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

Contents

Agenda item 110: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 127: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*)

(b) United Nations Interim Force in Lebanon (*continued*)

Agenda item 128: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*)

Agenda item 129: Financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor (*continued*)

Agenda item 130: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*)

Agenda item 142: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*)

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Agenda item 143: Financing of the United Nations Observer Mission in Georgia
(*continued*)

Agenda item 147: Financing of the United Nations Mission in Bosnia and
Herzegovina (*continued*)

Agenda item 126: Administrative and budgetary aspects of the financing of the
United Nations peacekeeping operations (*continued*)

The meeting was called to order at 10.10 a.m.

Agenda item 110: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (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 (*continued*) (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** (*continued*) (A/57/668, A/57/688 and A/57/772/Add.7)

(b) **United Nations Interim Force in Lebanon** (*continued*) (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 (*continued*) (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 (*continued*) (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 (*continued*) (A/57/672, A/57/673 and A/57/772/Add.8)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (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 (*continued*) (A/57/667, A/57/687 and Corr.1 and A/57/772/Add.4 and Corr.1)

Agenda item 143: Financing of the United Nations Observer Mission in Georgia (*continued*) (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 (*continued*) (A/57/684 and A/57/773)

1. Mr. Zevelakis (Greece), speaking under agenda item 110 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 his delegation concurred with the recommendations of the Board of Auditors, contained in document A/57/5, Vol. II, and shared the opinion expressed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning the quality of the report and its streamlined format. He welcomed the fact that the financial statements of the United Nations peacekeeping operations were generally consistent with the United Nations system accounting standards. He also expressed satisfaction at the positive and constructive attitude of the Administration in response to the recommendations.

2. The 47 per cent decrease in the total outstanding assessed contributions of Member States during the period under review was an encouraging trend. However, the failure of a number of Member States to pay their assessed contributions in full and on time was continuing to affect the Organization's ability to meet its financial obligations, necessitating borrowing from and among peacekeeping funds and delaying payments due to troop-contributing countries. Once again, the European Union urged all Member States to fulfil their financial obligations to the United Nations fully, punctually and unconditionally.

3. He noted with concern that the level of the Peacekeeping Reserve Fund had exceeded that approved by the General Assembly, and agreed with the Board's recommendation that the Administration should review the level of the Fund. Another cause for concern was the inactive status of two major trust funds. In that connection, he wished to know what steps the Administration was taking regarding the management of those funds. He also agreed with ACABQ that effective interaction with donor States should be established concerning the disposition of their assets.

4. With regard to contingent-owned equipment, he welcomed the steps taken to improve the system of

reimbursement and fully supported the Board's recommendation that the Administration should pursue ways in which to apply and optimize the benefits obtained from pre-deployment visits. In that regard, he would be in favour of pre-deployment visits becoming mandatory.

5. As air operations accounted for a large portion of the cost of peacekeeping operations, it was unacceptable that non-United Nations personnel and cargo continued to be transported by the United Nations without appropriate reimbursement, and he urged the Administration to address that issue immediately. He noted with concern the previous shortcomings with regard to the airfield service contract at the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and welcomed the efforts of the Secretary-General to rectify the situation. Air safety was of primary importance, and the fact that 44 per cent of the recommendations made by the Technical Cooperation Bureau of the International Civil Aviation Organization (ICAO) had not been implemented was highly unsatisfactory. In his view, a time frame for their implementation must be established.

6. With regard to performance reports in the area of procurement, he shared the concerns of the Board regarding the extension and renewal of several contracts without the prior completion of supplier performance reports and urged the Administration to implement fully the Board's recommendations concerning procurement.

7. Lastly, the European Union noted with interest the recommendation on the development of a formal fraud-prevention policy and the relevant response of the Administration and the recommendation on the promulgation of a code of ethics and the signing of declarations of independence and the view of the Procurement Division in that regard. Progress in the area of the implementation of results-based budgeting must continue.

8. **Ms. Lock** (South Africa), speaking under item 110 on behalf of the Group of African States, said that she attached great importance to the oversight functions of the United Nations and appreciated the efforts of the Board to ensure that the principles of fair presentation and full disclosure of financial statements were being adhered to. She also commended the Board for the quality and streamlined format of its report.

9. In view of the regrettably low implementation rate of the Board's recommendations for the period ending 30 June 2001, she urged the Secretariat to step up its efforts in that regard. However, she was pleased that the Board's audit opinion for the period under review was unqualified.

10. She welcomed the fact that the financial situation of peacekeeping operations for the period under review had improved compared with that of the previous period. Nevertheless, she shared the Board's concern that substantial amounts of obligations to Member States for reimbursement of troop costs and contingent-owned equipment remained unpaid owing to a lack of available cash in individual peacekeeping missions. She therefore urged all Member States to pay their assessed contributions in full, on time and unconditionally.

11. After noting that ACABQ had requested that the Board should focus in detail on air operations, she expressed concern at the shortcomings identified in the performance of the airfield services contract at MONUC and regretted that relevant departments of the Secretariat had not availed themselves of the provisions of the contract to impose non-performance penalties on the contractor. In that connection, she inquired whether performance reports had been forwarded to the Procurement Division before the contract was renewed. The African Group was particularly concerned that non-delivery of essential services might negatively affect the performance of MONUC, and therefore urged the Secretariat to closely monitor the performance of service providers at all missions and to impose penalties where necessary. She hoped that a status report would be made available to the Committee when it took up the item relating to the financial performance of MONUC.

12. She echoed the concern of the previous speaker regarding the failure to implement 44 per cent of the recommendations made by the Technical Cooperation Bureau of ICAO and urged the Secretariat to expedite the full implementation of the remaining recommendations. She also called on the Secretariat to take all the necessary steps to ensure the safety of air operations through, inter alia, the training of aviation officers and the filing of checklists.

13. As far as the implementation of results-based budgeting was concerned, the African Group endorsed the recommendations of the Board and affirmed that its

use should better focus action on the achievement of clearly defined objectives for which the resources sought would have to be justified.

14. With regard to procurement and contract management, she stressed the importance of further rationalizing peacekeeping procurement practices, implementing a code of ethics, providing adequate training to procurement officers, reviewing acquisition processes and reducing excessive lead times. It was hoped that the new fund management system would expedite the procurement process and empower procurement officers to increase procurement from local and regional economies that were burdened by conflict situations.

15. Turning to human resources management, she noted that the Board had identified a number of instances in which staff members had been appointed without the performance of a reference check, a practice which could compromise the credibility of the individual missions concerned and the Organization as a whole. In view of the continuing high vacancy rates at the Professional level in several peacekeeping operations, she urged the Secretariat to pursue efforts to fill posts in a more timely and appropriate manner, including through the decentralization of recruitment.

16. Lastly, the African Group hoped that, at the fifty-eighth session, it would receive a status report from the Secretariat relating to the General Assembly's request that an examination of governance structures, principles and accountability throughout the United Nations system should be carried out.

17. **Mr. Yamanaka** (Japan), speaking under agenda item 110, pointed out that the United Nations Board of Auditors had recommended a review by the Administration of the level of the Peacekeeping Reserve Fund, since the General Assembly had authorized a ceiling of \$150 million which had been exceeded. In 2002, the General Assembly had decided to use the excess for early establishment of strategic deployment stocks; it should continue to be used for such purposes. The Secretariat's efforts to close inactive trust funds were positive, and should continue in a non-discriminatory manner, focusing attention on all inactive trust funds rather than on individual funds. The final decision on the balance remaining in inactive funds should be taken only by the Member States concerned.

18. **Mr. Wittmann** (United States of America), speaking under agenda item 110, said that his delegation encouraged the Secretariat to continue efforts to improve peacekeeping management practices which the United Nations Board of Auditors had identified as deficient, although the financial situation was better than in the past, following payment (...) by the United States and other Member States (of substantial arrears).

19. The Board of Auditors had indicated that many practices which the United States considered matters of common sense were still not in routine use at the United Nations, including prompt negotiation and signing of memorandums of understanding between the Organization and troop-contributing nations. Such practices were important for commanders in the field and for processing reimbursements to Member States.

20. Trust funds which had served their intended purpose should be examined in order to release dormant funds for return to contributors or for transfer to other important projects. His delegation supported the recommendation for a review of the level of the Peacekeeping Reserve Fund and the use of its surplus, and backed the Board of Auditors' view that mission staff should adhere strictly to the timetables and list of tasks laid down for liquidation of missions.

21. Reports that peacekeeping missions had persistent problems in keeping adequate records of property acquisition, storage and disposal were a matter of deep concern. More efforts should be made to ensure accountability for property. His delegation also agreed with the Board of Auditors that the Administration should issue and use a code of ethics, including a declaration of independence, to protect members of the Procurement Division from untoward pressures as they performed their duties.

22. Passenger and cargo air services presented safety shortcomings that ran counter to the record of civil aviation in general; those shortcomings should be remedied. Because United Nations air operations often provided the only available transport to some areas, the Organization must ensure that it recovered the cost of carrying non-mission personnel.

23. **Mr. Kelapile** (Botswana), speaking on behalf of the Group of African States on agenda item 126, said that the Group attached great importance to the role of peacekeeping operations in maintaining peace and security globally. It therefore believed that, once the

mandate of a mission had been determined by the Security Council, the General Assembly must ensure that adequate resources were authorized for the mandate's implementation and that those resources were managed with maximum efficiency and economy.

24. The Group welcomed 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), which contained useful information on the performance of mission budgets for the previous financial period and the improvements envisaged for future budgets. It agreed that the ability of Member States to make fully informed decisions was key to their continued support for peacekeeping operations (A/57/723, para. 4). In that connection, it concurred with ACABQ that the report should have covered wider ground, including such cross-cutting issues as procurement and inventory management so as to enable the legislative bodies to appreciate the extent to which their concerns were being addressed.

25. The Group welcomed the efforts being made by the Secretariat to alleviate the shortcomings previously identified by the General Assembly and the oversight bodies. Concerning recruitment and deployment of civilian staff in peacekeeping missions, it noted the intention of the Secretariat to utilize the Galaxy system to reduce from 180 to 95 days the time from the posting of vacancy announcements to the recruitment and entry on duty of selected candidates. However, it also took note of the Advisory Committee's observation that, despite many statements of intent by the Secretariat to improve recruitment and placement, that process continued to be plagued by deficiencies. Persistent high vacancy rates in peacekeeping missions could hamper their effective and efficient functioning. The Group therefore hoped that the views and recommendations contained in paragraphs 79 and 84 of the report of ACABQ (A/57/772) and the relevant recommendations of the oversight bodies would be taken into account. In addition, it trusted that the plan to widen the pool of candidates in the occupational groups with skills shortages would create opportunities for the recruitment of suitably qualified candidates from the regions where missions were located.

26. The Group welcomed the efforts being made to further improve internal controls in respect of peacekeeping resources; upgrade the substantive and

technical skills of staff; increase the use of information technology with a view to facilitating the management of peacekeeping missions; expedite the processing of claims for reimbursement of troop costs and contingent-owned equipment; ensure proper contract management; shorten the liquidation process for closed peacekeeping missions; and employ the results-based-budgeting format in the preparation of proposed budgets. However, the findings of the Board of Auditors (A/57/5 (Vol. II)) and the related comments and recommendations of ACABQ indicated that additional measures were required in some areas. The Group had noted with concern the problems identified with respect to air transportation, particularly the shortcomings in air safety and the failure to enforce the relevant procurement regulations and rules. Concerning procurement, it concurred with the Board of Auditors that the Administration should expedite the promulgation and implementation of a code of ethics and the signing of declarations of independence by staff involved in the procurement process in order to avoid conflicts of interest.

27. While the Secretariat was to be commended for making the proposed budgets reader-friendly, the streamlining of documents should not result in the omission of pertinent information required by Member States to make informed decisions. Lastly, given that results-based budgeting was relatively new in the United Nations, further training should be provided to acquaint Secretariat staff at all levels, both at Headquarters and in the field, with results-based-budgeting concepts.

28. **Ms. Lalić-Smajević** (Serbia and Montenegro), speaking under agenda item 128, said that a process of transferring further responsibilities to the Kosovo Provisional Institutions of Self-Government had been launched in early 2003. It had been made clear that the responsibilities transferred were only those outlined in chapter 5 of the Constitutional Framework and that the Special Representative of the Secretary-General would retain the responsibilities assigned to him under chapter 8. Therefore, in accordance with the principles enshrined in Security Council resolution 1244 (1999), it was entirely unacceptable to confer elements of statehood on those Provisional Institutions.

29. The Government of Serbia and Montenegro considered that the willingness and ability of the Provisional Institutions to implement the Special Representative's benchmarks were an important

criterion for the transfer of further responsibilities. Disregarding the necessary conditionality in the name of a speedy handover of authority would only serve to further endanger the stability and security of the region.

30. UNMIK would, however, continue to shoulder considerable responsibilities in the most important segments of the administration of the Province and therefore the appropriate financial resources must be provided. Accordingly, the Government of Serbia and Montenegro supported the budget proposed by the Secretary-General.

31. She also concurred with the observation of ACABQ that the effect of the implementation of the transition plan on the estimates for 2003/04 and the subsequent period was not clearly described and with its request that that should be remedied in the next budget report. In particular, clear information should be provided on matters for which responsibility could be transferred to the Provisional Institutions and those for which the international community would be responsible. Lastly, she fully shared the concern of ACABQ on the subject of cost savings relating to security staff. As had been determined in the past, the security personnel should be United Nations employees in order to ensure greater control and accountability.

32. **Mr. Mazumdar** (India), speaking under agenda item 126, welcomed the fact that an overview of the financing of the United Nations peacekeeping operations had been presented for the first time, and said that his delegation was in favour of continuing that practice and that future overview reports should include consideration of additional cross-cutting issues. ACABQ had commented on the inadequacy of detail in both the overview report and the report on the feasibility of consolidating the accounts of the various peacekeeping operations. It was therefore to be hoped that future reports would be more comprehensive.

33. Table 1 of the overview report showed that significant increases were projected in the numbers of troops deployed to peacekeeping operations and in the numbers of military observers, civilian police monitors and civilian staff in peacekeeping missions whereas there was a projected decline in the number of active missions. Contrary to expectations, however, in spite of the decrease in the number and scale of peacekeeping missions, an additional 32 civilian staff posts would be created at Headquarters. He reminded the Committee

that back-stopping should not take on a life of its own that was completely independent from the missions that it was intended to support. It had often been pointed out that the complexities of peacekeeping operations must be taken into consideration when approving the budget levels for the support account and the United Nations Logistics Base at Brindisi. Nevertheless, in view of the fact that many of the peacekeeping operations were becoming less complex, he firmly believed that the resources previously directed to those operations should be redeployed rather than used to create ever increasing numbers of posts.

34. Turning to human resources questions, he noted with concern that delays and deficiencies were continuing to plague the recruitment and placement process. The vacancy rate in several missions was as high as 40 per cent, and average recruitment time was 12 months. The General Assembly had given authorization for a number of posts to be filled on an emergency basis, but it had still taken an average of nine months to fill them. In that connection, he fully supported the recommendation of ACABQ that, in future, any post that became vacant or any new post that had been approved and was not filled within 12 months after it became vacant or was approved should be deemed to have lapsed.

35. As far as training was concerned, its focus should be the upgrading of skills and not training for its own sake. In that regard, paragraphs 131 and 132 of the report of ACABQ contained some very pertinent observations. Transparency as to the genuine purpose of training would facilitate Member States' consideration of training budgets.

36. Following the publication of the Brahimi report, Member States had contributed substantial funds to the construction of an impressive peacekeeping infrastructure and it was time to see the results of those efforts. For instance, improved communications should result in lower travel costs and greater efficiency; global procurement and increases in the number of systems contracts should lead to a decrease in the workload of the procurement department and planned logistics support should reduce the time and cost of mobilization. As regards expenditure on information and communication technologies, he hoped that proposals in that area would dovetail fully with the system-wide information and communication technology strategy so that existing duplications and redundancies did not reoccur.

37. However, the perpetuation of peacekeeping should not be an end in itself since a peace and security infrastructure was not enough. Quick-impact projects, which could have a strong stabilizing impact, had been allocated less than 0.01 per cent of the total budget for peacekeeping operations. He believed that development was the key to peace, and would like to see peacekeeping budgets reduced in order to free up funds for development projects.

38. With regard to the timely reimbursement of dues to Member States, outstanding liabilities for troop payments had been reduced by 25 per cent compared to 2001. However, that figure did not reflect the time it had taken for those dues to be paid: in some instances the processing of claims had taken over two years. In the case of reimbursement for contingent-owned equipment and self-sustainment, outstanding liabilities had gone up by as much as 77 per cent.

39. Turning to the question of the consolidation of accounts for peacekeeping missions, he said that it was strange that no real attempt had been made to present a case for the reform of the current absurd practice of assessing Member States piecemeal throughout the year. Consolidation would not only result in greater predictability, which would assist Member States with their financial planning, but would also improve the present situation whereby some missions were more equal than others. It would also free the United Nations from its paralysing dependence on the unpredictable payment of individual assessments for each mission when making disbursements of dues owed to Member States. It was unfortunate that neither the report of the Secretary-General nor that of ACABQ had shed much light on the full implications of consolidation.

40. **Mr. Dutton** (Australia), speaking under agenda item 129 on behalf of Australia, Canada and New Zealand, said that the proposed budget for 2003-2004 covered the last expected year of operations for the United Nations Mission of Support in East Timor (UNMISET). Physical and financial efforts should focus on achieving the results which the Security Council was seeking and on leaving behind a solid indigenous capacity in civil administration, law and justice, defence and security.

41. The three delegations agreed with the Advisory Committee's recommendation to the General Assembly to approve the proposed increase in UNMISET Serious Crimes Unit resources, since the Unit still had a

significant amount of work to do. They also agreed with the resolution in which the Security Council had altered the drawdown of UNMISET; it would help to maintain a secure framework for the mission's remaining tasks and ensure a smooth handover of essential security functions from UNMISET to the Government of Timor-Leste. However, the resolution would also increase the budget by more than the amount indicated in the documents currently before the Committee; they had noted the Controller's advice that a revised budget should be submitted to the General Assembly at its fifty-eighth session.

42. **Mr. Abbas** (Pakistan) noted with regard to the report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) that the pooling of accounts would eliminate the need for cross-borrowing and could permit more consistent and timely reimbursement to troop-contributing Governments. Reimbursement was a matter of great importance to his delegation. The amounts owed to Pakistan, and indeed to many other troop-contributing countries, had reached alarming levels. If the pooling of accounts could solve that problem, the proposal should be given serious consideration.

43. His delegation would like to have further information on the consequences of combining the peacekeeping accounts retroactively or prospectively and on the implications of each option for the application of Article 19 of the Charter. It noted that consolidation of the peacekeeping accounts could streamline the legislative and administrative processes for the financing of peacekeeping operations. It was not clear to it, however, whether all relevant procedures would need to be revised.

44. **Mr. Yamanaka** (Japan), speaking under agenda item 126, said that his delegation continued to support further strengthening of peacekeeping activities: they should be effective and efficient. When looking at the overall level of peacekeeping budgets, the General Assembly and Security Council should take account of Member States' ability to afford assessments. Proposed budgets should be properly estimated and properly implemented once approved.

45. His delegation asked for an explanation of the request for approval of seven deputy force commander posts. While the need for modern communications and information technology equipment to manage

peacekeeping operations was not in dispute, Member States needed to receive a clear and comprehensive assessment of field mission requirements before approving requests for equipment.

46. The transition to results-based budgeting for peacekeeping operations was a positive step, and further improvements would be welcome. In that area, too, Member States should be given proper information. His delegation supported the Advisory Committee's recommendation for a review of the criteria for preparing estimates for, and charging items as, miscellaneous supplies, services and equipment. The Secretariat should use its considerable experience to reverse the sharp rise in air-operation costs.

47. His delegation agreed with the conclusion in document A/57/746 that consolidation was incompatible with the current reporting, budgeting and financing practice, which had been shaped by the Organization's existing financial regulations and rules. While it was proposed in paragraph 15 that Member States should be asked to pay a single assessment covering all peacekeeping operations, such an arrangement went beyond any mandate conferred by the Security Council and was therefore not appropriate. The proposed method of transferring funds between one peacekeeping operation and another also gave rise to doubts: the compatibility of such transfers with budgetary discipline should be examined. Further clarification of the proposal to eliminate some final performance reports (para. 20) was also needed.

48. **Mr. Vassilakis** (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, Liechtenstein and Norway, under agenda item 126, said that the overview of the financing of United Nations peacekeeping operations (A/57/723) was important in providing a snapshot of all peacekeeping activity. However, it agreed with the Advisory Committee that future reports should be more comprehensive and cover more cross-cutting issues such as contingent-owned equipment, memorandums of understanding, air operations, procurement and inventory management.

49. The reduced level of the overall estimated budget for 2003-2004 (16 per cent lower than the previous budget) should mean that Member States would be able

to pay their assessments in full and on time. The small improvement in the overall budget implementation rate for 2001-2002 was welcome, but the level of unencumbered funds could be further reduced by a more rigorous application of results-based budgeting. The Secretariat could improve the budgeting techniques for peacekeeping missions, by involving senior management more closely in objective-setting, linking objectives to requests for resources and using specific indicators of achievement.

50. Reducing the time needed to recruit civilian staff for the Department of Peacekeeping Operations and for field missions was essential to make operations effective, and in that regard, the target of 95 days from the posting of the vacancy announcement was welcome. Investment in training and information technology must lead to significant and measurable efficiency savings and operational benefits for the Organization, visible in future budgets. Peacekeeping training requirements for 2003-2004 in the support account were \$4 million, yet training did not appear as an item of expenditure in the separate report on the budget for the support account (A/57/732). Information and communication technology activities should respect the need for integration with existing infrastructure, full interconnectivity and avoidance of duplication.

51. Air services continued to account for a large share of peacekeeping expenditure. The Advisory Committee's recommendation for a Board of Auditors review of the capacities for planning, managing and monitoring air assets should be acted on.

52. The changes proposed in the report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) raised legislative and other questions. If the overall objective was to increase the total cash-flow available for peacekeeping, the General Assembly would have to be asked to authorize the Secretary-General to transfer funds between active peacekeeping operations, which would require current rules and regulations to be changed. The European Union would like a further explanation of the merits of the proposals and of possible ways to simplify the assessment process.

53. **Mr. Wittmann** (United States of America), speaking under agenda item 126, said that his delegation joined others in regretting the late issuing of

documents for the Committee's deliberations, and encouraged the Department of General Assembly and Conference Management to correct the situation, especially in the case of Advisory Committee reports.

54. The report of the Secretary-General (A/57/723) had noted an average variance between apportionment and expenditure of 8.2 per cent. Although the cause was often unintended events rather than the quality of budget forecasting by the Secretariat, the Secretariat should look for ways to take such circumstances into account, since holding surpluses for too long prevented efficient use of the Organization's resources.

55. Vacancy rates continued to be a problem in individual missions and positions funded from the support account. The Galaxy system could help the Secretariat to fill vacancies faster, and there was merit in the suggestion that positions that remained unfilled or were eventually occupied by lower-ranking personnel should be reassessed. Considering staff from recently closed missions for reassignment to active missions was a good idea which would allow experience and training to be retained.

56. The presentation of much of the budget in results-based form for the coming year was welcome, but his delegation shared the concerns of the Advisory Committee that some objectives seemed beyond reasonable expectation or exceeded mission mandates. The processing of reimbursements for contingent-owned equipment was still a problem, even though the availability of more resources in the past year had enabled the Secretariat to close the gap between claims and payments.

57. His delegation could not support the proposal for consolidation of the accounts of peacekeeping operations in its current form, because such action seemed to be incompatible with the existing financial rules and regulations and might also undermine the ability of the General Assembly to exercise responsibility over individual missions. It would carefully consider the views of the Secretariat and other delegations during informal consultations on the matter, however.

58. **Ms. Wang** Xinxia (China), speaking under agenda item 126, said that her delegation believed that the proposals in the report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) should be approached with caution. Only after the Security

Council had given each mission a specific mandate and duration could the Secretary-General assess the Member States for the resources required. From a practical point of view, retaining a separate account for each mission could encourage efficient use of resources, prevent unauthorized flows of resources between missions and make monitoring by Member States easier.

59. Despite the advantages that consolidation could bring, including simplifying the management of accounts, eliminating cross-borrowing, facilitating reimbursements to troop-contributing nations and streamlining Member States' assessment payments, there were significant disadvantages which outweighed the advantages. Consolidation could sever the link between assessments and Security Council decisions on peacekeeping mission mandates, thereby compromising the Council's role and authority. It could make it impossible to oblige Member States to pay assessments in full and unconditionally, conflict with existing financial rules and regulations, legitimize cross-borrowing and cause the application of Article 19 of the Charter to be reconsidered. Her delegation was especially concerned about the Organization's failure to reimburse troop-contributing nations. The root of the problem was a shortage of resources caused by late payment of assessed contributions. Simply consolidating peacekeeping operation accounts would do nothing to change the situation.

60. As a permanent member of the Security Council and a member of the community of developing countries, China would actively support peacekeeping operations as its contribution to peace and stability in the world.

61. **Mr. Wardono** (Republic of Indonesia) said that because peacekeeping operations remained a central part of efforts by the international community to advance international peace and security, it was essential that such operations should be properly funded. It was very important that memorandums of understanding and status-of-force agreements should be approved and signed before missions began, because they provided the legal framework for relations between the United Nations and troop-contributing countries, with respect to personnel, equipment, and services. And yet, in 2002, only 96.5 per cent of 230 memorandums of understanding had been signed prior to the deployment of troops and contingent-owned equipment. Indonesia shared the view of the Advisory

Committee that efforts should be made to remedy that situation.

62. Some advantage might well be gained from consolidating the accounts of the various peacekeeping operations, as proposed in the report of the Secretary-General (A/57/746), especially as the effect of such a step would be to streamline administrative aspects of peacekeeping operations. However, that would conflict with current procedures under the Financial Regulations and Rules of the United Nations. Moreover, many elements of the proposal required greater clarification. It would be helpful to understand, for example, its full implications for Member States, especially regarding the implementation of Article 19. Furthermore, it was not clear how the Secretariat would integrate monitoring mechanisms into peacekeeping budgets. Since that issue was highly sensitive, the Committee should give it careful consideration and refrain from taking hasty decisions.

63. With regard to agenda item 129, he noted that according to the Security Council resolution 1410 (2002) establishing the United Nations Mission of Support in East Timor (UNMISSET), the general mandate of the mission was to provide international assistance to Timor-Leste in its efforts to build a nation in a gradual, orderly manner. Indonesia had supported UNMISSET efforts to implement the objectives set out in its mandate. The progress made by UNMISSET had been encouraging. Timor-Leste had been gradually improving its public administration. It was also striving to become part of the international community, as well as an active member of the regional forum. Especially gratifying were the efforts made by the international community to ensure that Timor-Leste's transition to a fully functioning state was a peaceful and safe process, and Indonesia was prepared to contribute to that process in any way possible.

64. While he endorsed most of the proposals set out in the Advisory Committee's report, (A/57/772/Add.11), he wondered why a large staffing increase in the Serious Crimes Unit was necessary, given that the intention was to wind down the Mission's activities, not to intensify them. The international community should work to achieve the gradual withdrawal of the Mission, rather than build up one of its operations. The efforts of UNMISSET, and of the Special Crimes Unit in particular, had been designed to support the Government of Timor-Leste at the national level. The transitional operations of

UNMISSET had been, and should continue to be, aimed at increasing the capacity of Timor-Leste to function independently. Special efforts should be made to increase capacity-building, improve human-resource management, and gradually strengthen internal governance. The Special Crimes Unit should remain an office with national jurisdiction. Indonesia wished to emphasize its support for the Advisory Committee's recommendation (A/57/772/Add.11) that UNMISSET and its partners in Timor-Leste should "collaborate and coordinate their efforts with a view to ensuring that a durable law and order capacity is established". During Timor-Leste's first year of independence, bilateral relations between Timor-Leste and Indonesia had improved considerably, and the two Governments would continue to pursue a positive relationship. The Government of Indonesia had demonstrated its determination to participate in efforts to protect and develop the new nation, and trusted that the international community would help strengthen existing relations between the two countries.

65. **Mr. Sabbagh** (Syrian Arab Republic) noted that maintaining peace and security was regarded as one of the primary tasks of the United Nations. The clearest evidence of that commitment was the fact that the United Nations sent out peacekeeping forces that were financed by Member States. However, Syria believed that the responsibility for funding the United Nations Disengagement Observer Force (UNDOF) should be borne by the aggressor State, as set out under paragraph 1 (e) of General Assembly resolution 55/235 on the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations. His delegation welcomed chapter V of document A/57/688, which confirmed that the repeated requests by the General Assembly to improve the working conditions of local staff by making an allowance for the additional difficulties resulting from the transfer of UNDOF headquarters from Damascus to Camp Faouar, had been heeded, and also stated that a fruitful dialogue had been instituted between the UNDOF Administration and the local staff. Continuation of that dialogue was the best way to address any concerns and difficulties that might confront UNDOF staff in the future. His delegation also welcomed the proposal for an additional P-5 post for a Chief of Staff, offset by the abolition of one Field Service post, and the reclassification of the Chief Administrative Officer's post, from the P-5 to the D-1 level, as well as the creation of three "national staff"

additional posts. However, it did not favour the current practice of referring to local staff as “national staff”, since such staff included a number of different nationalities, and hoped that the previous practice might be restored. It wondered why the Advisory Committee had recommended rejection of the Secretary-General’s request for the aforementioned new posts. Moreover, it did not favour an increase in the vacancy rate from zero per cent to 5 per cent was justified. It was, moreover, regrettable that the Secretariat had not provided a three-year construction plan, as requested by the General Assembly.

66. His delegation could not accept the idea of integrating staff of the United Nations Truce Supervision Organization (UNTSO) and UNDOF, as recommended in the Advisory Committee’s report (A/57/772/Add.7), because such a move would be contrary to the mandates of the two missions. It remained flexible, however, regarding the current practice of seconding UNTSO staff to UNDOF. It would like the Secretariat to provide information regarding the commitment to the use of local staff for the Force, for General Service posts, in response to the relevant resolutions. Lastly, it would welcome the opportunity to discuss the question of seconding local UNDOF staff to other missions.

67. **Mr. Tootoonchian** (Islamic Republic of Iran) said that he shared the concerns of the Group of 77 regarding the late issuance of the Advisory Committee’s reports. The effect had been to reduce the time available to study them. Peacekeeping was one of the Organization’s main instruments for maintaining peace and security around the world. It required sound administrative and budgetary arrangements in order to ensure that the Secretariat was well equipped to carry out its mandates. Member States should intensify their efforts to fulfil their commitments to peacekeeping operations. Iran had resumed its own participation in peacekeeping missions and stood ready to increase its cooperation in that regard.

68. The Secretary-General’s report on the feasibility of consolidating the accounts of various peacekeeping operations (A/57/746) demonstrated the potential advantages of taking such a step, and the report’s proposals should be examined carefully. It would indeed be helpful to achieve more consistent reimbursement of troop-contributing countries. However, the result of the proposed procedures might be to increase the number of Member States whose

ability to participate fully in United Nations activities was undermined, and that should be avoided. Efforts to improve management of the financial resources of peacekeeping operations should be accompanied by other relevant measures in order to ensure their effectiveness, and it was also vitally important to improve human resources management. Efforts to assess budgetary arrangements and determine the level of resources required should take into account the need for balanced appropriation of resources for all United Nations-mandated activities.

69. The Overview of the financing of the United Nations peacekeeping operations (A/57/723) provided a very useful summary of trends in financial and human resources management in recent peacekeeping operations, as well as general information on budget proposals for the period from 1 July 2003 to 30 June 2004. It also discussed the application of a results-based methodology and the inclusion of an objective-setting component in the submission of budget proposals, as well as in the measurement of budget performances. Such changes should be aimed primarily at improving the ability of Member States to make fully informed decisions. Iran noted that the 15 per cent increase in the support account was due mainly to changes in standard salary costs and the inclusion under the support account of posts for resident auditors, which had previously been funded under individual peacekeeping mission budgets. His delegation shared the Advisory Committee’s view that not all the other factors contributing to the increase in the proposed level of resources for the 2003/04 support account needed to be adopted at the present stage. The proposed increase in the budget of the United Nations Logistics Base might also be reassessed, especially as an adequate sum had been allocated to strategic deployment stocks in 2002. Moreover, it was to be hoped that the implementation of the new Galaxy staff-selection system would enable the Secretariat and the field missions to ensure that qualified candidates were recruited from all over the world.

70. **Mr. Wins** (Uruguay) said that his country was strongly committed to the difficult task of maintaining and restoring peace in conflict regions. That commitment had been reflected in Uruguay’s steadfast and continuous support for the mechanism of peacekeeping operations. Uruguay was generally able to negotiate a memorandum of understanding within 30 days, and had regularly done so before deployment

occurred. Furthermore, relevant Secretariat staff were invited to pre-deployment visits. Uruguay therefore welcomed the Advisory Committee's proposal to collaborate on a document setting out the lessons learned in that context. However, although the participation of developing countries, often in dangerous situations, was widely accepted, such countries were not given the same priority when it came to filling high-level and senior posts. As was the case with most developing countries, Uruguay's ability to contribute troops depended on timely reimbursement, especially in the current severe economic crisis. Although the Secretariat's performance had improved, late reimbursement of contingent-owned equipment remained a matter of particular concern. His delegation reiterated its concern regarding the arrears arising from Uruguay's participation in Cambodia, more than nine years before.

71. With regard to the proposal to consolidate the accounts of peacekeeping operations, Uruguay shared the views of the Group of 77, China, and the Rio Group. Although it was open to such an initiative, it would welcome more information as to how it might be implemented. There was a need to change current practices that were ineffective or which showed specific problems. Reimbursement had improved significantly, but the issue of arrears dating back many years or arising from closed missions was a serious one. Therefore, if the General Assembly were to decide in favour of consolidating accounts, it should do so on a retroactive basis. His delegation agreed that there was a need for careful administration and evaluation of resources in the field. However, the information provided by the Office of Internal Oversight Services (OIOS) regarding personnel needs was contradictory. Furthermore, the Office had been particularly slow in filling posts, and it was to be hoped that the Galaxy system would improve matters. He endorsed the comments made by the Advisory Committee in that regard, especially concerning the deadline of one year for filling vacancies.

72. **Mr. Gillette** (Chairman of the Audit Operations Committee, United Nations Board of Auditors) welcomed the continued importance attached to the work of the Board by the Committee, ACABQ and OIOS. Replying to a question posed by the representative of South Africa concerning the provision of airfield services at MONUC, he said that no

performance reports had been forwarded to the Procurement Division prior to the renewal of the contract. However, that problem had now been addressed, and performance reports were being provided on a monthly basis. The Board would revert to the matter in its next report.

73. **Mr. Halbwachs** (Controller) said that the Administration would take into account the comments made by the members of the Committee and the guidance provided by the Board of Auditors in its efforts to improve its performance and in the preparation of future budget documents. In that connection, he noted that all the reports before the Committee had been issued in good time.

74. Of the two major trust funds referred to in the report of the Board of Auditors (A/57/5 (Vol. II)), one had been closed already. The Administration was currently reviewing all trust funds, not only those related to peacekeeping, with a view to closing those that were inactive. Improving the management of trust funds was one of the actions proposed in the report of the Secretary-General on the strengthening of the United Nations: an agenda for further change (A/57/387).

75. The report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) had been submitted pursuant to a request by the General Assembly. As indicated in the report, consolidation would not be feasible under current practice. The Administration was ready to provide additional clarification and would welcome a decision by the Committee on whether to pursue the matter further. He would reply to the questions posed concerning individual missions in informal consultations.

Agenda item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Report of the Joint Inspection Unit on reforming the Field Service category of personnel in United Nations peace operations (*continued*) (A/57/78, A/57/78/Add.1 and A/57/434)

76. **Mr. Repasch** (United States of America) said that, while the report of the Joint Inspection Unit on reforming the Field Service category of personnel in United Nations peace operations (A/57/78) provided a

comprehensive and useful overview of the current situation, most of the issues raised were already being addressed by the Secretariat. It was therefore not clear to him why the report had been prepared. The Unit's resources would be better used in areas where there was no concentration of effort. The Inspectors proposed, in recommendation 7, that, in order to implement recommendations 1 to 6, the Secretary-General should devote adequate resources, specifically, two Professionals on a full-time basis for 18 months in the Department of Peacekeeping Operations, to the reform of the Field Service. His delegation wished to see the technical analysis that had prompted the Inspectors to make that recommendation and the Advisory Committee to endorse it.

77. **Mr. Gorita** (Joint Inspection Unit) said that the report had been prepared 18 months earlier but had not been taken up by the Committee. In the meantime, the Secretariat had begun to implement some of the recommendations made by the Inspectors. All of the recommendations remained valid, notwithstanding the time elapsed. He noted that the Advisory Committee, in paragraph 4 of its report (A/57/434), had recommended that the General Assembly should approve the Unit's recommendations and had requested the Secretary-General to expedite the completion of the review of the Field Service category and to submit his comprehensive proposals in that regard to the Assembly at its fifty-eighth session, as recommended by JIU.

78. Concerning recommendation 7, he said that he would have to consult with the author of the report and would revert to the issue at a later date.

79. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, while paragraph 6 of the Advisory Committee's report in document A/57/434, perhaps gave the impression that it endorsed the establishment of the two posts referred to in recommendation 7, it had not in fact considered the establishment of those posts. Moreover, in document A/57/772/Add.4, paragraph 20, the Advisory Committee had recommended against changes in the field posts pending the completion of the Secretary-General's review of the Field Service.

The meeting rose at 12.20 p.m.