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UNITED NATIONS ENVIRONMENT PROGRAMME

Establishment and operation of a special account for financing the  
implementation of the Plan of Action to Combat Desertification

Report of the Advisory Committee on Administrative  
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report on the establishment and operation of a special account for financing the implementation of the Plan of Action to Combat Desertification 1/ which the Secretary-General has submitted in response to paragraph 12 of General Assembly resolution 32/172 of 19 December 1977 (A/33/117).
2. The Advisory Committee notes that the creation of a special account within the United Nations for implementing the Plan of Action was endorsed in principle by the General Assembly in paragraph 11 of resolution 32/172. In paragraph 4 of resolution 33/89 of 15 December 1978, the General Assembly reaffirmed its decision to establish in principle this special account.
3. In his report (A/33/117), the Secretary-General makes the following recommendations:
  - (a) That the General Assembly should establish the proposed special account (para. 10);
  - (b) That the purpose of establishing and operating the special account should be to facilitate the receipt and disbursement of funds for financing projects, programmes and other activities to help implement the Plan of Action to Combat Desertification (para. 11);
  - (c) That responsibility for executing programmes financed by the special account should be exercised by the Executive Director of the United Nations Environment Programme (UNEP) (para. 13);

1/ A/CONF.74/36, chap. I.

(d) That financial control of the special account should be exercised by the Controller on behalf of the Secretary-General in accordance with the Financial Regulations and Rules of the United Nations; and that custody of the liquid assets and responsibility for their investment should be vested in the Controller (para. 13);

(e) That the special account should be financed by contributions from Member States and from other sources, provided such contributions are consistent with the policies, aims and activities of the United Nations and do not directly or indirectly involve an immediate or ultimate financial liability for the Organization, unless otherwise agreed upon by the General Assembly on the recommendation of the Advisory Committee (para. 17);

(f) That the Executive Director of UNEP should submit annual reports to the Governing Council of UNEP on the programmes financed from the special account (para. 18);

(g) That the status of the special account should be reported by the Secretary-General to the General Assembly in the financial report and accounts for each biennium and in the interim financial statements (para. 18).

4. Regulation 6.6 of the Financial Regulations of the United Nations states that "Trust funds, reserve and special accounts may be established by the Secretary-General and shall be reported to the Advisory Committee." Thus, the regulation makes no provision for the establishment of special accounts by the General Assembly itself or any other organ of the United Nations. In the circumstances, the decision by the General Assembly in resolutions 32/172 and 33/89, endorsing in principle the creation of the proposed special account, already provides the Secretary-General with the necessary guidance. But if it is felt that a more specific directive is desirable, the General Assembly may wish to request the Secretary-General to establish the special account in question.

5. The Consultative Committee on Administrative Questions (CCAQ) has approved the following definition of the term "Special account":

"Special accounts: Accounts other than trust funds established outside the regular budget accounts, to record receipts and expenditures to which it is desired to give special separate identification, in view of the importance of the related activities to the organization, or to Member States, for purposes of financial management or for other reasons."

6. In his Bulletin on the Establishment and Management of Trust Funds the Secretary-General makes the following observations on special accounts:

"Special accounts may be established pursuant to a resolution of the General Assembly or of the Security Council or by the Secretary-General in instances where in his opinion a separate entity of this nature is deemed appropriate. They usually relate to assessed contributions and accounts derived from them. Special accounts established pursuant to resolutions of the General Assembly or the Security Council have been

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mainly in respect of peace-keeping activities. Although it is possible, under the Financial Regulations and Rules, to treat voluntary contributions for purposes specified by the donor as either trust funds or as special accounts, designation as such by the donor will not affect the application of these procedures. Thus, in the interest of clear terminology and understandable practice, such accounts will normally be called trust funds when established by the Secretary-General" (ST/SGB/146/Rev.1, para. 8).

7. In paragraph 10 of his report (A/33/117), the Secretary-General states that the proposed establishment of the special account for financing the implementation of the Plan of Action to Combat Desertification is not the result of an initiative by a particular donor or donors or of a special appeal by the Secretary-General. In response to inquiries, the Advisory Committee was informed that the Secretary-General did not currently have any resources in hand or pledged, for deposit in the special account once it has been established. In this connexion, the Advisory Committee notes, however, that a study, by a group of high-level specialists, on additional measures and means of financing for the implementation of the Plan of Action to Combat Desertification was submitted to the General Assembly at its current session through the Governing Council of UNEP (see A/33/260). In paragraph 7 of its resolution 33/89, the General Assembly requested the Secretary-General to solicit the views of Governments on the additional measures and means of financing for the implementation of the Plan of Action and to report on the results to the General Assembly at its thirty-fourth session.

8. In paragraph 15 of his report (A/33/117), the Secretary-General expresses the view that "until such time as the volume of funds in the special account is sufficiently large to warrant the allocation of funds for assistance, it would appear premature to consider and recommend a set of policies and criteria for the programming of financial resources". The Secretary-General suggests that this aspect of the question be reviewed by the Assembly at its thirty-fourth session on the basis of a report to be submitted by him.

9. The Advisory Committee notes the statement in paragraph 16 of the Secretary-General's report that "the establishment of a special account for combating desertification does not involve the establishment of any new institution or special administrative machinery" and that the Secretary-General's recommendations in the report "carry no financial implications for the United Nations budget".

10. One of the recommendations made by the Secretary-General in his report is that the Executive Director of UNEP should submit annual reports to the Governing Council of UNEP on the programmes financed from the special account (see para. 3 (f) above). However, the Secretary-General makes no recommendation as to which intergovernmental organ should provide over-all policy guidance. The Advisory Committee recommends that policy guidance be provided by the Governing Council of UNEP.

11. In paragraph 3 (g) above, reference was made to the recommendation of the Secretary-General that he should report on the status of the special account to the General Assembly in the financial report and accounts for each biennium and

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in the interim financial statements. The Advisory Committee interprets this recommendation to mean also that the special account will be audited by the Board of Auditors. The Committee recommends that the instrument governing the operations of the special account should explicitly provide for the auditing of the account by the Board of Auditors.

12. Subject to the observations and recommendations in the present report, and in particular those in paragraphs 4, 10 and 11 above, and bearing in mind the statements by the Secretary-General in paragraphs 15 and 16 of document A/33/117 (see paras. 8 and 9 above), the Advisory Committee recommends that the General Assembly approve the recommendations made by the Secretary-General in his report (A/33/117).

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