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Chairman: Mr. Sharma (Nepal)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 143: Financing of the United Nations Observer Mission in Georgia

Agenda item 147: Financing of the United Nations Mission in Bosnia and Herzegovina

Agenda item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

The meeting was called to order at 10.15 a.m.

Introduction of the new Secretary of the Fifth Committee

1. **The Chairman** introduced the new Secretary of the Fifth Committee, Mr. Movses Abelian, who had previously served as the Permanent Representative of Armenia to the United Nations.

Organization of work (A/C.5/57/L.63)

2. **The Chairman** drew the Committee's attention to the proposed programme of work for the second part of the resumed session. In establishing the programme, the Bureau had taken account of the proposals made by the regional groups. Work had been deliberately concentrated at the beginning of the session to leave enough time for documents to be translated into all the official languages and to be ready for adoption at the end of the session. A few reports of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had not yet been issued, for reasons which the Chairman of the Advisory Committee would undoubtedly explain.

3. **Mr. Zevelakis** (Greece), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said that he was disappointed at the late issuance of many documents, in particular the reports of the Advisory Committee, for the second part of the Assembly's resumed session.

4. Peacekeeping, the main focus of the second part of the resumed session, was a core function of the Organization. European Union member States were major providers of funding, troops, civilian police and other personnel for peacekeeping missions. However, while the Union was politically and financially committed to strengthening peacekeeping, in line with the 2000 report of the Panel on United Nations Peace Operations (Brahimi report), it also wished to see rigorous budgeting and sound management.

5. The European Union would carefully consider the budgets of peacekeeping operations, the financing of strategic deployment stocks, the issue of the United Nations Logistics Base at Brindisi (UNLB),

reimbursement rates for troop-contributing countries and the proposed increase in the support account, resulting mostly from new posts for the Office of Internal Oversight Services (OIOS). It supported the proposed "chapeau" for peacekeeping operations, and the consolidation into a single text of resolutions on active operations in order to streamline drafting and improve coherence. Gender mainstreaming in peacekeeping activities was an important issue and the Union would examine the relevant report of the Secretary-General (A/57/731) in that spirit.

6. The European Union looked forward to the presentation by the Under-Secretary-General for Management on the financial situation of the United Nations, because of its direct impact on peacekeeping, including the prompt reimbursement of troop- and equipment-contributing countries.

7. **Ms. Afifi** (Morocco), speaking on behalf of the Group of 77 and China, said that she was grateful to the Secretariat for its timely issuance of the preliminary list of items and documents for consideration by the Committee, but was concerned that Advisory Committee documents and other pertinent reports had been issued late.

8. The late issuance of documents affected all delegations and prevented the Committee from functioning as it should. The Secretariat should comply with the relevant provisions of the rules of procedure of the General Assembly and of Assembly resolution 57/283 B, especially the six-week rule on the submission of documentation. She recalled that the General Assembly had asked for an explanation to be provided in a footnote whenever a report was issued late.

9. The Group of 77 and China noted the consolidation of the Advisory Committee's comments on several issues into a single report (A/57/772), which would usually be a positive contribution to the work of the legislative bodies concerned. However, in that particular instance, consolidation had delayed the Committee's consideration of the reports of the Secretary-General and had somewhat hampered its preparation for the second part of the resumed session.

10. The programme of work should be altered to give precedence to matters that were time-sensitive and needed to be discussed in depth. In particular, the report of the Joint Inspection Unit (JIU) on support costs related to extrabudgetary activities in

organizations of the United Nations system (A/57/442 and Add.1) and the note by the Secretary-General on the management review of the Office of the United Nations High Commissioner for Human Rights (A/57/488) required in-depth consideration. Two reports, one on the modernization and expansion of conference facilities at the United Nations Office at Nairobi (UNON) and the other on the filling of vacancies in the interpretation service at UNON, were missing from the programme of work but should be included because they had been requested by the General Assembly.

11. **Ms. Nuñez Mordóche** (Cuba) said that her delegation associated itself with the statement of the Group of 77 and China and welcomed the efforts of the Bureau to draw up a balanced programme of work. Her delegation was of the view, however, that the informal consultations on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (agenda item 126) should be deferred, since the issues to be discussed affected other matters and should therefore be taken up at a later stage.

12. **The Chairman** said that the Bureau had noted the Committee's comments. Discussion of agenda item 126 had been deliberately scheduled early on in the resumed session to provide direction for later debate. No immediate decision on postponement was possible, but the Bureau would meet to consider all such issues.

13. **Mr. Sabbagh** (Syrian Arab Republic) supported the view expressed by the Cuban delegation. Priority should be given to those items that had been deferred from the first part of the resumed session.

14. **The Chairman** said he took it that the Committee wished to approve the draft programme of work, on the understanding that adjustments would be made, as necessary, during the course of the resumed session.

15. *It was so decided*

Agenda item 110: Financial reports and audited financial statements, and reports of the Board of Auditors (A/57/5 (Vol. II) and Corr.5, A/57/416/Add.2 and A/57/772)

Agenda item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/57/723, A/57/746 and A/57/772)

Agenda item 127: Financing of the United Nations peacekeeping forces in the Middle East

(a) **United Nations Disengagement Observer Force**
(A/57/668, A/57/688 and A/57/772/Add.7)

(b) **United Nations Interim Force in Lebanon**
(A/57/662, A/57/663 and A/57/772/Add.6)

Agenda item 128: Financing of the United Nations Interim Administration Mission in Kosovo (A/57/678, A/57/679 and Corr.1 and A/57/772/Add.5)

Agenda item 129: Financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor (A/57/666, A/57/689 and A/57/772/Add.11)

Agenda item 130: Financing of the United Nations Mission in Ethiopia and Eritrea (A/56/840, A/56/862 and A/56/887/Add.9)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (A/57/674, A/57/675 and Corr.1 and A/57/772/Add.2)

Agenda item 142: Financing of the United Nations Peacekeeping Force in Cyprus (A/57/667, A/57/687 and Corr.1 and A/57/772/Add.4)

Agenda item 143: Financing of the United Nations Observer Mission in Georgia (A/57/676, A/57/677 and A/57/772/Add.1)

Agenda item 147: Financing of the United Nations Mission in Bosnia and Herzegovina (A/57/684 and A/57/773)

16. **Mr. Gillette** (Chairman of the Audit Operations Committee), introducing the report of the Board of Auditors and the financial report and audited financial statements for the 12-month period from 1 July 2001 to 30 June 2002 (A/57/5, Vol. II and Corr.5) on behalf of the Chairman of the United Nations Board of Auditors, said that the audits of peacekeeping operations during the previous calendar year had taken up one sixth of

the Board's total available manpower of 1,000 audit weeks. Board of Auditors teams had audited two field missions funded from the regular budget, 13 missions funded from special assessed contributions and UNLB. Headquarters audits had included a further 11 missions in liquidation and, in addition, the financial statements.

17. Because of accrued interest income, the level of the Peacekeeping Reserve Fund as of 30 June 2002 had exceeded its approved level of \$150 million by approximately \$47 million. No decision had so far been taken regarding the excess, but the matter would be raised in the General Assembly at its current session. At the same date, the two major trust funds (the Trust Fund to Support the Multinational Force Deployed in East Timor and the Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities) had balances of \$77.4 million and \$40.7 million, respectively. The administration was in the process of closing the two funds, which were inactive, and was awaiting instructions from their contributors regarding the action to be taken on the balances.

18. Voluntary contributions receivable stood at some \$12 million, half of which related to the United Nations Peacekeeping Force in Cyprus (UNFICYP), and had been outstanding for over eight years. Total unpaid assessed contributions had fallen from \$2.3 billion in June 2001 to \$1.2 billion as at 30 June 2002, a significant improvement which had made available cash almost equal to liabilities, in contrast to the shortfall of over \$1.3 billion at the previous year-end. Accounts payable had remained unchanged, however, at some \$33 million. The collaboration of Member States was needed for further progress to be achieved in that area and the Administration was preparing proposals to be presented to the Fifth Committee. Among the matters to be considered was the report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746).

19. As recommended by the Advisory Committee, all aspects connected with contingent-owned equipment had been audited and some progress had been made on such issues as memorandums of understanding, pre-deployment visits, arrival inspections, verification reports and personnel resources. Procurement had been examined and the Board had noted significant shortcomings in the delivery of airfield services in the Democratic Republic of the Congo, but no penalties had been imposed on the contractor. The Board had

also recommended that the Administration expedite the promulgation and implementation of a code of ethics and the signing of declarations of independence by procurement officers.

20. With reference to air operations, a number of recommendations had been made and the Board would be devoting even more time to that area in 2003. With regard to air safety, 44 per cent of the recommendations made by the International Civil Aviation Organization (ICAO) had not been implemented at the time of the audit. The Board had taken note of the request of the Advisory Committee that audit reports should continue to include information on air accidents.

21. There had been improvements in the management of non-expendable equipment. More accurate records had resulted in a significant increase in write-offs, but excessive delays still persisted in the write-off process. The Board agreed with the concern expressed by ACABQ regarding inventory management and would continue to review the matter.

22. Results-based budgeting, another area of concern, had been introduced, but its objectives were not yet sufficiently precise. The Board also noted that the Department of Peacekeeping Operations had not yet drawn up any formal staff training plans or budgets.

23. In line with an earlier recommendation of ACABQ, the Board had paid particular attention to reported expenditures and their relationship to programme delivery. Unfortunately, there had been mixed reviews regarding timeliness and effectiveness.

24. The Board would continue to place greater emphasis on determining whether or not the resources of the audited administrations were being used efficiently and effectively. It had been noted that, other than the standard fraud-reporting procedures, peacekeeping missions did not have a formal fraud-awareness or fraud-prevention policy in place. However, the Board welcomed the fact that a discussion had recently taken place on that issue and that the Administration had indicated that appropriate action would be taken.

25. With regard to the request of ACABQ that special attention should be paid to the resident auditors within OIOS, the results of the Board's consideration of that issue were contained in paragraphs 94 to 110 of its

report. The progress made in that area would be followed up.

26. As ACABQ had noted, the Board had carefully expanded on matters previously raised by the Fifth Committee and ACABQ. Only 15 per cent of the 39 recommendations contained in the Board's report for the year ending 30 June 2001 had been fully implemented, but the Department of Peacekeeping Operations and the active peacekeeping missions had taken action to implement many of the recommendations contained in the Board's management letters.

27. With regard to follow-up information, the Board would consider at its next regular session the suggestion made by ACABQ that such information should be incorporated into the main body of the reports with a view to providing a more user-friendly report. The Board had held consultations with ACABQ and all relevant departments, funds and programmes regarding how best to report on future follow-up activities.

28. Concerning the Board's audit opinion, the financial statements prepared by the Department of Peacekeeping Operations presented a fair picture of the financial position as at 30 June 2002. All its accounting policies had been applied on a basis consistent with that of the preceding financial period and in accordance with the Financial Regulations and legislative authority. The opinion was therefore unqualified.

29. The Board continued to collaborate with the Controller and his team in examining ways of streamlining financial statements, in accordance with the request made by the General Assembly in resolution 55/220 C. The peacekeeping financial statements had already been streamlined insofar as detailed accounts of the status of unpaid contributions were now simply summarized in the notes to those statements.

30. The Board had further streamlined the contents of the report itself, and had liaised with the Administration in order to ensure its timely issuance and improve the quality of the translations.

31. **Ms. Schmidt** (Chief of the Office of the Under-Secretary-General for Management) introduced the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for

the financial period ending 30 June 2002 (A/57/416/Add.2). The report included information on specific timetables for the implementation of those recommendations and had been streamlined to exclude any information on actions or intentions previously communicated to the Board and already included in reports submitted to the General Assembly. It also reflected the views of ACABQ on formatting and content and highlighted the changes that had resulted from the implementation of the recommendations.

32. Since the vast majority of the Board's recommendations had been implemented, the report focused on those regarding which further clarification of their implementation status was required. It also provided the reasons for the difficulties that might be encountered during the implementation of certain recommendations. As for those recommendations which had not yet been implemented, the Administration was continuing to take all necessary action to ensure implementation without further delay.

33. The Secretary-General attached great importance to the timely and comprehensive implementation of the Board's recommendations and agreed with ACABQ that reports such as the one currently before the Committee were an essential tool for ensuring compliance with the approved recommendations of the Board. Since responsibility for the timely implementation of those recommendations lay largely with the Under-Secretary-General for Peacekeeping Operations, a representative of that Department would be present during the Committee's consideration of agenda item 110 in order to provide any additional clarification needed.

34. **Mr. Halbwachs** (Controller), introducing in a single statement the reports of the Secretary-General on the financing of peacekeeping missions, said that the reports before the Committee included an overview of the financing of the United Nations peacekeeping operations: 12 reports on the budgets of peacekeeping operations for the period from July 2003 to June 2004; 12 performance reports for peacekeeping missions for the period from July 2001 to June 2002; the performance report and the budget for the support account; the performance report and the budget for UNLB; 11 reports on closed peacekeeping missions; and 12 other reports dealing with, inter alia, the consolidated peacekeeping account, the review of rates of reimbursement, death and disability, and gender mainstreaming.

35. The overview (A/57/723) had been presented in a new, streamlined format and provided information on the performance of the budget for the period from 1 July 2001 to 30 June 2002, the proposed budget estimates for the period from 1 July 2003 to 30 June 2004, improvements that were being introduced for the mission budgets for 2003/04 and the global approaches to the operational aspects of peacekeeping. It also responded to issues that had been raised the previous year during the Committee's review of peacekeeping operations.

36. Table 1 showed overall trends in peacekeeping missions for the period under review. There had been reductions in the total number of missions and in the numbers of troops, military observers, police monitors and mission staff. In contrast, the number of Member States contributing military observers and police monitors and the number of civilian staff at Headquarters had increased. Since the preparation of the peacekeeping budget for 2003/04, the Security Council had decided to expand the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and additional information on the implications of that decision was contained in document A/57/683/Add.1.

37. Table 3 showed the financial resource performance for 2001/02. An amount of \$219.4 million or 8 per cent of the budget allocated to the missions, had not been spent, but he wished to assure the Committee that improvements would be made in that regard.

38. Table 4 listed the main factors affecting budget performance. Significant savings had been made in the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Mission in Sierra Leone (UNAMSIL), MONUC and the United Nations Mission in Ethiopia and Eritrea (UNMEE) due to higher than expected vacancy rates, and in the United Nations Mission for the Referendum in Western Sahara (MINURSO) due to the suspension of the activities of the Identification Commission.

39. The total proposed requirement for the next financial period was \$2.18 billion, or \$424 million less than the previous period. There had been a reduction of 448.6 million in the budget allocated to peacekeeping missions. Since the preparation of the budget, however, there had been three developments which would affect resource allocation. Firstly, the mandate of MONUC

had been expanded and further changes to its activities meant that an entirely new budget would need to be drafted by September. Secondly, the Security Council had authorized a further reduction in the number of troops assigned to UNAMSIL from 13,500 to 11,500, which represented a saving of \$34 million. Lastly, the downsizing of the United Nations Mission of Support in East Timor (UNMISET) had been postponed. The Mission would therefore require more resources that had been budgeted for and the current staffing level would need to be retained. A new proposal in that regard would be submitted to the General Assembly in September.

40. Table 9 documented the main factors for variance in resource requirements. Several missions were scaling down their operations and transferring responsibilities to local authorities. Each mission had been scrutinized for vacancy rates and composition of international staff and technical reductions had been made in a number of them.

41. Table 10 showed that the number of staff in peacekeeping missions had been reduced from 12,681 to 9,995. However, as shown in Table 11, seven new posts for deputy military commanders had been proposed, for primarily operational reasons. Deputy military commanders were currently contingent appointments and it was felt that those posts should be occupied by United Nations staff members who were ultimately accountable to the Secretary-General. Recruitment delays were still resulting in a shortage of qualified personnel in peacekeeping missions and the target was to reduce from 180 to 95 days the time from the posting of the vacancy announcement to the recruitment and entry on duty of the selected candidate. Table 12 showed the investment of training resources for the period 2003/04. Some \$6.5 million would be spent on civilian staff training and approximately \$1.75 million on peacekeeping military training.

42. With regard to information and communication technology, a review of the United Nations Internet and communication infrastructure was planned and a global data security assessment would be conducted for all peacekeeping missions. In addition, the Integrated Management Information System (IMIS) and Galaxy would be deployed to peacekeeping missions and the new supply chain management system (Galileo) would also be deployed in 2003. The total resources proposed for information and communication technology for the period 2003/04 was \$98.1 million, a reduction of \$1.3

million compared with the period 2002/03, which was due to the closure of the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

43. The processing of contingent-owned equipment had improved, compared with previous years. Claims for all missions up to 31 December 2001 had been processed and recorded in accounts payable and claims for the period from January to June 2002 would be processed by the end of June 2003. A number of workshops on contingent-owned equipment methodology and procedures had been held for military advisers of permanent missions and would now be held on an annual basis. In addition, an electronic version of the Contingent-owned Equipment Manual was now available to all permanent missions and to staff in the Department of Peacekeeping Operations. Table 15 showed the status of reimbursement of troop-contributing countries.

44. The liquidation of several missions had been completed and the process had been shortened through the provision of improved guidance to missions and the strengthening of the Liquidation Unit at Headquarters. Standard operating procedures for liquidation were being prepared and further improvements were expected.

45. The Committee also had before it final performance reports for the United Nations Mission in the Central African Republic (MINURCA), the United Nations Mission of Observers in Tajikistan (UNMOT), the United Nations Observer Mission in Liberia (UNOMIL), the United Nations Observer Mission in Uganda/Rwanda (UNOMUR), the United Nations Assistance Mission for Rwanda (UNAMIR) and the United Nations Angola Verification Mission/United Nations Observer Mission in Angola (UNAVEM/MONUA) as well as updates on the status of 10 closed missions. More details regarding those reports would be provided in due course. Total expenditure for the previous period for UNLB had been \$8,982 million and the proposed budget increase for the period 2003/04 was mainly attributable to maintenance costs relating to strategic deployment stocks. Despite the 6 per cent savings on the budget of the support account, the budgetary allocation for the period 2003/04 had increased by 14.8 per cent, partly for technical reasons, such as changes in standard salary costs and the inclusion under the support account of 27 posts for resident auditors, and partly owing to real increases related to, *inter alia*, the proposed establishment of a

regional investigator capacity in Nairobi and Vienna and the upgrading of information and communications technology support. More details concerning the support and other accounts would be provided when the Committee took up those agenda items.

46. Turning to the report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746), he recalled that, for each operation, a special account was currently maintained for the recording of income and expenditure, a separate budget was prepared and reported on, a separate resolution was adopted approving the budget and the method of financing and the timing of assessments was linked to the budget cycle and to the period of the mandate approved by the Security Council. The report concluded that consolidation of the peacekeeping accounts was not compatible with those practices and that it was therefore not possible to implement the General Assembly's request within the framework set out in paragraph 10 of its resolution 56/293.

47. Nevertheless, the report went on to consider the potential benefits of consolidation and to examine the entire range of issues that would need to be taken into account before any consolidation of the accounts could take place. The benefits of consolidation included greater flexibility in the utilization of peacekeeping resources, more consistent reimbursement to troop-contributing countries, the streamlining of legislative and administrative processes for the financing of peacekeeping operations and ease of planning for Member States. However, consolidation would not solve the problem of non-payment and late payment of contributions and did not mean that reimbursements would be made more promptly.

48. Should the General Assembly decide on consolidation, the issues raised would vary, depending on whether all accounts were consolidated and whether that was done retroactively or prospectively. Under the current financial regulations and rules, contributions were applied to the oldest outstanding arrears. If all peacekeeping accounts were consolidated retroactively, the outstanding contributions to each operation would be commingled which would have implications for the application of Article 19. If the Assembly were to decide on the consolidation of peacekeeping accounts prospectively, in other words, for only future operations and assessments, amounts owed for those operations up to the date of consolidation would be

mission specific, while amounts owed thereafter would not. A mechanism for the application of subsequent receipts would need to be developed, and financial regulations and rules might need to be changed. In addition, transitional measures would be needed to provide active peacekeeping missions with sufficient cash to cover their operating expenses from the date of consolidation until the receipt of new assessments.

49. In the light of the considerations just described, a phased approach to consolidation would seem more practical. As a first step, the accounts of the active peacekeeping missions could be consolidated retroactively, with separate accounts maintained for closed missions.

50. The consolidation of accounts would require revision of current procedures for the appropriation and assessment of resources for peacekeeping operations. Under a consolidated account, the General Assembly could adopt a single resolution on the financing of peacekeeping operations, including the support account for peacekeeping operations and UNLB, with each operation constituting a section of the resolution, as was the case for the regular budget. The extent to which the Secretary-General would have authority to transfer funds between one operation and another would need to be defined by the Assembly. Assessments would be delinked from the continuation of Security Council mandates and only one peacekeeping assessment on Member States would be made at the beginning of the fiscal period covering all peacekeeping operations. That approach would streamline the budget approval process and reduce the number of legislative decisions required, as well as the number of assessments. It would also facilitate planning for Member States.

51. The treatment of unencumbered balances, interest and other miscellaneous income could be revised in order to streamline the assessment process further and align it with that of the regular budget. A consolidated summary of the budgetary requirements would serve as the basis for the General Assembly to appropriate funds and decide on the financing of peacekeeping operations. Separate annual budget and performance reports would, however, continue to be prepared for each peacekeeping operation, as well as for the support account for peacekeeping operations and UNLB. Those arrangements were described in greater detail in paragraphs 13 to 20 of document A/57/746.

52. If the General Assembly wished to pursue consolidation further, the issues he had raised would have to be examined and the Assembly would have to provide direction in that regard. He wished to reiterate that consolidation would not result in larger and more timely payments to troop-contributing countries; that would be achieved only by the payment of assessed contributions in full and on time.

53. Concerning the proposed budget estimates for the period from 1 July 2003 to 30 June 2004, the budgets reflected improvements in objective-setting. Each contained a set of frameworks linking the objectives, taken from the relevant Security Council resolution, to the planned results. In most cases, the planned results comprised four frameworks, or components, per mission: political, military, civilian police and support. Each component contained a set of expected accomplishments, with a set of indicators of achievement and planned outputs. The frameworks reflected the planning assumptions of the missions, based on strategic guidance from the senior management at Headquarters. The senior management and key personnel of missions had also taken a leading role in setting objectives and preparing proposed budgets. The Advisory Committee's very useful comments would be taken into account with a view to further improving future budget presentations. The budgets for the period 2001/02 had not included standard frameworks for objective-setting, which would have been the baseline against which the performance could be measured and reported. For that reason, a transitional format had been utilized in the related performance reports showing the actual accomplishments and outputs for the period.

54. With regard to the financing of the United Nations peacekeeping forces in the Middle East, the performance report of the United Nations Disengagement Observer Force (UNDOF) (A/57/668) showed an appropriation of \$34.5 million and expenditure of \$34.4 million, resulting in an unencumbered balance of \$0.1 million for a budget implementation rate of 99.7 per cent. The unencumbered balance resulted from lower rates obtained for the hiring of aircraft used for rotation of military personnel; favourable unit cost rates negotiated for the purchase of vehicles; and economies of scale owing to the purchase of rations through the systems contract.

55. The proposed budget for UNDOF for the period from 1 July 2003 to 30 June 2004 (A/57/688) was \$40.2 million, the \$1.2 million or 3.1 per cent increase being due to increased requirements for travel by Headquarters staff to the mission area; upgrading of the mission's information technology infrastructure; and purchasing of spare parts for 28 armoured personnel carriers being transferred from the United Nations Interim Force in Lebanon (UNIFIL).

56. An amount of \$136.6 million had been appropriated for UNIFIL (A/57/662). Expenditures had totalled \$130.9 million, resulting in an unencumbered balance of \$5.7 million for an implementation rate of 95.8 per cent. The Force had been reconfigured during the financial period; actual downsizing had taken place faster than planned, producing savings under military contingents. Savings had also been realized under miscellaneous supplies, services and equipment, largely as a result of lower than estimated expenditures for rations.

57. The proposed budget for UNIFIL for the period from 1 July 2003 to 30 June 2004 (A/57/663) amounted to \$91.8 million, representing a decrease of \$20.3 million or 18 per cent compared with the previous period. The reduced requirements were due to the downsizing and reconfiguration of the Force. In addition, the budget for 2002/03 had included a one-time allocation of \$7 million for entitlements relating to the relocation of international staff from Israel to Lebanon. In 2002, the amount due from the Government of Israel in connection with the Qana incident had been reduced to \$1,117,005 because \$167,628 included in the amount due consisted of unliquidated obligations which had not been required and had lapsed.

58. Concerning the financial performance of UNMIK (A/57/678), expenditures had totalled \$360.2 million against an appropriation of \$400 million, resulting in an unencumbered balance of \$39.8 million for an implementation rate of 90.1 per cent. The lower resource requirements under international staff were attributable to the employment of staff at lower levels than budgeted and the withdrawal of hazard allowance payments from all but one region in the Mission area. In addition, owing to the process of relinquishing staff in Pillar II (Civil Administration) and recruiting new staff for Pillar I (Police and Justice), the actual vacancy rate for international staff during the reporting period had averaged 11 per cent higher than the rate of 5 per

cent applied to the budget. Similarly, under national staff, the vacancy rate of 9 per cent had exceeded the rate of 2 per cent applied to the budget. The unspent balance of the Formed Police Units resulted from lower travel costs.

59. The proposed budget for UNMIK for the period from 1 July 2003 to 30 June 2004 (A/57/679) amounted to \$315.5 million, representing a decrease of \$14.5 million or 4.4 per cent. Lower requirements for international and national staff attributable to the phased reduction of posts were partially offset by increased requirements for ground transportation relating to the replacement of 240 vehicles.

60. The performance report of the United Nations Transitional Administration in East Timor (UNTAET) and UNMISSET (A/57/666) showed expenditures of \$454.1 million against an appropriation of \$455 million, resulting in an unencumbered balance of \$0.9 million for an implementation rate of 99.8 per cent. The unencumbered balance related mainly to more favourable rates obtained for hiring the aircraft used for the rotation of military personnel, savings under international staff as a result of the filling of international posts at lower grade/step levels, and lower than budgeted flight hours. A significant reduction had been proposed for the budget of UNMISSET for the period from 1 July 2003 to 30 June 2004 (A/57/689). However, the continued downsizing of the Mission had been put on hold by the Security Council; the Administration would prepare a new budget, which would be submitted in the autumn.

61. With regard to UNMEE (A/57/672), expenditures against a budget of \$198.4 million had totalled \$185 million, resulting in an unencumbered balance of \$13.4 million for an implementation rate of 93.2 per cent. The unencumbered balance resulted mainly from lower actual travel costs per military observer/contingent member and savings under international staff and facilities and infrastructure.

62. The proposed budget for UNMEE for the period from 1 July 2003 to 30 June 2004 (A/57/673) amounted to \$198.4 million, a decrease of \$22.5 million or 10.2 per cent reflecting lower requirements for international staff, fuel and medical evacuation.

63. Concerning MINURSO (A/57/674), expenditures had totalled of \$39.1 million against an appropriation of \$48.8 million, resulting in an unencumbered balance of \$9.7 million for an implementation rate of 80 per

cent. The unencumbered balance related mainly to the suspension of the activities of the Identification Commission, as a result of which vacant posts in the District Offices, Identification Centres and Registration Offices had not been filled. There had also been reductions in the number of civilian police monitors in situ and in the level of mission subsistence allowance, and the actual number of flying hours had been lower than budgeted.

64. The proposed budget for MINURSO for the period from 1 July 2003 to 30 June 2004 (A/57/675) amounted to \$42.5 million, an increase of \$933,800 or 2.2 per cent from the previous period; that was largely due to the need to replace 40 per cent of the Mission's current vehicle fleet.

65. The performance report of UNFICYP (A/57/667) showed an appropriation of \$41 million, expenditures totalling \$40.3 million and an implementation rate of 98.3 per cent. The unencumbered balance of \$0.7 million related to savings from the abolition of 42 national posts and the outsourcing of catering services.

66. The proposed budget for UNFICYP for the period from 1 July 2003 to 30 June 2004 (A/57/687) amounted to \$44.4 million, representing an increase of \$715,700 or 1.6 per cent from the previous period. That increase related to a proposal for the establishment of three new international posts, the upgrade of one post from P-5 to D-1, the reclassification of seven posts, primarily from the Field Service to the Professional category, and the creation of three new national posts.

67. The performance report of the United Nations Observer Mission in Georgia (UNOMIG) (A/57/676) showed expenditures of \$25.3 million against a budget of \$27 million, resulting in an unencumbered balance of \$1.7 million for an implementation rate of 93.7 per cent. Savings had been realized owing to the deployment of military observers at an average strength of 106, compared with the authorized strength of 135.

68. The proposed budget for UNOMIG for the period from 1 July 2003 to 30 June 2004 (A/57/677) amounted to \$31 million, representing a reduction of \$0.7 million or 2.4 per cent; that reflected reduced requirements for ground transportation owing to the procurement of fewer vehicles, adequate provision having been made in 2002/03.

69. The performance report of UNMIBH (A/57/684) showed expenditures of \$130.7 million against a

budget of \$140 million, resulting in an unencumbered balance of \$9.3 million for an implementation rate of 93.4 per cent. The unencumbered balance resulted from higher vacancy rates for military and civilian police personnel, travel costs that were lower than budgeted and recruitment of international staff and United Nations Volunteers at lower levels than those that had been anticipated. The Mission's mandate had ended in December 2002 and it was currently under liquidation with no budget for 2003/04.

70. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the related reports of ACABQ (A/57/772, A/57/772/Add.1, Add.2, Add.4, Add.5, Add.6, Add.7, Add.9, Add.11 and A/57/773). Owing to the timing of the review of their respective mandates, the budget estimates for UNAMSIL and MONUC had been considered by the Advisory Committee in late March; its reports thereon would be available to the Fifth Committee shortly. Regarding UNIKOM, the Advisory Committee would report to the General Assembly on the United Nations Iraq-Kuwait Observation Mission under the procedure described in paragraph 6 of document A/57/772. Thirteen reports on peacekeeping activities had been issued after the end of the Advisory Committee's session in March. Those reports, which dealt, *inter alia*, with closed peacekeeping missions, the field assets control system, rates of reimbursement to the Governments of troop-contributing States and policy guidelines relating to the temporary duty assignment of staff in peacekeeping missions, all subjects that required careful examination would be taken up by the Advisory Committee at its spring session, beginning on 6 May 2003, along with the reports on the final disposition of the assets of UNMOT (A/57/89) and the report on the financing of MINURCA (A/57/631).

71. The Advisory Committee had met with the members of the Audit Operations Committee of the Board of Auditors to examine the report of the Board on the United Nations peacekeeping operations for the 12-month period from 1 July 2001 to 30 June 2002 (A/57/5 (Vol. II)). The Advisory Committee's comments thereon were contained in paragraphs 7 to 18 of document A/57/772 and in its reports on individual peacekeeping operations. The Advisory Committee welcomed the improved quality of the audit report and had suggested further refinements to be

taken into account when the Board prepared its next report.

72. Approximately 60 per cent of the audit activity of the Board would be carried out in field offices and peacekeeping missions. The Advisory Committee therefore welcomed the steps taken by the Board to strengthen coordination and collaboration among the three members of the Board and their audit teams with a view to promoting optimum use of audit resources. It trusted that both the Secretariat and OIOS would ensure that the internal audit function and the resident audit capacity in peacekeeping missions operated in accordance with carefully formulated plans so as to avoid duplication of work.

73. The Advisory Committee had also considered the report of the Secretary-General on the experience with resident investigators, including proposals and funds for the future review by ACABQ in the context of peacekeeping budgets (A/57/494) and a request for additional posts for investigation and resident auditors. Its comments thereon were contained in paragraphs 86 to 95 of document A/57/772 and in paragraphs 61 to 66 of its report on the financial performance report for the period from 1 July 2001 to 30 June 2002 and proposed budget for the support account for peacekeeping operations for the period from 1 July 2003 to 30 June 2004 (A/57/776), respectively. The Advisory Committee welcomed the consolidation of the resident auditor posts under the support account and trusted that that change would strengthen the supervision and management of resident auditors by OIOS. Consolidation should not, however, lead to the automatic retention of audit posts when activities ceased in the missions to which the resident auditors were attached. It recommended, that the request for a resident audit capacity to be established at UNIKOM should be suspended for the time being. While the Advisory Committee recommended some additional posts for investigation, it requested that OIOS should refine further the methodology for determining the cases to be investigated by the Office, so that cases related to administrative management issues would be investigated and resolved by the mission management itself.

74. The General Assembly had requested a study of feasibility of consolidating the accounts of the different peacekeeping operations, while following the current practice of reporting, budgeting and financing of peacekeeping operations, in accordance with the

existing Financial Regulations and Rules of the United Nations. The Advisory Committee's comments on the matter were contained in paragraphs 20 to 28 of document A/57/772. Performance reports were valuable tools for assessing the extent to which funds had been spent for the purposes for which they had been authorized and the efficiency of the financial management of peacekeeping activities. Accordingly, the content and format of those reports and the analysis they contained needed to be improved, and budget overruns must be fully explained. The Advisory Committee recommended that, in future, for each mission, the Secretariat should combine the performance report on the most recently completed period and the proposed budget in a single document so as to facilitate their consideration.

75. For the period ending 30 June 2002, expenditures for peacekeeping activities had totalled \$2.5 billion, compared with approved resources of \$2.8 billion. Total unliquidated obligations had stood at \$309.1 million as at 31 December 2002 and \$221 million as at 28 February 2003. In addition, \$82 million had been saved from prior period obligations. Notwithstanding factors that were beyond the control of the Secretariat and the missions, the Advisory Committee's experience was that large amounts of unliquidated obligations, as well as savings regularly realized on prior period obligations, indicated a need for better budget planning and needs assessment and improved monitoring of budget implementation. The Advisory Committee welcomed, in that connection, the development of a new electronic funds monitoring tool.

76. The budget estimates for peacekeeping activities for 2003/04, including for the support account and UNLB totalled \$2,299.7 million gross; the appropriation for 2002/03 had been \$2,606.5 million. The number of troops, military observers and civilian police had declined by 16 per cent compared with 2002/03 and by 24 per cent compared with 2001/02. If that trend continued, the levels of the support account and of the Logistics Base should also be adjusted. The Advisory Committee had taken that into account in recommending a support account budget of \$111.5 million gross, compared with the Secretary-General's request for \$115.9 million. The budget estimates for 2003/04 had been prepared using results-based budgeting; the Secretariat was to be commended for submitting them earlier than in the past.

77. Concerning the report of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations: budget performance for the period from 1 July 2001 to 30 June 2002 and budget for the period from 1 July 2003 to 30 June 2004 (A/57/723), future overview reports should cover a wider range of subjects and include more analytical information on the results of implementing proposals to improve the management of peacekeeping operations. As the General Assembly had emphasized, efforts to streamline performance and budget reports should not be at the expense of full justification of resource requirements. Furthermore, the quality, format and timeliness of the supplementary information provided to the Advisory Committee needed to be improved. The Advisory Committee had met with representatives of the Secretary-General to exchange views on the matter and welcomed their willingness to comply with its requests regarding future budget presentations. As to the application of results-based budgeting, the results-based framework should be tailored to the specific needs of each mission and need not mirror the format of the regular budget. Expected accomplishments, indicators of achievement and planned outputs should be realistic, relevant, attainable and, to the extent possible, linked to resource requirements. Any attempt to define mandate objectives in budget documents must be in strict compliance with the mandates established by the Security Council.

78. The estimate for military and police personnel costs totalled \$892.6 million. However, that figure excluded estimates for military rations, which were now included under miscellaneous supplies, services and equipment. Such changes made it difficult to analyse amounts in each budget category, and the Advisory Committee had therefore requested more consistency in budget classification.

79. In attempting to incorporate national practices, the Department of Peacekeeping Operations must ensure, that the outcome was relevant and complied with United Nations practices and legislative policies. Concerning the proposal to establish an inspector general capacity within the Department, the Advisory Committee recommended the approval of special consultancy funds for the Military Division but noted that the services sought were in the nature of internal evaluation and assessment of military operations, rather than inspection services, and that the term "inspector general" did not appropriately reflect the

intended use of the consultancy funds and should not therefore be used (A/57/776, para. 51). As to the establishment of deputy military commander posts, the Advisory Committee had been unable to recommend a general policy on the matter.

80. The processing of claims for reimbursement of troop costs and contingent-owned equipment had improved. The Advisory Committee's comments on the management of contingent-owned equipment arrangements were contained in paragraphs 60 to 76 of document A/57/772. It had pointed out many areas that required further improvement. Of particular concern were the delays in the approval and signing of memorandums of understanding and status-of-forces agreements, which often resulted in costly and unnecessary management and implementation problems. The Advisory Committee recommended that the Secretariat should prepare a comprehensive paper on lessons learned in order to facilitate and focus the work of the Working Group on Reimbursement of Contingent-owned Equipment.

81. The Secretary-General had requested resources of \$575.6 million to fund just under 11,000 civilian personnel positions. Peacekeeping missions employed additional personnel by funding them from other objects of expenditure. Such funding, if not previously revealed in budget estimates, should be revealed and fully explained in performance reports. Many missions continued to experience high vacancy rates, particularly in international posts. An analysis of the situation in each mission could explain the reasons for the continuing problems of recruitment and retention of civilian staff. The proposed reduction from 180 to 95 days in the time from the posting of the vacancy announcement to the recruitment and entry on duty of the selected candidate would work only if Headquarters and missions collaborated and were held accountable. To that end, the Advisory Committee recommended a procedure whereby any post not filled within 12 months after it became vacant or was approved should be deemed to have lapsed. It might be useful to examine whether prompt recruitment of candidates was affected by any preference given in vacancy announcements for internal candidates. The appropriateness of grade levels requested in budget estimates should also be reviewed, including its effect on the prompt identification of candidates for mission assignment. In that connection, he noted that the Board of Auditors had found several instances in which staff

had been recruited at grades lower than those approved in the authorized staffing tables of missions.

82. The Advisory Committee recommended that missions should have greater authority in the hiring and management of mission staff. It further recommended greater use of national staff wherever feasible and cost-effective. The latter recommendation was without prejudice to the importance of ensuring that leadership responsibilities were vested in officials who were fully cognizant of United Nations procedures. The lack of expertise that was often cited as an impediment to delegation of authority should be addressed through effective training of personnel officers at the beginning of mission mandates. Management of staff mobility between missions and Headquarters needed to be improved. The use of expertise from missions that were closing should be confined to international staff whose skills were still needed in receiving missions. The transfer of national staff should be on an exceptional basis for start-up of a new mission pending recruitment locally.

83. While the Advisory Committee welcomed the focus on training, it had requested more detailed information on the full cost of training programmes and on the number of persons trained. It had also requested more interaction between Headquarters and missions in setting training priorities. The intention to delegate procurement authority up to \$1 million had had limited success due to lack of expertise in missions. The Advisory Committee therefore welcomed the increased resources included in the proposed budgets for training in those areas, as well as proposals to implement an inter-agency training project. It also welcomed the intention of the Board of Auditors to conduct a horizontal audit of all United Nations training activities.

84. According to the classification provided in summary note A/C.5/57/Rev.1, operational expenditure totalled approximately \$832 million. One way of increasing efficiency and productivity was to invest in new technology. However, there was a need to have a comprehensive picture of total activities and related resources that were spent from peacekeeping, regular budget and extrabudgetary resources for information and communication technology. The Advisory Committee intended to pursue the issue in the context of its consideration of the report of the Secretary-General on communication and information technology strategy and to submit recommendations to the General

Assembly at its fifty-eighth session. Such comments would take into account the guidelines provided by the Fifth Committee at its forty-fifth meeting, in March 2003.

85. As shown in the Secretary-General's note (A/C.5/57/34/Rev.1), the estimate of approximately \$270 million for air operations constituted the largest element of operational expenditure. The Advisory Committee had called for a review of current practices for procuring air assets and services, including hours planned. It had also reiterated its call for greater control of the use of United Nations air assets and had invited the Board of Auditors to focus on air operations during its next audit using external expertise, where appropriate.

86. Many operational activities to implement peacekeeping mandates were classified as global in nature and handled at Headquarters. They included systems contracts, recruitment of international staff, training and information technology. The Secretariat should examine the scope of coverage of such global approaches in order to identify more areas that should be delegated to field missions. The Advisory Committee had also called for a cost/benefit analysis of the proposal to establish a procurement hub for all peacekeeping missions at UNLB. The Advisory Committee welcomed the Controller's decision to delegate more budget authority to chief administrative officers, but stressed that the development and installation of the new funds management tool should be accelerated to enable Headquarters to monitor how such authority was delegated.

87. **Ms. Arce de Gabay** (Peru), speaking on behalf of the Rio Group, said that the Group had always shown a firm commitment to international peace and security by representing a region free of nuclear weapons, promoting disarmament and participating in almost all current peacekeeping operations.

88. Given that most of the personnel involved in peacekeeping operations were from developing countries, the Group was concerned that such commitment to peace could be affected by delayed reimbursements to equipment-contributing countries.

89. It was vital to provide peacekeeping missions with the necessary financial resources and to afford all missions equal treatment in accordance with the relevant budgetary provisions. The Group also encouraged the Secretary-General to continue

implementing measures to protect all United Nations personnel involved in peacekeeping operations.

90. The Group agreed with the Secretary-General on the need to create a post of adviser on gender-related issues in the Department of Peacekeeping Operations to be financed from the support account for the period from 1 July 2003 to 30 June 2004. The General Assembly should then be kept informed about the recruitment process.

91. As for the feasibility of consolidating the accounts of the various peacekeeping operations, the Group would have preferred to have known the recommendations of the Advisory Committee beforehand. As pointed out by the Secretariat, such consolidation was not in keeping with current practice.

92. Any change in the recently improved reimbursement system should be analysed from the point of view of potential benefits to Member States. Other concerns that needed to be discussed during informal consultations included the consequences of retroactive consolidation, transitional measures to cover operational expenditures during the changeover and the effect of such measures on the calculation of arrears.

93. **Mr. Pulido León** (Venezuela) said he agreed with the statement made by the representative of Peru on behalf of the Rio Group. He reiterated his Government's commitment to honouring its peacekeeping obligations in accordance with the relevant provisions and to paying its outstanding contributions.

94. Venezuela's difficult financial situation and the devaluation of the national currency by more than 100 per cent had led to a reduction in the national budget and in resources for the 2002 fiscal year. Moreover, the fact that Venezuela's economy had been paralysed for over 63 days had made it impossible for the country to fulfil its national and international commitments in a timely manner. Nevertheless, an additional credit had been arranged to pay the country's arrears to the Organization.

95. With regard to the financing of peacekeeping operations, his delegation took the view that the Organization should not borrow from some peacekeeping missions to finance others. The Secretary-General, moreover, should take further measures to protect all personnel participating in

peacekeeping missions. His delegation was also concerned at the delays in liquidating peacekeeping missions and reimbursing unencumbered balances to Member States.

96. His delegation had a number of questions concerning the feasibility of consolidating the accounts of the various peacekeeping operations. It would be useful to know what effect such retroactive consolidation would have on Member States in the application of Article 19 of the Charter. He also wished to know whether transitional measures would be introduced to cover operating expenses from the date of consolidation of the accounts until the new contributions were paid up, should the General Assembly decide to consolidate only the accounts of current peacekeeping missions or not to do so retroactively. He also asked what the criteria would be for establishing an order of priority for the payment of debts, given that there might not be enough funds to pay debts relating to periods prior to consolidation.

97. **Mr. Lee** Byong-hyun (Republic of Korea) said his country remained strongly committed to the role of the United Nations in maintaining international peace and security. As one of the key functions of the Organization, peacekeeping operations should be adequately financed and efficiently managed.

98. His delegation welcomed the new format and presentation of the proposed budgets, which would help the Committee to make strategic decisions by focusing on policy issues rather than details. Despite improvements in the budgeting of peacekeeping operations, there was still room for further improvement in that area.

99. Differences in the mandates and conditions of each mission should be taken into consideration when setting objectives for peacekeeping operations. Expected accomplishments, indicators of achievement and planned results should be outlined more clearly so that they could be used as criteria against which performance could be measured. Similarly, requests for resources should be more clearly linked to output, as it had often been difficult to determine how resources would contribute to achieving the overall objectives of the mission concerned.

100. His delegation noted with concern that, despite the introduction of a new arrangement for the management of contingent-owned equipment, there were persistent shortfalls in the way in which

inspections were conducted and verification reports processed. It supported the Secretariat's plan to make pre-deployment inspections mandatory for countries contributing troops to peacekeeping operations for the first time under the new methodology and for those deploying a particular type of unit for the first time.

101. Despite the repeated expressions of concern by delegations, the memorandums of understanding governing the relationship between the United Nations and troop-contributing countries continued to be signed only after deployment. His delegation therefore supported the request of the Advisory Committee that the Secretariat should suggest changes to the current system at the next meeting of the Working Group on Reimbursement of Contingent-owned Equipment.

102. His delegation was dissatisfied at the continued recruitment delays in the Department of Peacekeeping Operations and in field missions. The Republic of Korea agreed that the Organization should consider a procedure whereby any vacant post not filled within 12 months would be deemed to have lapsed.

103. With regard to the reduction or retention of posts in missions being downsized, a functional analysis should be made and justification presented in the budget proposals. In response to increasing allegations of violations within peacekeeping missions, the capacity of the Office of Internal Oversight Services should be further enhanced. His delegation agreed with the Secretariat that regional investigators in Europe and Africa would be more efficient than the mission-based arrangement in terms of the independence of the investigation, cost-efficiency and close interaction with field missions.

104. His delegation had serious concerns about the inventory management of peacekeeping operations. In light of the significant volume and value of the Organization's inventory, greater attention should be paid to the proper recording and accounting of the inventory and to the prompt disposal of obsolete assets.

105. Despite progress made by the Department of Peacekeeping Operations in developing information and communications technology, the resulting gains in productivity and efficiency had not been clearly reflected in budget documents. Given the substantial capital expenditure involved in information technology projects, the budgets for 2004/05 should include a comprehensive evaluation of the impact of such projects on the efficiency of peacekeeping operations.

106. His delegation supported, in principle, the idea of consolidating the accounts of the peacekeeping operations if it would streamline procedures and facilitate budgetary planning for Member States. It should be noted, however, that such a change would require a revision of the existing Financial Regulations and Rules of the United Nations.

Agenda item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report of the Joint Inspection Unit on reforming the Field Service category of personnel (A/57/78 and Add.1 and A/57/434)

107. **Mr. Gorita** (Joint Inspection Unit), introducing the note by the Secretary-General transmitting the report of JIU on reforming the Field Service category of personnel in United Nations peace operations (A/57/78) said that JIU was gratified to note that the Advisory Committee had endorsed the report and had recommended that the General Assembly approve its recommendations.

108. The report noted that changes in the Organization's needs in terms of civilian staffing for peacekeeping operations had not always been matched by corresponding changes in the composition and functions of that group. Indeed, the Brahimi report had described the Field Service as obsolete and had called for an urgent revision of its composition and *raison d'être*.

109. The concept of a separate category of personnel composed of highly mobile field specialists was more relevant than ever. The ability of Field Service personnel to deploy rapidly and adapt to difficult circumstances and their high commitment were assets that were very much in demand at a time when the Organization was frequently asked to field large numbers of civilians at short notice.

110. There was a general consensus among those interviewed that the original composition of the category in terms of occupational groups and qualifications no longer matched current requirements. As the Organization sought to form teams of highly mobile and experienced middle-level managers with strong supervisory and organizational skills, general training with an emphasis on such skills would be a determining factor in ensuring continuation of the Field

Service. Recommendations 1 and 2 of the report therefore suggested that the Secretariat should undertake a comprehensive proposal, including a description of the nature and size of the category's occupational groups, an inventory of skills and competencies and a detailed training plan.

111. The report also brought to light the high cost and heavy administrative burden associated with the Field Service. The current conditions of service of Field Service Officers appeared to lessen their comparative advantage, especially since a number of support functions could be filled locally in some missions. Many of those entitlements were linked to the system of "parent duty stations" and "tour of duty", as well as to the designation of duty stations as "family" or "non-family".

112. Due to a relatively high degree of centralization and the involvement of three parties (Headquarters, parent duty stations and receiving missions) in the management of Field Service Officers, administration of the category was particularly cumbersome and process-driven, leading to frequent delays. Recommendations 3, 4 and 5 aimed at replacing the system of parent duty station with a new policy for rotation and mobility, that would simplify the administration of field offices and align it more closely with that of other staff members recruited under the 100 series of staff rules and regulations. The Secretariat's proposal to follow the practice of other United Nations agencies in establishing an administrative parent duty station in a neighbouring third country, rather than designating New York as the administrative duty station for the new Field Service, deserved serious consideration, although it would probably perpetuate some of the complexities of the current system. The report of JIU strongly recommended that practices of other United Nations organizations with a large civilian presence in the field should be carefully reviewed in the framework of the reform of the Field Service. It drew attention to the toll taken by field service life on the mental and physical health of many Field Service Officers and recommended that practices of other United Nations organizations should be taken into account to develop appropriate means of alleviating such strain on staff members and their families.

113. Given that the report had been drafted at a time when many changes were occurring both within the Department of Peacekeeping Operations and in field

missions and the fact that it reflected the situation as of mid 2001, some of its recommendations might have already been partially implemented. Despite the link between Field Service reform and the Secretary-General's general reform of human resources management, the many reviews and meetings on the subject of the Field Service had not led to any significant changes. Although the pressures faced by the Personnel Management and Support Service of the Department of Peacekeeping Operations were recognized, the issue remained on the back burner and sufficient resources had not been allocated to its resolution.

114. The Secretariat had provided no specific dates or timelines for the many impending reforms upon which any change in the Field Service was to be conditioned. JIU had therefore recommended that specific resources should be devoted to the question for a determined period of time and had attached deadlines to all of its other recommendations. The Field Service could be a testing ground for a number of reforms and JIU looked forward to the Secretariat's review of the category and to comprehensive proposals for its reform.

115. **Ms. Schmidt** (Chief of the Office of the Under-Secretary-General for Management), introducing the note by the Secretary-General transmitting the report of JIU on reforming the Field Service category of personnel in the United Nations peace operations (A/57/78/Add.1), said that the report of JIU had been prepared following an extensive review of the Field Service category by the Department of Peacekeeping Operations. That review was based on the Brahimi report, which had been the first to call for a review of the Field Service category to better match the current and future demands of field operations.

116. The report contained the Secretariat's responses to the recommendations of JIU as well as a valuable update on issues previously raised by JIU. The Administration took the view that it was important to establish a positive linkage between Field Service reform and the human resources reform of the Organization as a whole. Within the context of that reform, ongoing initiatives concerning staff mobility were particularly relevant and should be taken into account.

117. The Secretary-General generally concurred with the findings of JIU and with the sentiments expressed in its recommendations, in particular the need for a

clear definition of the occupational groups and numbers of individuals needed in each, as well as criteria for the identification of current staff members who would be integrated into the Field Service and those who would need to be redeployed or phased out. The Department of Peacekeeping Operations, in close consultation with the Department of Management, had been collecting and analysing the necessary data with a view to meeting that objective. Upon completion of that exercise, the Secretary-General would submit a report to the General Assembly.

118. The Secretary-General wished to underscore the importance of an inventory of skills and competencies and, in that connection, would have liked JIU to recommend the extension of the inventory to include all staff working in peacekeeping missions in order to develop an organization-wide workforce needs assessment based on existing human resources and on the needs and trends of the profiles required.

119. The Secretary-General agreed that the concept of “parent duty station”, needed to be reviewed within the context of the reform but had reservations about the location of the proposed global secretariat. He also agreed with the recommendation to align the entitlements of Field Service staff with those of other categories of staff, while at the same time attempting to simplify and streamline the administration of entitlements of staff serving in the field.

120. With regard to the recommendations to review the process for categorizing duty stations as “family” or “non-family” together with the policy on staff mobility and rotation, the Administration was currently conducting such a review with a view to implementing those recommendations. The Administration was also in favour of delegating further authority to field missions to approve and process the entitlements of Field Service Officers.

121. As for the recommendation on the procedures and criteria for the recruitment and promotion of Field Service staff, steps had been taken towards the establishment of an appropriate appointment and promotion system that would reflect the conceptual change in organizational policy in the context of the implementation of the human resources management reform programme.

122. **The Chairman** said that the related comments and recommendation of the Advisory Committee were contained in paragraphs 2 to 4 of document A/57/434.

Chapeau on peacekeeping operations

123. **The Chairman** said that, with a view to rationalizing the work of the Committee, the Bureau was proposing that a single draft resolution be used as a chapeau for the financing of peacekeeping operations.

124. **Ms. Nuñez Mordoch** (Cuba) said that, in order to show its flexibility, her delegation would agree to informal consultations being held the following day. However, it would limit itself to listening to delegations without expressing its own opinion and it reserved the right to revisit the issue at a later date.

The meeting rose at 1.10 p.m.