposed special session of your Committee devoted to matters of recruitment will definitely help us in this regard.

Mr. Chairman,

Your Excellencies,

Ladies and Gentlemen,

I would now like to turn to a serious and critical issue: that of the financial situation of the Organisation. I regret to report that the financial situation of the Organisation is very disturbing. Indeed, as of 31st May 1992, the arrears of contribution owed by Member States stood at more than US \$ 59 million. It must be stated that for the last three financial years, namely, 1989-1990, 1990-1991, 1991-1992, the rate of payments to the regular budget were respectively 41%, 26% and 23%. Furthermore, it is distressing to note that out of a net total budget of slightly more than US\$ 24.5 million for the current financial year which started on June 1, 1992, only a negligible amount of about US\$ 400,000.- has been paid by a few Member States as of 31 October, 1992 whereas we are virtually half way through the financial year.

As a result of the above situation, the Secretariat, as of today, has about US\$ 9 million in its bank accounts which allows it to meet its obligations for no more than 4 months. I am deeply worried that at this rate of payment of contributions by Member States, the Organisation will soon become insolvent and I am all the more concerned that this unfortunate trend in events is occurring at a time when more responsibilities are being heaped on the Organisation. Actually, we are already facing a serious difficulty with the funding of our operations in Rwanda and South Africa. We also need to find additional resources to fulfill the role expected of our Organization in the Mozambique Peace Process as well as the role of OAU in Liberia pursuant to the responsibility entrusted to us by the recent Abuja ECOWAS Follow-up Committee. I would therefore like to seize this opportunity to make a solemn appeal to all Member States to meet their financial obligations vis-à-vis the Organisation.

Mr. Chairman,

It is against this background that the draft programme budget for 1993-1994 is being tabled for your consideration. The total amount of the proposed budget is US\$ 28,630,502.00 which represents an increase of 2.6% over the current year's budget and an 18% increase over the actual expenditure for the 1991-1992 financial year. It should be noted that this increase is partly due to the increase in salaries: 7.5% for the G.S category and 5% for the professional category. The Assistant Secretary General responsible for finance will, in due course, give you an overview of the budget.

Mr. Chairman,

This meeting is taking place at a time when our Organisation is facing new challenges and taking on new responsibilities. I consider this Session of your Committee as a most crucial one in that it should, in my view, mark the point of departure from the usual practice and provide an opportunity for reflection on how to adapt our Organisation to the new realities and enable it to live up to its new responsibilities. Over the years, we have been perpetuating a tradition of over-stretching our meagre resources - as the Organisation is expected to carry out various activities ranging from political, social, economic and cultural matters to technical and scientific issues. As a result of the above situation, the required impact has not always been achieved or felt.

It is my firm belief that time has now come to prioritize, more thoroughly, the use of our resources. We should be able to identify priority areas wherein to concentrate our resources, efforts and energies. As for the other areas of lower priority, which undoubtedly are many and important in a Continent where virtually everything has to be done, it would be necessary to take advantage of the goodwill and resources available both within and outside the Continent as long as we are able to provide appropriate leadership.

Unfortunately, we have not been able this time around, to present a draft budget sufficiently reflecting the priority areas on which the Organisation intends to focus its attention. It is clear that such an exercise is a rather complex one in view of the inherent implications in terms of the structural change that it would require. I do believe, however, that at a certain stage in the near future, we should indeed address the issue of the restructuring of the Organisation so as to reflect the new priorities. Such a restructuring exercise will also entail the rôle and scope of our regional offices.

Over the last few years, our priorities have clearly emerged. Indeed, in line with the Extraordinary Summit devoted to economic matters which convened in Lagos in 1980 and in pursuance of the 1991 Abuja Treaty, emphasis is now being laid on the socio-economic development and integration of the Continent. Needless to say, OAU will be playing a leading role in this major undertaking. More concretely, the Organisation has been mandated to implement the Treaty establishing the African Economic Community. In this respect, we have been encouraged by the rate of ratification of the Treaty by Member States. As of today, 19 Member States have already ratified the Treaty. It is still our fervent hope that the required number of ratifications will be achieved by the next Summit so that we can embark on the actual implementation of the Treaty during the financial year 1993/1994 which is under consideration.

As Members of the Committee are aware, the first stage of the implementation of the Treaty consists in strengthening existing regional economic communities. The Secretariat, is expected to coordinate and ensure the harmonization of the activities, programmes and projects of the Regional Economic Communities with those which are envisaged under the Treaty. Closer inter-action among the Regional Economic Communities needs to be promoted so that their programmes and policies will be mutually reinforcing within the framework of a continent-wide community.

Mr. Chairman,

The second major priority that has emerged is the need for peace, security and stability in our Continent as it is clear that no serious socio-economic development can be undertaken and sustained if a conducive environment is not created. Indeed, such environment is all the more necessary if we are to direct our energies and efforts towards the socioeconomic development and recovery of our Continent. The quest for peace, security and stability is a genuine and profound aspiration of our peoples. If our Organisation is therefore to live up to the expectations of the African peoples, it has to be involved in the peace process in our Continent. Fortunately, so far, OAU is

being increasingly associated in peace processes in our Continent as reflected for instance, in its involvement in Rwanda and South Africa and, to a lesser extent, in some other countries. More recently, the involvement of the OAU has been sought in the case of Mozambique and Liberia in order to assist in the implementation of the respective peace Agreements in those countries.

The OAU's role in conflict management, prevention and resolution has been one of the topical issues in the deliberations of our Organisation over the last few years. During the Dakar Council of Ministers and Assembly of Heads of State and Government, I submitted proposals on the establishment of a mechanism for conflict management, prevention and resolution. The proposal raised intensive and constructive debate within Council and thereafter at the Summit. In line with the decision taken in Dakar on this issue, I have already embarked on consultations with Member States and I intend to pursue them with Your Excellencies here in Addis Ababa so as to enable me to submit to the forth-coming Council, a preliminary report, which will take into account the deliberations in Dakar and the submissions received thereafter from Member States. I am confident that Council will provide guidance as to how to proceed with this project in preparation for the forthcoming Summit in Cairo where a final decision is expected to be taken on this issue.

Apart from this initiative, I am encouraged by the growing support shown by Member States in OAU's role in conflict management in our Continent. In this respect, I was pleased with the discussions that took place within the Sub-Committee on Programmes and with its endorsement of my proposal to create a new budgetary vote to cater for activities of the Organisation related to conflict management. I am confident, that your Committee, will find no difficulty in, in turn, confirming this recommendation. My confidence is based on my awareness of the commitment and support of the Members of the Committee for the enhancement of OAU's ability to carry out its mandate in conflict management. The amount of US \$250,000 which has been proposed in this respect is rather symbolic and modest in view of the high expectations and the enormous means required to carry through the mandate. Members of the Committee are well aware of the heavy expense involved even for small operations as in the case of Rwanda. The Secretariat did not deem it appropriate to suggest a higher figure so as not to heighten the burden of the budget on Member States. I would however, like to appeal to your Committee, while it is reviewing the budgetary proposals, to look into the possibility of raising this figure, of course within the budget ceiling.

Mr. Chairman,

Your Excellencies,

Ladies and Gentlemen,

As you are all aware, our Continent is traversing a period of change. OAU is being called upon, and increasingly so, to accompany this movement. Our Organisation is following with interest and attention the on-going process of transition in many, if not all of our countries. It is concerned about the need for the process to be carried through in an atmosphere of peace and stability. It is my firm belief that each time the OAU can witness and be helpful in any manner in promoting a peaceful transition in our Member States, it would have made a major contribution to the creation of an atmosphere of peace and stability in the Continent. This is without doubt another area of priority on which our Organisation has to focus in the days ahead. Freedom and dignity as well as the desire for a greater say in governance are indeed a profound aspiration of our peoples.

It is encouraging to note that Member States are keen to involve the OAU in the observation and monitoring of the process of change. Our Organisation has been invited to observe elections in many Member States. In some cases, like in Togo, OAU's participation has gone further and helped to promote understanding and dialogue between the parties involved. I am encouraged by the positive reaction of the Sub-Committee on Programmes to our proposal for appropriations to cover activities connected with the peaceful management of change in our Continent. Here again, I would like to count on the understanding of your Committee so that the necessary resources are provided so as to allow the Organisation to perform in this new and crucial area of responsibility.

Finally, I would like to mention another area of priority, namely, the need to strengthen the capacity of the Organisation to respond to its new responsibilities. I am, in this regard, thinking particularly of the importance of re-deploying our human resources on the basis of the new priorities of the Organisation and of providing the necessary training and refresher courses for our Staff. Some suggestions have been submitted to the Sub-Committee on Programmes intended basically to strengthen the Division on Conflict Management. These proposals are contained in Document CM/1743 (LVII) Add.1 entitled: "Priority Programmes for 1993/1994" which will be made available to members of the Committee. I would like to urge you to consider these proposals favourably.

Mr. Chairman,

Your Excellencies,

Ladies and Gentlemen,

I felt that I should mention these priorities which, I hope, will guide you throughout your deliberations. In doing so, I am aware that all of us, Member States and Secretariat alike, share the same concerns and aim at the same objective. Let me put on record my appreciation for this sense of common purpose and cooperation which has continued to unite us and which has clearly emerged throughout the regular and constant consultations I have always had with Members of the Committee in one capacity or another. Together we should be

able to devise ways and means to enable the Organisation to enhance its capacity to deliver. I would like to state in this respect that the Secretariat is at your disposal to assist you in your deliberations. I have instructed them to provide you with accurate and frank answers to any questions you might wish to raise in connection with the administrative, budgetary and financial management of the Organisation so as to expedite your work especially as I understand that the Chairman and the Bureau intend to proceed in a business like manner. I have specifically asked my colleagues, the Assistant Secretaries General and the Directors of Department to accord the utmost attention to your proceedings and to be personally present.

May I, at the same time, crave your indulgence and seek your understanding for any short-comings or inconvenience that might have arisen or may arise in the course of your deliberations.

I wish you every success in your deliberations.

Thank you.