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

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The meeting was called to order at 10.13 a.m.

Agenda item 112: Programme budget for the biennium 2002-2003 (continued)

*Outline of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre UNCTAD/WTO (continued)
(A/57/7/Add.26 and A/57/761)*

1. **Mr. Sach** (Director of the Programme Planning and Budget Division), replying to questions raised at the Committee's previous meeting, said that the Committee's recent discussion of the report of the Secretary-General on the outline of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre (UNCTAD/WTO) (A/57/761) raised three basic questions. The first concerned the proposed 5.4 per cent increase in resources in real terms and how it would be handled in the context of programme budget priorities. The proposed increase was comparable to that proposed for the other economic and social sections of the budget, which averaged 5.2 per cent. Moreover, existing programmes would be reviewed to identify outputs that were marginal, obsolete or of limited effectiveness and activities that should be discontinued in the new biennium in light of other emerging needs.

2. The second issue was the procedure being used for the joint review of administrative arrangements. Although the mandate given by the General Assembly at its fifty-seventh session had imposed no specific deadline for negotiations, the Programme Planning and Budget Division would endeavour to submit a report to the Assembly at its fifty-eighth session. Unlike the United Nations, the World Trade Organization (WTO) followed an annual budget cycle, as a result of which, it was difficult to agree on consistent recommendations. It was therefore unlikely that the report would be submitted during the main part of the session. The Committee on Budget, Finance and Administration of WTO was considering a change to a biennial cycle and was expected to make recommendations to that effect later in the year to the Governing Board of WTO.

3. The third issue was that of the official languages in which documents were to be issued. Approval from the General Assembly would be required before Arabic and Chinese could be added. While such approval seemed likely, there was as yet no legal basis for

including the cost in the budget estimates. Efforts to make the two languages available would be facilitated if the Committee were to request the Secretary-General to take into account the likely requirements of 80,000 Swiss francs for the two additional languages.

Financial situation of the International Research and Training Institute for the Advancement of Women (continued) (A/56/907; A/57/7/Add.27 and A/57/761)

4. **Ms. Afifi** (Morocco), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the promotion of gender equality and the advancement of women. It therefore fully supported the recommendations made in the report of the Working Group on the Future Operation of the International Research and Training Institute for the Advancement of Women (A/57/330 and Add.1) and endorsed by the General Assembly in its resolution 57/175.

5. She noted with regret that the post of Director of the Institute had yet to be filled, even though there were sufficient resources, and urged the Secretary-General to make that appointment without delay, as requested in paragraph 9 (a) of the aforementioned resolution.

6. She expressed appreciation to all Member States which, through their voluntary contributions, had sent a clear signal that the Institute could make a valuable and substantive contribution to the advancement of women within the United Nations system and called for the release of the \$250,000 set aside for the Institute in the contingency fund, pursuant to General Assembly decision 57/580 so as to enable it to continue its core activities in 2003. Lastly, she appealed to all Member States that had not yet done so to contribute to the Institute.

7. **Ms. Arce de Gabay** (Peru), speaking on behalf of the Rio Group, said that the Group supported INSTRAW and the efforts of the Working Group. It also supported the recommendations contained in the reports of the Working Group (A/57/330 and Add.1). The report of the Secretary-General on the financial situation of INSTRAW (A/57/797) had stated that the Institute had enough resources to finance eight posts, including that of the Director, at the D-2 level. It therefore regretted that resolution 57/175, in which the General Assembly requested the appointment without

delay of a Director, had not yet been implemented. The Secretariat should therefore act without delay, in accordance with the General Assembly's request. The contributions of various governments to INSTRAW clearly showed that the Institute could continue to make a major contribution to the advancement of women within the United Nations system. The Rio Group thanked those Member States that had made contributions, especially the Governments of Spain, Venezuela and the Dominican Republic. As the host country, the latter also provided the building and grounds and paid the cost of energy, water and security. The Rio Group encouraged other Member States to make voluntary contributions towards the financing of the Institute.

8. In its report on the future operations of INSTRAW (A/57/330 and Add. 1), the Working Group had stated that some of the difficulties encountered in coordinating with the United Nations had been caused by the delay in appointing a Director for the Institute. That situation had hurt the Institute's credibility, leading to a decline in voluntary contributions. Members should regard the recommendations of the Working Group as guidelines for their deliberations and the General Assembly should approve the release of the \$250,000 it had allocated so that the Institute could continue its basic and operational activities as part of its current revitalization process.

9. **Mr. Herrera** (Mexico) said that his delegation wished to associate itself with the statement made by the delegation of Peru, speaking on behalf of the Rio Group. The Government of Mexico recognized the importance of the Institute's work, particularly its contributions to developing countries, and would therefore double its annual voluntary contribution to \$20,000.

10. **Mr. Pimentel** (Dominican Republic) said that his delegation wished to associate itself with the statements of Morocco, speaking on behalf of the Group of 77, and Peru, speaking on behalf of the Rio Group. INSTRAW was one of the few United Nations institutions located in the developing world and the only one dedicated to research and training for the advancement of women. As such, his delegation was confident that the Committee would welcome the General Assembly's decision to release the further amount of \$250,000 after voluntary contributions had been paid and pledges honoured. The Secretary-General should appoint a Director at the D-2 level in

accordance with General Assembly resolution 57/175 and Member States should continue to make voluntary contributions to the Institute to ensure continuity and to support its efforts to implement the recommendations of the Working Group.

11. **Mr. Pulido León** (Venezuela) said that his delegation wished to associate itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of Peru on behalf of the Rio Group.

12. At a meeting with the Working Group, of which Venezuela was a member, representatives of the Office of Internal Oversight Services (OIOS) had indicated that the most serious problems of the Institute were the lack of coordination with the United Nations Secretariat and the lack of policy direction, which they had attributed, in part, to the absence of a clear mandate for the Special Representative of the Secretary-General for INSTRAW and the delay in the appointment of a Director. Yet the report of OIOS on the audit of the Institute (A/56/907) had not referred to those problems. Moreover, since the recommendations it contained were based on an audit conducted in 2001, they could hardly be said to reflect the reality by the time of its issuance in April 2002. As the Working Group stated in paragraph 23 of its report (A/57/330), there was need for a more balanced account of the situation of INSTRAW.

13. He noted with concern that, while the General Assembly had requested the Secretary-General to appoint a Director of the Institute without delay, that post had remained vacant despite repeated undertakings given by the Under-Secretary-General for Economic and Social Affairs. The failure to make an appointment had been attributed to the Institute's lack of resources. Yet the Government of the Dominican Republic had pledged a total of \$220,000 to INSTRAW, while the Government of Spain had contributed \$100,000 and had undertaken to make another contribution in the same amount once a Director was appointed. With a permanent Director on board, the Institute would be able to conduct concerted and consistent fund-raising activities and to carry out the necessary steps to revitalize its role. The appointment of interim directors was not an acceptable solution.

14. He had been informed that the Secretariat had recently identified a suitably qualified candidate for the D-2 post of Director. However, it was proposing that

the candidate should be appointed at the D-1 level on account of her age. He would welcome further clarification, since no age requirement had been specified in the vacancy announcement.

15. Regrettably, the report of the Secretary-General on the financial situation of INSTRAW (A/57/797) did not contain sufficient information on the status of pledges. Currently, the resources available in the INSTRAW Trust Fund would allow the Institute's operations to continue only until the end of November 2003. He therefore called for the release of the \$250,000 set aside for INSTRAW in the contingency fund and urged all Member States that had not yet done so to contribute to the Institute which was the only United Nations entity devoted to research and training in respect of the advancement of women and gender equality.

16. **Ms. Attwooll** (United States of America) expressed concern about the findings of the OIOS audit of INSTRAW, which had revealed a lack of effort to reform the Institute, attributable in part to the lack of oversight by the Board of Auditors. It had also highlighted the failure of the Gender Awareness and Information Networking System (GAINS), in terms of both impact and cost-effectiveness, and the absence of effective management, which had led to a decline in donor confidence. She trusted that some progress had been made in implementing the recommendations of OIOS, notwithstanding the absence of a Director of the Institute.

17. As a member of the Working Group, her delegation viewed the appointment of a Director as a prerequisite for the revitalization of INSTRAW. Indeed, when the General Assembly had approved the subsidy of \$250,000 to INSTRAW, it had been on the understanding that the appointment would be made without delay. The failure to do so was regrettable, as was the lack of transparency in the conduct of the recruitment process. In that connection, she asked why the Secretariat was now proposing to fill the D-2 post at the D-1 level.

18. **Mr. Hønningstad** (Norway) said that his delegation wished to endorse the statements made by the representative of Morocco on behalf of the Group of 77 and China, by the representative of Peru on behalf of the Rio Group and by the representatives of Mexico, the Dominican Republic and Venezuela.

19. As the OIOS audit had shown, INSTRAW must put its house in order if donor confidence was to be

restored; the most effective means of revitalizing the Institute would be the appointment of a Director. He therefore urged the Secretary-General to expedite that process. While there were sufficient resources for the operations of INSTRAW to continue until the end of November 2003, it was vital to secure additional funds for the Institute, including through voluntary contributions. In that connection, he welcomed the pledge just made by the representative of Mexico. Lastly, he called for the release of the \$250,000 that had been set aside for the Institute in the contingency fund.

20. **Mr. Yamanaka** (Japan) said that his delegation had noted the administrative and financial difficulties of INSTRAW and endorsed the comments made by the representative of the United States in that regard.

21. **Ms. Goicochea** (Cuba) said that her delegation wished to associate itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of Peru on behalf of the Rio Group.

22. The history of INSTRAW was one of poor performance owing to a lack of effective management. Accordingly, every effort must be made to secure the appointment of a Director. Her delegation supported the comments made by the representative of Venezuela regarding the recruitment process. The Secretariat's view that a 48-year-old candidate was too young to be appointed at the D-2 level was perplexing in the light of the Organization's efforts to rejuvenate its staff and its commitment to eliminating discrimination on grounds of age.

23. While her delegation supported the release of the \$250,000 set aside for INSTRAW in the contingency fund, it also wished to underscore the need for a more long-term solution to the Institute's financial difficulties. Given the importance of its work, it should not be dependent on voluntary contributions.

24. **Ms. Stern** (Director of the Internal Audit Division, Office of Internal Oversight Services) expressed satisfaction at the seriousness with which the findings and recommendations of OIOS had been received by the Secretariat and the Working Group. While no follow-up audit had been conducted, OIOS was working closely with the Secretariat on the implementation of its recommendations, especially those concerning communication between the Secretariat and INSTRAW. An audit team of the Board of Auditors was currently in Santo Domingo to review the progress made.

Agenda item 132: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observer Mission
(A/57/664 and Corr.1, A/57/665, A/57/811 and A/57/813)

25. **Mr. Halbwachs** (Controller), introducing the performance report on the budget of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 July 2001 to 30 June 2002 (A/57/665), noted that, of the total apportionment of \$54.2 million, some \$48.6 million had been spent, leaving a variance of approximately \$5.5 million. Significant savings had been realized in the recruitment of national and international staff.

26. The Mission budget for the period from 1 July 2003 to 30 June 2004 (A/57/664) had been overtaken by events. The Secretary-General had recommended to the Security Council in March 2003 that the Mission should be retained for a further three months and the Security Council had agreed to its maintenance until 6 July 2003. Pending a decision on the Mission's future beyond that date, interim financing arrangements were needed, as set out in the note by the Secretary-General contained in document A/57/811. The Assembly was therefore being asked to appropriate the amount of \$12 million for the four-month period from 1 July to 31 October 2003.

27. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of UNIKOM (A/57/813), said that the Advisory Committee had supported the Secretary-General's request that the amount of \$12 million be appropriated for the four-month period from 1 July to 31 October 2003. However, the Advisory Committee had been informed by the representatives of the Secretary-General that the existing cash available in the UNIKOM Special Account was \$46.2 million as at 14 May 2003. Under the circumstances, the Advisory Committee recommended that, in lieu of an appropriation, commitment authority be granted to use the available cash balance to cover the requirements for the maintenance of the Mission for the four-month period from 1 July to 31 October 2003. However, since a revised budget proposal was to be submitted to the General Assembly at the main part of its fifty-eighth session, the Advisory Committee would submit its

report on the financial performance report in conjunction with its report on the revised budget.

28. **Mr. Al-Mansour** (Kuwait) said that his delegation would welcome a written account of expenditures related to the Mission.

29. **Mr. Halbwachs** (Controller) said that the information would be provided during informal consultations.

The meeting rose at 11.20 a.m.