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Summary record of the 59th meeting

Held at Headquarters, New York, on Friday, 21 May 1999, at 10 a.m.

Chairman: Mr. Abelian .... (Armenia)
later: Mr. Armitage (Vice-Chairman) .... (Australia)
later: Mr. Abelian (Chairman) .... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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99-80600 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

Development Account (continued) (A/53/7/Add.12, A/53/374/Add.1 and A/53/945)

1. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the Development Account contained in document A/53/7/Add.12, recalled the Advisory Committee's earlier reports on the subject of the Development Account entitled "Reduction and refocusing of non-programme costs" (A/52/7/Add.10), "Utilization of the Development Account" (A/52/894 and A/53/7/Add.4) and "Development Account" (A/53/7/Add.1). The Advisory Committee noted that the report of the Secretary-General contained in document A/53/945 was broadly in line with the views which it had itself expressed in its previous report. It reiterated its recommendation, however, that section 33 of the programme budget should be entitled "Supplementary development activities" and that the term "Development Account" should be reserved for financing, accounting and auditing purposes for the sake of clarity.

2. The Advisory Committee supported the Secretary-General's proposals for the use and operation of a multi-year special account to which amounts which had been appropriated to a related budget section would subsequently be transferred. Such a modality would allow for the handling of projects on a multi-year basis, while the regular budget section appropriation would be handled in a biennial framework. Funds appropriated by the General Assembly under the budget section related to supplementary development activities would be transferred to the special account. Then in the second year of the biennium, after consideration of the second performance report, the productivity gains which had been identified and approved by the Assembly would be transferred to the budget section on supplementary development activities and subsequently to the special account.

3. The Advisory Committee noted that the General Assembly had already agreed to appropriate an amount of approximately $13 million for supplementary development activities for the proposed programme budget for the biennium 2000–2001.

4. The Advisory Committee had been informed that possible additional savings arising out of efficiency measures amounting to between $5 million and $7 million could be realized during the biennium 1998–1999, but that the Secretariat did not expect that amount to be released as had been projected. The amount of $40 million which had been projected for 2002–2003, as indicated in annex I.b to the Secretary-General's report (A/53/945), should instead read $53 million, to include the $13 million which had already been appropriated for the biennium 2000–2001.

5. The Advisory Committee had previously recommended that the maintenance base of the budget section that related to the Development Account should not be re-costed. Furthermore, gains from currency fluctuations and inflation and savings resulting from underexpenditure resulting from the postponement of activities or inability to implement approved mandates and programmes should not be available for transfer to the Development Account.

6. Contrary to the Advisory Committee's recommendation, the proposed programme budget for the biennium 2000–2001 gave no indication of projections of possible productivity gains. The Advisory Committee noted, however, that the Assembly had approved four of the eight proposals contained in the report of the Secretary-General on the utilization of the development dividend (A/53/374/Add.1). The proposals took into account the emphasis that should be placed on the promotion of development activities in developing countries and countries with economies in transition, as well as the criteria indicated by the General Assembly in its resolution 53/220. The Advisory Committee agreed with the proposals made by the Secretary-General in paragraph 15 of his report (A/53/945) and recommended that the General Assembly should approve them.

7. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, said that the Secretary-General's reformulated proposals on the use of the development dividend should be examined in detail with a view to reaching agreement at the current part of the resumed fifty-third session. Since the Development Account was part of the regular budget, the Financial Regulations and Rules of the United Nations should govern its operation. He noted that the projects that had been proposed for funding from the Development Account were time-limited and wondered whether that was in accordance with the Financial Regulations and Rules. It would also be useful to have a detailed breakdown of the resources to be utilized for implementation of the approved projects as well as the clarification which had been requested by ACABQ on the allocation of resources.

8. With regard to the modalities for operating the Development Account, the transfer into the Account of resources associated with productivity gains was not a budget

reduction exercise and therefore should neither result in the involuntary separation of staff nor adversely affect the full implementation of all mandated programmes and activities. In that connection, it would be helpful for the Secretariat to clarify what was meant by "sustainable gains" in paragraph 4 of the Secretary-General's report (A/53/945) and advise the Committee as to who would verify productivity gains. He also wished to know how the projections of $40 million in productivity gains for the period 2002–2003 had been estimated, whether the amount of $13 million which had been approved for the biennium 1998–1999 was also included in the projections and whether the attainment of the target of $40 million would have any impact on programme delivery.

9. The Group of 77 and China were concerned at the Secretary-General's proposal that productivity gains would be submitted for the approval of the General Assembly after the efficiency measures had already been implemented. In their view, the Secretariat should submit a report every six months on the impact of efficiency measures on the implementation of mandated programmes and activities.

10. Until clarification had been received on the issues which he had raised, it would be very difficult for the Group of 77 and China to approve the Secretary-General's recommendations contained in document A/53/945.

11. **Mr. Herrera** (Mexico), speaking on behalf of the Rio Group, said that the reformulation of the projects to be financed from the Development Account had improved their quality and brought them more into line with the medium-term plan. The Group welcomed, in particular, the reformulation of project F (on-line network of regional institutions for capacity-building in public administration and finance), which included Latin America and the Caribbean among the five experimental centres benefiting from the initiative, and hoped that the region's participation in future projects financed from the Development Account would increase.

12. **Mr. Repasch** (United States of America) noted from the Secretary-General's report (A/53/945) that the initial appropriation for the next regular budget would include funding for the Development Account and asked whether all future budgets would contain funds for the Account, which would entail assessments for Member States. There was no need for the Development Account to be in the regular budget merely to channel funds to the special account and it should therefore be deleted.

13. He noted that the Secretary-General's budget proposals included no estimates of projected efficiency gains, even though the Secretary-General was responsible for identifying efficiencies. The United States welcomed the improvements in the project narratives for the Development Account, particularly those that clearly defined expected achievements and provided examples of how they might be measured. He would welcome the Advisory Committee's views on the performance indicators for the implementation of projects.

14. **Mr. Lozinsky** (Russian Federation) said that he welcomed the report of the Secretary-General on the Development Account: modalities for operating the Account (A/53/945), which reflected many of the views and comments previously expressed by delegations, including his own. He had taken note of the proposal to establish a special account for the distribution of funds from the Development Account; the application of normal budgetary procedures to the functioning of the Account; and the placing of its activities under the control of the relevant intergovernmental bodies of the United Nations. The report represented a good basis for the continuation of the Committee's discussions on the modalities for the establishment and operation of the Account.

15. The related report of ACABQ (A/53/7/Add.12) contained a number of constructive comments. His delegation supported, in particular, the Advisory Committee's view (para. 11) that savings resulting from currency fluctuations, inflation and the postponement of activities should not be transferred to the Development Account, since they could in no way be considered as funds released due to productivity gains.

16. A number of points needed to be further elucidated. It remained unclear to his delegation, for example, why savings achieved had to be channelled through a separate section of the Organization's regular budget. Also, it was not apparent how the supplementary development activities proposed by the Secretary-General would be linked to existing programmes and activities for development contained in the medium-term plan and the programme budget. Nor was it clear what the size of the Account would be in the next two bienniums, and neither report dealt adequately with the issue of sustainability.

17. His delegation welcomed, nevertheless, the reformulated proposals for projects F, G and H contained in the report of the Secretary-General on the utilization of the development dividend (A/53/374/Add.1), which reflected to a large degree the criteria set out in General Assembly resolution 53/220. The proposals, in their new drafting, represented a good basis for productive work by Member States on their inclusion in the list of projects for financing from the funds already available in the Development Account.

18. **Mr. Sial** (Pakistan) expressed surprise that the Secretary-General's proposals for time-limited initiatives had been included in his proposals for the Development Account, even though their consideration was still pending in the

General Assembly. The Account should be dealt with in the same manner as other budget sections. With regard to the programme budget fascicles, those that had been received so far did not contain any information on the programmes to be carried out under the Account. He wished to know what the current status of the fascicles was, since they would be needed by the Committee for Programme and Coordination (CPC) at its June 1999 session.

19. **Ms. Buergo Rodríguez** (Cuba) regretted the General Assembly's failure thus far to adopt a substantive decision that would permit the operational functioning of the Development Account, an issue to which the developing countries attached particular importance. She noted that the projects which had been requested by the General Assembly in its resolution 53/220 had been reformulated in document A/53/374/Add.1. In that connection, the Committee should follow up in informal consultations the proposal to establish time limits for implementation of the projects as well as the question of performance indicators. The Secretariat should explain the relationship between those two proposals and the current provisions of the Financial Regulations and Rules, particularly since resolution 53/220 itself decided that the proposals should be reformulated and implemented in accordance with the relevant Financial Regulations and Rules of the United Nations.

20. The selection of projects must be based on certain criteria. Projects should have multiplier effects in the developing countries and respond to those countries' needs and special requests; funding should not be provided for projects involving activities financed from extrabudgetary resources; projects selected should promote regional and interregional economic and technical cooperation among the developing countries; and the appropriate intergovernmental organs, and in particular the pertinent Main Committees, should consider proposals before they were taken up by the Fifth Committee.

21. Cuba had concerns about the General Assembly's role in the consideration and approval of efficiency measures prior to their implementation and took note of the Advisory Committee's view that an interim report should be prepared on the status of projected efficiency gains. Lastly, she noted with concern the amounts of efficiency gains that were projected for the following biennium. That question would require follow-up in informal consultations.

22. **Ms. Sun Minqin** (China) said that her delegation wished to associate itself with the statement by the representative of Guyana on behalf of the Group of 77 and China.

23. With regard to the report of the Secretary-General on the utilization of the development dividend (A/53/347/Add.1), she noted that the four approved projects and the three projects that remained under consideration were time-limited. She would like to know whether the Secretariat had already determined the length of time that the projects would require in order to achieve their goals. If that was the case, the schedule for their implementation should be made available to the Committee.

24. In the report of the Secretary-General on the Development Account: modalities for operating the Account (A/53/945), expenditure of $40 million had been projected for the biennium 2002–2003, assuming productivity gains of the same magnitude during the preceding biennium. Given that such gains were generally modest and could not be maintained indefinitely, she wondered how the Secretariat had arrived at such a figure, and how it had been able to estimate productivity gains prior to the implementation of the budget for the relevant period. She also wished to know how the Secretary-General would ensure that gains were sustainable.

25. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the efficiency gains projected for the biennium 2000–2001, said that the figure of $40 million was merely an assumption. The amount had not been reviewed by the Advisory Committee, nor had it been approved by the General Assembly. Indeed, it might not prove possible to realize savings of that order.

26. The proposed programme budget for the biennium 2000–2001 was to have contained an indication of possible productivity gains, and the Advisory Committee and the Committee for Programme and Coordination had intended to carry out a preliminary evaluation of the justification for those projections, working from the budget fascicles. However, as stated in the introduction to the proposed programme budget, the Secretary-General had been unable to proceed as envisaged because the General Assembly had not yet concluded its consideration of the modalities for operating the Development Account. When that process was completed, the Secretary-General would submit to the General Assembly projections of productivity gains for the biennium 2000–2001, as well as proposals for projects to be financed from the $13 million that was to be appropriated in late 1999. The $13 million had already been approved by the General Assembly and would appear in section 33 of the programme budget for the biennium 2000–2001. The projects described in the report of the Secretary-General on the utilization of the development dividend (A/53/374/Add.1) were to be funded from the initial appropriation of $13 million for the biennium 1998–1999.

27. The figure of $53 million referred to in the report of the Advisory Committee (A/53/7/Add.12, para. 10) comprised projected productivity gains of $40 million in 2000–2001 and the $13 million to be appropriated for 2000–2001. Those sums together represented the projected expenditure for supplementary development activities in 2000–2003.

28. As to the need for a multi-year account, that was a matter for the General Assembly to determine. The special account was intended to fund projects that spanned several financial periods.

29. **Mr. Civili** (Assistant Secretary-General for Economic and Social Affairs) said that he welcomed the interest shown by delegations in different aspects of the reformulated projects described in the report of the Secretary-General on the utilization of the development dividend (A/53/374/Add.1) and the generally positive comments thereon. He wished to assure the representative of Cuba that the criteria she had listed had been precisely those that had guided the Secretariat in redrafting the projects. A breakdown of the resource requirements for the implementation of the projects had been provided in the fifth report of the Advisory Committee on the utilization of the development dividend (A/53/7/Add.4), but it had had to be revised following the reformulation of the projects pursuant to General Assembly resolution 53/220. The new figures would be circulated to the Committee in the next few days.

30. With regard to the mechanisms for evaluation of project implementation, he said that the Under-Secretary-General for Economic and Social Affairs had initiated discussion within the Executive Committee on Economic and Social Affairs of an evaluation system based on the expected accomplishments. The results of the evaluation would be fully reflected in the progress reports on project implementation.

31. The increased resource requirements for projects F and H could be attributed to the shift in their focus. Project F, as originally formulated, had involved the establishment of a Headquarters-based on-line development centre, a task which, though technically complex, would not have required the allocation of significant resources. The revised project was centred on the development of an on-line network of regional institutions for capacity-building in public administration and finance. During the first phase, five regional and subregional centres would be established. In each case, the necessary infrastructure would have to be put in place, the requisite personnel trained and instruction manuals prepared. The revised cost breakdown would show more clearly which activities had led to increased resource requirements. Project H had originally emphasized the development of indicators, but had been reformulated to take account of comments by delegations that a critical prior requirement in many developing countries was the establishment of basic statistical capacity. An important new element was increased involvement of regional, subregional and national experts, which had resulted in increased costs.

32. **Mr. Dossal** (Director, Management Policy Office) said he wished to reassure delegations that the transfer to the Development Account of resources released through productivity gains was not intended as a budget reduction exercise. There would be no involuntary separations of staff and no adverse impact on programme delivery. Savings would be achieved, *inter alia*, by eliminating duplication of work. For example, the administration of staff benefits, which was currently handled by both the Office of Human Resources Management and the respective executive offices of the various departments, might be assigned to programme managers, if that was felt to be the most cost-effective option. The resources thus released could be redeployed to areas where they were critically needed. The aim, as always, was to achieve the most effective possible delivery of the programmes and activities mandated by the General Assembly.

33. With respect to the issue of sustainability, he said that no gains of a one-off nature and no savings resulting from currency fluctuations, inflation, underexpenditure or the postponement of expenditure would be transferred to the Development Account. As to the level of productivity gains, the figure of $40 million for the biennium 2000–2001 was, as the Chairman of the Advisory Committee had stated, merely an assumption. If the General Assembly approved the modalities for the operation of the Development Account, the Secretariat would submit to it a list of productivity enhancement initiatives in the context of the proposed programme budget for the biennium 2000–2001. The implementation of those initiatives and the transfer of any resulting savings to the Development Account would be subject to approval by the General Assembly. As to the issue of time limits, the purpose of the project proposals was to give a multi-year dimension to development activities.

34. It had long been recognized that resources for development were inadequate. While the initiative under consideration would not have a major impact, it would go some way towards addressing that problem.

35. *Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

United Nations Fund for International Partnerships (A/53/7/Add.11 and A/53/700 and Add.1)

36. **Mr. Banerjee** (Acting Executive Director, United Nations Fund for International Partnerships), introducing the report of the Secretary-General on the activities of the United Nations Fund for International Partnerships (UNFIP) (A/53/700 and Add.1), said that it covered the period from 1 March 1998 through February 1999, during which UNFIP had been established as an autonomous trust fund to serve as the central coordinating mechanism within the United Nations system for the development of programmes and projects for funding from the United Nations Foundation, Inc. (UNF). Annex I contained the relationship agreement concluded between the United Nations and UNF in June 1998.

37. UNFIP had become operational almost immediately after its establishment and to date had completed funding rounds in May and September 1998 and January 1999. A total of $87 million had been provided for 64 projects approved during that period. Document A/53/700/Add.1 focused primarily on UNFIP's experience in the first three funding rounds, during which it had considered some 520 project proposals submitted by United Nations funds, programmes and agencies relating to the Foundation's areas of primary interest, for example, population and women, children's health, and environmental issues.

38. In order to bring greater focus and cohesiveness to the utilization of UNF resources for development activities, UNFIP had established Programme Framework Groups to bring agencies together in areas of primary interest. The UNFIP Board of Directors had already endorsed frameworks developed by the Programme Framework Groups on Population and Women and on Children's Health, and was in the process of soliciting proposals from implementing funds, programmes and agencies. The funding frameworks developed by the groups were long term, and they would continue to assess the quality of the projects for which they were providing frameworks, as well as of the frameworks themselves, for the duration of the projects. A third group, dealing with environmental issues, had been established and would begin its substantive work shortly.

39. A fourth funding round had just been initiated to deal with 11 small projects recently approved by UNF for an additional $22 million in funding. The external Board of Auditors had recently completed a comprehensive audit of UNFIP's first year of operation.

40. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on UNFIP (A/53/7/Add.11), cited the Advisory Committee's previous report on the United Nations International Partnership Trust Fund (A/52/7/Add.9) and its review of the relationship agreement between the United Nations and UNF referred to in paragraphs 3 to 12 of the Secretary-General's report (A/53/700). He drew the Committee's attention in particular to the Advisory Committee's request that all subsequent administrative budgets should be submitted to the Advisory Committee for its prior concurrence. The Advisory Committee had also stressed the importance of maintaining with absolute clarity the principle that the United Nations could not in any way, either directly or through implication, be subject to the requirements of national law, a view reflected in the final version of the agreement between the United Nations and UNF. The Advisory Committee recommended in paragraph 11 of its report (A/53/7/Add.11) that the General Assembly should take note of the report of the Secretary-General (A/53/700 and Add.1); it would provide additional comments in the context of its consideration of the programme budget for the biennium 2000–2001.

41. **Mr. Moktefi** (Algeria) said that his delegation welcomed the contributions of UNF, as well as the completeness of the information on UNFIP financing cycles provided in the reports. He requested further clarification regarding criteria used by UNFIP for project approval, the identities of and roles played by the external entities involved in the fourth funding round, what if any costs associated with those projects were being borne directly by the United Nations, how UNFIP could function in the absence of a formally appointed Executive Director, and the Advisory Committee's intention to review that post after 31 December 1999, as noted in paragraph 10 of the Advisory Committee's report.

42. **Mr. Repasch** (United States of America) said that his delegation was pleased to note the progress made in implementing the projects being administered by UNFIP, which contrasted with the Committee's own lack of progress towards the creation of the Development Account. While concurring with the report and recommendations of the Advisory Committee, his delegation requested clarification of the steps taken to measure achievements and impact. He asked whether a similar approach might also be applicable in the context of the Development Account proposals or other United Nations activities.

43. **Mr. Sulaiman** (Syrian Arab Republic) said that he had some queries about the report of the Secretary-General (A/53/700). Paragraph 6 of the report referred to UNFIP as an autonomous Trust Fund. He sought clarification as to the nature of that autonomy and the provisions to ensure it in the relationship agreement between UNF and the United Nations. Paragraph 15 dealt with the functions of the UNFIP Advisory Board, which included the provision of broad policy guidance

to the Secretary-General. He wondered what fields were covered by the term "broad policy" and how they had been determined in relation to the three Programme Framework Groups mentioned by the Acting Executive Director. Document A/53/700/Add.1 included such a large number of projects that it was difficult to imagine that they could all be financed from the Fund.

44. Paragraph 26 of annex I to the report stipulated that the Foundation should not use the name of the United Nations, or any abbreviation thereof, or the emblem of the United Nations, or a modification thereof, without prior written approval. He sought clarification as to whether such approval was to be given by the Secretary-General or the General Assembly.

45. He drew attention to the fact that paragraph 19 of the report referred to geographic regions, including the so-called Middle East. Pursuant to a resolution adopted by a previous meeting of the Committee, that designation was to be abolished, and he hoped that the Secretariat would bear that in mind when preparing reports in future.

46. **Mr. Sial** (Pakistan) expressed his delegation's appreciation for UNF's valuable contributions. He asked for clarification of issues raised in paragraphs 7 and 8 of the Advisory Committee's report and paragraphs 10 and 16 of the Secretary-General's report with regard to support costs, for example the exact percentage of the amounts channelled through UNFIP by UNF for programme and administrative support, as well as of the reasons for changing the name of the United Nations International Partnership Trust Fund to United Nations Fund for International Partnership.

47. **Ms. Buergo Rodríguez** (Cuba) also expressed her delegation's appreciation for the valuable assistance of UNF, particularly in the context of the Organization's current financial difficulties resulting from the failure of the principal contributor to fulfil its financial obligations. In view of the large number of projects being proposed for financing, countries and organizations submitting such proposals, as well as the Second and Third Committees of the General Assembly, could benefit from more comprehensive information about the evaluation procedures and criteria. She also expressed interest in the Advisory Committee's intention to review the post of UNFIP Executive Director, and urged the General Assembly to follow up on that review.

48. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), responding to the query by the representative of the United States regarding ways to measure the impact of the UNF contribution, said that the reforms introduced to streamline the process of project solicitation, development and approval should also make it possible to devise mechanisms to measure the impact of the UNF contribution and of the projects implemented.

49. **Mr. Banerjee** (Acting Executive Director, United Nations Fund for International Partnerships) said that the Fund's experience over the past year had been critical in terms of reviewing the process whereby it had developed appropriate and relevant programmes for funding by the United Nations Foundation, Inc. Those programmes had been developed through the Fund's Programme Framework Groups: two such groups had begun work so far in 1999 and had presented their first frameworks, which would continue to evolve as the groups met over the course of the next few years. He stressed the multi-year nature of the programme frameworks.

50. Monitoring and evaluation of the impact of programmes were being conducted in response to the Fifth Committee's concerns in such a way as not to introduce any additional layers of bureaucratic procedures that would prove onerous for Member States receiving Fund assistance. Rather, the Fund was guided by the existing structures for programme monitoring and evaluation which were in place in all the funds, programmes and specialized agencies in the United Nations system. There was a significant degree of commonality between those bodies' arrangements for monitoring and evaluation as a result of the work of the Inter-Agency Working Group on Evaluation, whose purpose was to ensure coherence and harmonization in monitoring and evaluation policies, procedures and best practices. The projects described in documents A/53/700 and A/53/700/Add.1 were thus monitored and evaluated by the Fund's partners. Those partners were responsible for carrying the projects out and monitored and evaluated them in the same way as they did their own projects which had no Fund involvement.

51. He noted that of about 520 submissions, 64 had been approved. Overall project quality had been very high. The Fund hoped that the new approach would allow the partners to come together *ex ante* to the programme development process in the interests of partnership, collaboration, effectiveness and efficiency and to avoid overlap and duplication by conceiving programmes jointly.

52. Each project proposal was examined by the Fund and the Advisory Board on the basis of a standard 10-page project request form. When a project received final approval, the form was returned to the implementing partner, which would then produce a project document. The Fund did not dictate the terms of that document: the standards that the implementing partners applied were already sufficiently high, and experience had shown a great degree of consistency between

the various project documents supplied to the Fund. Also, the Fund wished to keep the process as simple as possible. The project documents, once signed and approved, became operational documents for tracking project implementation.

53. The Fund and the Foundation had issued a joint press release when the projects for a particular tranche of Foundation money had been announced. Details had been given of each project.

54. The Fund's agreement with the Foundation obliged the Fund to track projects to ensure quality. The monitoring and evaluation mechanisms already in place were good enough — the Fund did not require additional monitoring and evaluation of programmes. The Fund would deal with the implementing partners to resolve any problems on a case-by-case basis. However, there had not yet been sufficient time for such problems to arise; the Fund had been concentrating on establishing its working procedures and policies, meeting with its partners in the funds, programmes and specialized agencies, and consulting with the Foundation, as the donor, to ensure that the arrangements being worked out were effective, appropriate and met the high standards expected.

55. Over its first nine months of existence, the Fund had put some $88 million of assistance into projects. Now, with projects approved and resources flowing to the implementing partners, operations had begun; in a few months, the first results would be coming in in the form of progress reports on the activities funded.

56. The Fund selected projects for submission to the Foundation's Board of Directors for approval using three main sets of criteria. The first set included the extent to which the proposals conformed to the guidance which the Foundation had provided as to its preferred areas of interest. He pointed out in that connection that the range of activities carried out using United Nations trust funds could be as general or specific as the donors wished. For the Fund, it was important that the proposals should be consistent with development activities approved by the General Assembly and that they should be in keeping with the goals of the major international conferences and conventions insofar as they were applicable. The second set of criteria was to ensure that projects were in keeping with the broad goals of partnership and of engaging civil society, and that they attempted to leverage resources from other sources, including the private sector. The Fund looked also for innovation and replication of good practice. The third set of criteria comprised the general considerations of project design applied commonly by other bodies such as the specialized agencies in their own programmes. Those criteria included clarity and measurability of objectives; the relevance of the proposed activities to long- and short-term goals; and how good a fit there was between projected resource needs and projected activities. The full list of criteria used by the Fund was available in documentary form.

57. The Fund had always sought to avoid straitjacketing the Secretary-General's Advisory Board or the UNF Board by submitting projects that corresponded exactly to the amount of resources available in a particular tranche of money from the Foundation, believing that the Boards should be left room to make a proper selection. Thus, the projects submitted for consideration by the two Boards exceeded the resources available by some 20 to 30 per cent.

58. The Programme Framework Groups were composed of those United Nations funds, programmes and agencies with clear mandates for the theme areas under consideration. Thus, the Group on Population and Women included the United Nations Children's Fund (UNICEF), the United Nations Development Fund for Women (UNIFEM), the United Nations Population Fund (UNFPA) and, because of the reproductive health aspect, the World Health Organization (WHO). The World Bank was also included, as a "donor" rather than a recipient, because of its significant sector lending in all three areas assigned priority by the Foundation. Also, to ensure that the Programme Framework Groups did not become too inward-looking, the Fund had made an effort to include representatives of international non-governmental organizations and distinguished persons from the academic and scientific research worlds. The number of such members, however, was restricted to two or three per group in the interests of efficiency and agility. Those external members were selected, by consensus, by the representatives of the United Nations system on the basis of candidatures solicited by the Fund.

59. The costs of participation in the Programme Framework Groups and other Fund operations were not borne by the United Nations. For the Groups on Population and Women and on Children's Health, the Joint and Co-sponsored United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (UNAIDS) and the World Health Organization participated under their own operating budgets, the Fund's own representatives were in the main local to New York, and external participants took part at their own cost. The Fund had been assured by the Foundation that in cases where external participants had to be brought in the Foundation would bear the cost. He stressed that the Fund's administrative overheads were funded by the Foundation, not from the United Nations regular programme budget, on a percentage basis.

60. In that connection, he noted that an undertaking had been given before the establishment of the Fund that its administrative overheads would be kept to a minimum. Initially, 1 per cent of the annual programme budget had been allocated to meet core costs. The original recommendation for programme overheads at the project level had been for support costs of 3 per cent of budget, compared with a standard level of 5 to 13 per cent. All the implementing partners had had difficulty with the 3 per cent level; it had been agreed that the Fund should negotiate with the Foundation for 5 per cent for the implementing partners' project budgets and a further 1 per cent for the Fund's programme development facility — the Programme Unit, which had three Professional-level staff — in addition to the 1 per cent already agreed for the Fund's core costs. The Foundation had agreed to the revised proposals.

61. The post of Executive Director of the Fund had remained vacant since January 1999. At the request of the Deputy Secretary-General, the speaker was currently filling the post, as Acting Executive Director, in addition to his other responsibilities as the Director of Programmes, the second-highest-ranking post in the Fund. Performing both functions meant that, along with the rest of the staff, he had to work very long hours, and he stressed that the staff were rather stretched. The Secretary-General and the Deputy Secretary-General had the matter of filling the vacant post well in hand, and had assured him that the vacancy would be only temporary.

62. The Fund was a United Nations entity and was as independent as the United Nations and as subject to the Governments of the Member States. It answered to the Secretary-General; formally and operationally, the line of command ran through the Office of the Deputy Secretary-General.

63. The membership of the Advisory Board of the Fund comprised senior United Nations officials, representatives of United Nations intergovernmental bodies, the President of the Economic and Social Council and the Chairman of the Second Committee, senior and distinguished representatives of the Foundation community and a representative of the World Bank acting in a personal capacity.

64. The Fund's operational policies and procedures had evolved significantly over a short period from a general solicitation approach to a much more focused, cohesive and collaborative effort through the Programme Framework Groups. The provision in the agreement between the United Nations and the United Nations Foundation, Inc. to the effect that the Foundation should not use the United Nations name without prior approval had been inserted on the advice of the United Nations Legal Counsel.

65. In the nomenclature of geographic regions the Fund would follow the rules set by the General Assembly in such matters as best it could: the Fund itself had no operational role, and the nomenclature of geographic regions referred to in paragraph 19 of document A/53/700 was that used by the United Nations funds and programmes, and by some of the specialized agencies, responsible for implementing Fund programmes.

66. He noted that the Foundation had early on expressed an interest in funding mine clearance information projects under a catch-all category of "other areas", for which a relatively small amount of money was available. For that reason and because of the disparate nature of project areas in that category, no programme framework group had been set up and the projects were being dealt with on an ad hoc basis. There had been close collaboration with the Secretary-General's mine action group, which brought together the main agencies involved. The mine clearance project would involve conducting a survey, in several countries, of mine data. Mine clearance per se was an enormous global problem and so costly that it would more than swallow the budget available from the Foundation.

67. *Mr. Abelian (Armenia) resumed the Chair.*

68. **The Chairman** suggested that the Committee should recommend the following draft decision to the General Assembly:

> "*The General Assembly* takes note of the report of the Secretary-General on the activities of the United Nations Fund for International Partnerships and the observations of the Advisory Committee and requests the Secretary-General to continue to inform the General Assembly of the activities of the Fund on a regular basis."

69. *It was so decided*.

Agenda item 143: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*) (A/53/912 and A/53/961)

Peacekeeping Reserve Fund

70. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the Peacekeeping Reserve Fund (A/53/961), drew attention to the Advisory Committee's views in paragraph 5. On reviewing the report of the Secretary-General (A/53/912), the Advisory Committee had been informed that he would submit a comprehensive report on the Peacekeeping Reserve Fund to the General Assembly at its fifty-fourth session. It therefore recommended that, pending submission of that comprehensive report, the General Assembly should take note of the report of the Secretary-General contained in document A/53/912.

71. **The Chairman** suggested that the Committee should recommend the following draft decision to the General Assembly:

> "*The General Assembly* takes note of the report of the Secretary-General on the Peacekeeping Reserve Fund (A/53/912) and concurs with the observations and recommendations of the Advisory Committee thereon."

72. *It was so decided*.

Agenda item 122: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(b) United Nations Interim Force in Lebanon (A/C.5/53/L.58)

Draft resolution A/C.5/53/L.58

73. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, introduced draft resolution A/C.5/53/L.58; the draft resolution was in line with previous General Assembly resolutions on the matter.

74. **The Chairman** suggested that, in line with the Committee's programme of work, action on the draft resolution should be deferred.

75. *It was so agreed*.

Other matters

76. **Mr. Sulaiman** (Syrian Arab Republic) noted that in addressing the Committee at a previous meeting the Assistant Secretary-General for Central Support Services had mentioned the question of car parking at Headquarters. Car-parking spaces for diplomats were still being taken over by other cars, and his delegation was having daily problems which it had reported to the Assistant Secretary-General. He called for a solution to be found because the problem was serious enough to affect delegations' ability to attend meetings on time.

77. **The Chairman** assured the representative of the Syrian Arab Republic that his concerns would be relayed to the Assistant Secretary-General.

The meeting rose at 12.55 p.m.