



Organization of African Unity

**COUNCIL OF MINISTERS
SIXTY-FIRST ORDINARY SESSION**

STATEMENT BY THE SECRETARY GENERAL

Addis Ababa, Ethiopia

23 January 1995

**Mr. Chairman,
Prime Minister Tamrat Layne,
Distinguished Ministers,
Excellencies, Ladies and Gentlemen,**

I wish, at the outset, to join the Prime Minister of the Transitional Government of Ethiopia, H.E. Ato Tamrat Layne, in welcoming you all to Addis Ababa. I would also like to welcome and congratulate the Chairman of the 61st Ordinary Session of the Council of Ministers, the Minister of Foreign Affairs of Malawi, the Hon. Mr. BWANALI and the Bureau and to assure them of my full support and the cooperation of the Secretariat in the performance of their task. I wish also to put on record my profound appreciation to the out-going Chairman of the Council, Foreign Minister Habib Ben Yahia of Tunisia for the able and dynamic manner he conducted the work of the 60th Ordinary Session of the Council and for the sustained efforts he has deployed since then, as a follow-up to Council's decisions and resolutions.

This session is convening at a critical moment in which our countries and people are experiencing enormous challenges arising from the processes of dual transition. Africa is making serious efforts in forging ahead both in the economic and political transition. The process of economic reform is steadily taking root even with a lot of social sacrifices. Yet the fact remains that despite the process of adjustment and transformation that our countries are embarking on, the economic situation of our countries continue to be grave. Most of our societies are still struggling to achieve the basic needs of our people. But our efforts have continued to be hamstrung by the international economic environment which has not been the most propitious for the continent.

On the political front, democratization is gaining momentum as our countries are embracing and internalizing pluralism as an essential element of the political fabric of the society. But this process requires careful nurturing in order to preserve the cohesion, unity and stability of our countries.

It is a fact however, that one of the most formidable obstacles in our social, economic and political endeavours remains the scourge of conflicts. These conflicts still continue to ravage the continent. This is true in Liberia as it is in Somalia. I am equally gravely concerned at the destabilizing consequences the conflict in Liberia is having on the situation in Sierra Leone. I am in contact with the Government of Sierra Leone which is keen to see the OAU play a role in defusing tension in the country and promoting peace and stability there.

The continent is struggling to come to terms with the horrors of genocide in Rwanda and to look ahead to the process of rebuilding the country and society. In Burundi, tensions prevail but the people of that country persist in dialogue. We take heart at the developments in Mozambique culminating to the free and fair elections. Despite serious problems here and there, we are encouraged by the evolution of the situation in Angola especially the signing of the Lusaka Protocol. It is however imperative that the Protocol be adhered to by all concerned so that the drums of war in that country can be forever silenced.

Many other challenges of promoting human rights, preserving the environment and meeting the many social needs of society, continue to mount and putting greater strains to our governments and resources. In the Introductory Note to my

report contained in Document CM/1851 (LXI) Part I which is before the Council, I have set out in detail, the efforts made both by the Member States and the Secretariat at meeting these challenges.

All in all, the tasks before our governments are not getting any lighter. Instead, they are becoming heavier, more complex and resource demanding.

The General Secretariat, working closely with Member States has endeavoured to play its role. Indeed, I am encouraged that Member States are showing greater disposition to cooperate and engaging the Secretariat in more and more issues. Through this growing partnership the Secretariat has been able to facilitate dialogue and take part in efforts at conflict prevention, management and resolution, through the instrumentality of the Conflict Mechanism. We have observed elections in many countries and are engaged in promoting regional and continental integration.

Mr. Chairman,

If this cooperation has taught us anything, it is that, there must be constructive partnership between Member States and the Secretariat if we are going to make a critical difference in what we are trying to do. Member States must be prepared to use the Secretariat and in turn give it the necessary political support. Likewise, the Secretariat should take advantage of that support to apply itself to the maximum possible, to the tasks which are entrusted to it. It is this partnership, founded on mutual support and cooperation which can sustain action.

At the same time, we have learnt that in order for the Organization to perform, it needs resources - human and financial. So far, we have been able to begin developing and strengthening that partnership. We have begun developing human resources but we do not possess the requisite financial resources. And it is on the financial resources we lack, that I wish to concentrate my remarks today, since all the major issues of concern to our Organization have extensively been covered in my Introductory Note which has been circulated to Council.

Mr. Chairman,

In the introduction note to my report, I present to this Council the bleak financial situation of the Organization, and I explain how cash flow difficulties brought about by non-payment of contributions, compelled the Secretariat to dip its hands into its savings - the Working Capital Fund to meet operational obligations entrusted to it.

Today, Member States are asking the Organization, and rightly so, to assume more and more obligations. We, in the General Secretariat, welcome this challenge and have strived to do all that is possible to live up to the expectation of Member States. Whether in conflict issues, in the process of democratization such as observing elections, in economic integration or meeting other social challenges, it is the objective of the Secretariat to play its part and do so effectively. Your Excellencies will agree with me that while the determination of individuals and the Organization is critical for the success of any initiative, it can not make for the resources that are needed to do the work.

Indeed, for how long shall we expect those countries which pay regularly to continue shouldering the burden of financing the Organization? This is a collective enterprise. It is the responsibility of each Member State and not of a few. As Member States have rights in the Organization, they must be prepared to meet their obligations to it.

What I am saying is that Member States cannot continue to load the Organization, on the one hand and not afford it with the requisite resources with which to work on the other. I am also saying that the burden of financing this Organization belongs to every Member State and it should therefore be the duty of each to make its contribution. I am equally saying that a payment made late does not permit for planning and its effect on operations is minimal.

Mr. Chairman,

Beginning this June, the sanctions adopted against those Member States falling behind in their contributions by two years, will go into force. But those sanctions are not enough for they ought not be necessary in the first place if each and every Member State, except for those in obvious distress, felt the obligation to pay their contributions on time. The spirit of those sanctions is not to punish Member States but to encourage them to pay their contributions and do so on time. Yet, even with those sanctions, we will need the understanding and cooperation of Member States, to come forward and embrace the spirit of those measures.

If I speak in these terms, it is not because I am oblivious of the economic hardships which our countries are going through. I am keenly aware of the pains of economic restructuring and adjustment in our countries. I know that Member States have had to cut back on public spending. Hospitals are forced to go without essential drugs, schools have to close and in some cases, public employees have to do with very meager wages.

But this said, there is still the overriding issue of principle. We have an Organization to which we assign tasks. We repeatedly reiterate that we want the Organization to be strengthened and made efficient so that it can perform those tasks. At the Secretariat, we have tried to do our best to bring financial frugality and good management. We have rolled back posts and held the rise in the budget. We are continually striving to institute more and more stringent measures to ensure that the resources placed at our disposal are utilized most rationally.

The Member States and the Secretariat have also seen and agreed on the need of raising supplementary extra-budgetary resources to finance operations especially in the critical sectors of the priority agenda of the Organization. We have secured resource support from a number of governments abroad to finance operational activities under the Mechanism for conflict prevention, management and resolution. We have equally secured financing from the United Nations Development Program and the African Capacity Building Foundation to support the establishment of the African Economic Community. We are equally raising funding to support operations in other sectors such as the environment, Human and Peoples rights, women, children and the youth.

The sole objective of raising extra-budgetary funding is to supplement our own resources. Increasingly however, it is becoming evident that we are becoming increasingly dependent on external funding for our operations. A clear example of this is in the conflict resolution area. We have a Peace Fund to which the African contribution is still modest. We have operations now under way, but which are presently mainly sustained by external financing. How long can we expect our partners to continue being charitable if we do not show serious efforts to share the burden? How can we inspire our supporters, if we do not demonstrate that we are determined to devote even token resources to meet the challenges that face us?

Mr. Chairman,

Obviously this Council must cast a fresh look at the financial situation of the Organization and see what needs to be done to find a permanent solution to it. For without drastic measures, we shall end up with an Organization paralyzed by under-funding or at best sustained by external resources for its activities.

Yes, our countries are experiencing difficulties but I do not believe that with determination, a budget of under \$30 million annually is beyond the reach of the entire continent of Africa. Neither do I believe that our countries are individually unable to pay their respective contributions if they give the matter the attention it deserves.

I am aware that there are those countries which pay regularly and on time. It is these which have sustained the Organization and I wish to pay tribute to them. It is not up to these countries alone to meet their obligations to the Organization. There are no groups of payers and non-payers. All Member States must be payers as it is an obligation contingent upon membership. Our countries see and recognize these obligations and readily fulfill them with respect to outside Organizations. Why should it be so difficult when it comes to their own continental organization!

Mr. Chairman,

It is not enough to extend political support to the OAU if Member States do not give financial force to that support. How can the Organization translate that political support into concrete action, if it does not have the resources to undertake programs or when it struggles to meet its payroll costs? I hope that the Council will take advantage of this budgetary session to find a lasting solution to this endemic problem.

I thank you.

Today our operations stand in great danger of being wound down for lack of the requisite funding. Today seven months into the 1994/95 financial year, we have received less than a quarter of the total assessed contributions, while arrears owed by Member States stand at more than US\$50 million. This situation can not be allowed to continue if we want the Organization to work and do so efficiently.

Mr. Chairman,

While non-payment is undermining the resource base of the Organization, late payment equally makes it impossible to plan. Without resources to budget, we can not get programs off the ground. Instead, we are left helpless anticipating the payment of arrears - which come in trickles and do not permit the Secretariat to plan ahead. This paralysis caused by uncertainty in resource flows, runs the risk of seriously undermining the Organization.

In addition, what this cash flow crisis has meant is that there is no internally funded program which is ongoing. This is to say that unless we can find a solution to this crisis, we shall, when possible, be paying salaries to staff who do not work because their programs lack the necessary funding.

Every year, urgent appeals are made to Member States to pay. The current Chairman and I send repeated messages explaining the financial crisis of the Organization and urging Member States to pay. The response has consistently been less than encouraging. With a few happy exceptions of those who pay regularly, these appeals have gone largely unresponded to. But how long shall Member States continue to act as if the issue of financial obligation to the Organization is optional.