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INTRODUCTION OF THE REPORT OF THE ADVISORY COMMITTEE
ON BUDGET AND FINANCE TO THE 14TH SESSION OF COUNCIL
OF MINISTERS BY HIS EXCELLENCY MR. E. OLU SANU
AMBASSADOR OF NIGERIA TO ETHIOPIA



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Mr. Chairman,

Once again, I have the pleasure of presenting to the 14th Session of the Council of Ministers the report of the Ninth Session of the Advisory Committee on Budgetary and Financial Matters contained in document CM/295/Rev.I. The report deals not only with Draft Budget for 1970/71 but covers the related question of structure and salary levels of the General Secretariat and other items referred to the Committee by the Secretary-General during the course of its sessions.

In my opening remarks last year, I urged the organization to adopt a policy of "consolidation and expansion". I thought that we had reached the stage when we could pause and consolidate the existing establishment and allow a few years to elapse before taking any major step forward. Unfortunately, this policy cannot yet be fulfilled and the administrative budget of the Organization has again increased by over 6% that is from US.\$2,401,209 to US.\$2,575,541 for 1970/71 budget.

The size of the budget for 1970/71 is attributable to three main factors:

- (a) Natural increase as a result of normal increment, increase in prices etc.
- (b) Proposed 5% General Increase in salary rates, additional non-resident allowance.
- (c) Increase as a result of proposed structural changes.

The Council of Ministers will have the opportunity to examine these factors in detail. Let me just say at the moment that there is a legitimate case for increasing the salary of the staff of the OAU Secretariat and members of the Committee support the proposed increase wholeheartedly.

The question of the structure has changed quite dramatically. The first term of reference of the Advisory Committee was to examine the structure with a view to effecting some savings. It is now clear that the Secretary-General prefers the structure as it exists. What emerges from reading his report is that he is basically interested in having new posts and up-grading to higher posts some members of the Secretariat. This in itself is not a bad idea. It is, however, unfortunate that this exercise will be considered at the same time as we are considering an overall increment of salaries for all the staff members. The net effect is that some members of the Secretariat, particularly those at the upper-level, will have double increment or at least a substantial monetary increase as a result of the exercise. In the circumstance, will it not be better at this particular time to approve only the general 5% increase and an enhanced condition of service and put off the question of reclassification of posts for the moment? I have merely posed this question in view of the substantial increase in the budget which is now before us and the fact that the Secretary-General has made it abundantly clear that he is satisfied with things as they are.

Mr. Chairman, Member States of the Organization of African Unity fall into the category of developing countries; this means in effect, that they have low per-capita income and thus have the responsibility of raising the standard of living of their peoples. It is essential therefore that as developing countries they husband their resources in a prudent manner and in such a way that they are able to satisfy the many demands made on them. It is for this reason that the Organization should seek ways and means of adopting a reasonable budget.

There are certain measures that can be taken to ensure a reasonable budget in the future. Among them are the following:

- (i) The February meeting of the Council of Ministers should be restricted as much as possible to the consideration of the budget. In this manner, the length of the February meeting will be curtailed to 3 or 4 days, thus allowing for some savings. I am happy to note that the Council of Ministers has tacitly agreed that future budget sessions should be restricted.
- (ii) Secondly, it does not appear that the Council of Ministers take into sufficient consideration the financial implications of some of the decisions and directives given to the Secretary-General. I will suggest that in future the Secretary-General circulate a statement indicating quite clearly the financial implications of the recommendations of the Council before final resolutions are adopted. In this way, the cost involved if a decision is formally taken will be known to all members.
- (iii) Thirdly, although there is a provision for a biannual meeting of the Commissions, provision should be made in the budget only when the Council of Ministers direct that the meeting of a particular Commission should take place. If no directive is given then no provision should be made in the estimate. This is particularly necessary because in the past two years most of the Commissions have not been able to meet.
- (iv) Fourthly, the travels of staff of the Secretariat should be rationalised. Since members of the OAU are also members of the International Organizations, it is sometimes not necessary to have an OAU presence in all international meetings.

- (v) Fifthly, the OAU should regard its activities in the economic and social fields as complimentary to those of the ECA and the International Agencies. We should therefore not try to duplicate our efforts in these areas. It is essential to realise that we do not have resources to set up a completely separate machinery in all these areas.
- (vi) Finally, while we have been concerned with expenditure, we have not explored the possibility of obtaining revenue for the organisation. The Council of Ministers should direct the Secretariat and the Advisory Committee to submit a report to the next meeting of the Council of Ministers on this matter.

Mr. Chairman, I apologise for the length of my introduction. I felt that I should indicate at the outset areas of possible economy so that the Council can give some direction to both the Advisory/^{Committee} and the Secretariat. I should also like to say that these suggestions have been made with a view to strengthening the organisation so that all Member States can regard it a useful instrument for unity and not an economic burden. As rapporteur of the Committee, I shall endeavour to explain why we took some decisions or made some recommendations whenever I am requested to do so. The report of the Advisory Committee covers Item 4 - 14. I do not think that it is necessary to discuss the report of the Advisory Committee. The report is a guide or reference material. I think when separate items are discussed, the relevant paragraph in the report should be referred to.

I should like to express the thanks of the Committee to the Secretary-General and his staff for their assistance and co-operation we received from them in the course of our duty.

Thank you Sir.



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of Ministers by his Excellency Mr. E.
Olu Sanu Ambassador of Nigeria to Ethiopia.

Organization of African Unity

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