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Chairman: Mr. Yousfi (Algeria)
later: Mr. Mitsopoulos (Vice-Chairman) (Greece)
*Chairman of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Saha

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

Agenda item 119: Improving the financial situation of the United Nations (*continued*) (A/61/556)

1. **Mr. Sach** (Controller), introducing the report of the Secretary-General on improving the financial situation of the United Nations (A/61/556), said that the report contained the substance of the introductory statement which he, the Controller, had made at the Committee's 15th meeting. In that statement he had regrettably omitted the Czech Republic from the list of countries which, as of 31 October 2006, had paid all their assessed contributions due and payable.

2. Since the 15th meeting the Federated States of Micronesia and Zambia had paid in full their assessed contributions to the regular budget, Zambia had paid in full its assessed contributions to the international tribunals, and the Bolivarian Republic of Venezuela, Kuwait, Portugal and Zambia had paid in full their assessed contributions to peacekeeping operations. Accordingly, Portugal and Zambia had now paid in full all their assessed contributions due and payable.

3. **Ms. Lintonen** (Finland), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Liechtenstein, Moldova, Norway and Ukraine, said that it was regrettable that the Member States, collectively, had not fulfilled their financial responsibility for the Organization's well-being. All Member States should pay their assessed contributions in full and on time.

4. Despite some signs of improvement in the financial indicators for the current year, reasons for concern persisted: the position of the regular budget remained uncertain, for a total of \$661 million was owed, and a total of over \$2.5 billion was owed to peacekeeping operations, at a time when the Organization's outstanding obligations to countries contributing troops and contingent-owned equipment were expected to increase to over \$1 billion. Year after year the Organization found itself in the same vicious circle, in which the non-payment or late payment of assessed contributions impaired its ability to execute mandated programmes efficiently. The European Union

noted that the bulk of the arrears were owed by only a handful of countries.

5. As the Controller had pointed out, the unpredictability of the demand for peacekeeping activities and the separate issuance of assessments for each operation could indeed make it difficult for countries to remain current with their payments. The European Union therefore reiterated its support for the consolidation of peacekeeping accounts. The concerns voiced about that proposal could be addressed in a way that would benefit all Member States.

6. Continuation of the relatively healthy financial position of the international tribunals would depend on the payment of assessed contributions up to the end of the year, while the timely implementation of the capital master plan hinged on payment by the States concerned of outstanding assessments of \$66 million. The European Union requested all Member States to take their obligations to the Organization with the seriousness which they expected of the Secretariat.

7. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Member States had a shared responsibility to ensure that the Organization received the resources it needed to fulfil its mandates: they must pay their assessed contributions in full, on time and without conditions. That principle applied in particular to those States which had the capacity to pay their arrears. The Organization might soon face a new financial crisis unless the Member States, especially the major contributor, abided by that principle. Depending on action yet to be taken by the United States Congress, the United Nations might have to borrow over \$200 million from reserve accounts by the end of 2006. It should be remembered that the reason adduced in 2000 for reducing the ceiling on assessed contributions, which applied only to the United States, had been to facilitate the payment of arrears and improve the Organization's financial situation. The Controller's indications that the position of the regular budget was uncertain and that peacekeeping operations would face financial difficulties early in 2007 were alarming. Despite the improvement in the current positions of the international tribunals and the capital master plan, their final positions would depend on the receipt of outstanding payments.

8. She regretted that the United Nations would be unable, again owing to the non-payment and late

payment of assessed contributions, to maintain its pattern of reimbursements to the countries, overwhelmingly from the developing world, that provided troops and contingent-owned equipment to peacekeeping operations. It should make every effort to reimburse the Member States concerned in a timely manner.

9. The Group of 77 and China remained committed to providing the Organization with sufficient resources to fulfil its mandates and with any additional resources needed to finance proposed reforms, including reforms relating to development activities. At the same time, they offered sympathetic understanding to those States which, for reasons beyond their control, were unable to do so.

10. **Mr. Kittikhoun** (Lao People's Democratic Republic), speaking on behalf of the States members of the Association of Southeast Asian Nations (ASEAN), said that the optimistic notes sounded by the Controller were welcome, but the critically low cash-flow levels of the regular and peacekeeping budgets remained a source of concern. It was also worrying that the Organization's financial well-being would depend largely on the small number of States whose arrears accounted for 95 per cent of the total. The ASEAN countries had always opposed the practice of cross-borrowing from closed peacekeeping missions, and they commended the Secretariat on its management of the cash-flow situation. The Organization's continuing inability to reimburse the countries providing troops and contingent-owned equipment to peacekeeping operations was regrettable, as was the prospect of a significant increase in the outstanding debt at the end of 2006.

11. The financial health of the United Nations depended on the timely payment of assessed contributions by all the Member States, but the ASEAN countries were sympathetic towards States experiencing genuine economic difficulties.

12. **Mr. Taula** (New Zealand), speaking also on behalf of Australia and Canada, said that if the United Nations was to fulfil the expectations of its Members, it must have a healthy and stable financial situation. He was concerned about the mixed financial indicators that had been presented, the uncertain positions of the regular and peacekeeping budgets and the fact that the Organization was relying heavily on a small group of countries to meet their obligations over the coming

weeks in order to ensure that the cash flow outcome for 2006 was manageable. The year had had its encouraging aspects, including the reduction in unpaid assessed contributions and the increase in projected cash available for the capital master plan. However, even those indicators could be misleading. It was disturbing to note that the number of Member States that had paid their regular budget assessments in full by 31 October had dropped compared to the previous year. The still-to-be-decided new scale of assessments and significantly increased peacekeeping demands had also affected the financial situation.

13. The fact that the great bulk of outstanding contributions were attributable to a small number of Member States, including major contributors, did not lessen the obligation of States with relatively smaller assessments. Delays in payments injected significant uncertainty and risk into the Organization's financial planning. Accordingly, he called on all Member States to meet their obligations under Article 17 of the Charter. Australia, Canada and New Zealand consistently paid in full, on time and without conditions.

14. The retention of funds in closed mission accounts penalized those Member States that had paid their assessments in order to manage the difficulties caused by those that had not. He looked forward to considering the reform of peacekeeping finances during the second part of the resumed session in 2007.

15. The three delegations remained hopeful that the Organization could be put on a sounder financial footing, with little debt owed to Member States. Such an Organization would be in a stronger position to address the challenges of the day. Everyone stood to benefit from a financially secure United Nations.

16. **Mr. Torrington** (Guyana), speaking on behalf of the Rio Group, said that the decline in unpaid contributions to the regular budget was heartening, but the Rio Group was worried about the possible need to borrow from reserve accounts by the end of the year. It noted the delicate balance achieved in the financing of peacekeeping operations pending the adoption of a new scale of assessments, but regretted the delays in making the reimbursements owed to Member States and hoped that the situation would be corrected early in 2007. Fortunately, the financial positions of the international tribunals remained relatively healthy.

17. The financial health of the United Nations was crucial to the fulfilment of its mandates. The countries members of the Rio Group would continue to try to meet their financial obligations despite the relatively heavy burden which those obligations imposed on their budgets. Some members had recently made, or would soon be making, sizeable payments to the Organization's budgets.

18. **Ms. Kaji** (Japan) said that it was essential for the United Nations to demonstrate budgetary discipline and integrity and to produce tangible results in such areas as management reform and mandate review in order to strengthen taxpayers' confidence in the Organization. The peoples of the Member States were watching to see whether it could deliver on the agreements reached by their leaders at the 2005 World Summit.

19. In the case of the huge peacekeeping budget, for example, it was obviously vital for the mandate and budget of each operation to be closely scrutinized with a view to ensuring efficiency and effectiveness. Japan's budgetary system required separate assessments and detailed justifications for each mission. Changes in the budgetary system for financing peacekeeping operations should not be pursued if they would not help to strengthen the financial bases. Japan had fulfilled its financial obligations to the Organization despite its difficult domestic fiscal situation, but the increase in its assessed contributions was adversely affecting its voluntary contributions to many United Nations bodies.

20. In the current circumstances neither the Member States nor the Secretary-General could afford complacency: they should continue to pursue the vision of a United Nations accountable to all.

21. **Mr. Al-Hayen** (Kuwait) said that his country's delegation, like others, was concerned about the financial situation of the United Nations. The Organization was the proper forum for the peaceful settlement of disputes, and its financial situation must be improved if it was to continue to serve that function.

22. The Organization's occasional financial crises were caused principally by Member States' failure to pay their contributions in full. Cognizant that poverty and economic difficulties prevented some Member States from paying their contributions in full, Kuwait had decided in 1990 to cancel all interest on the debts owed by the least developed countries. That decision

was in keeping with the initiative proposed in 1988 by Kuwait's deceased Emir, Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah, in which he had called upon the international community to deal with the debt problem faced by developing States.

23. As a continuation of those policies and in keeping with its belief in collective action to promote development in those States, Kuwait had paid out more than \$1 billion over the last few years to mitigate the consequences of natural disasters. In addition, the Kuwait Fund for Arab Economic Development had provided more than \$12 million to fund development projects in over 100 countries.

24. He concluded by saying that his country would continue to pay its contributions in full and on time and hoped other States would do the same.

25. **Mr. Muhith** (Bangladesh) said that delegations had unfortunately grown accustomed to receiving information illustrating the fragile financial health of the Organization. The situation continued to be alarming and the occasional improvements reported were purely relative.

26. His delegation noted with concern that the number of countries that had paid their regular budget assessments in full had declined compared to the same period of the previous year. The amount of unpaid assessments, though lower than it had been the previous year, remained alarmingly high. The situation regarding available cash resources did not look promising, given that it might be necessary to borrow over \$200 million from the reserve accounts by the end of December. It would be only logical to expect that the final outcome in 2006 would be positive, with the payment of outstanding dues by Member States. The Organization needed a strong and dependable financial base in order to accomplish its mandated tasks and not lose the momentum of the Millennium Summit and the 2005 World Summit.

27. Bangladesh paid its assessed contributions to both the regular budget and peacekeeping budgets on time and in full. Other States should do the same, in keeping with their obligations under Article 17 of the Charter. Nevertheless, those that were temporarily unable to fulfil their financial obligations for reasons beyond their control should receive sympathetic consideration under the established procedures.

28. Turning to peacekeeping budgets, he said that the unhealthy practice of cross-borrowing would not have been required if assessed contributions had been paid on time. His delegation was also concerned to note that debt to Member States was expected to exceed \$1 billion by the end of the year. Noting that no payments would be made to troop and equipment providers in the final quarter of 2006, owing to delays in the receipt of contributions, he pointed out that it was mostly developing countries that responded to calls to maintain international peace and security, often mobilizing their personnel, materiel and resources under difficult domestic circumstances. Delays in reimbursement placed additional burdens on such countries. As one of the largest troop contributors, Bangladesh could not emphasize enough the importance of timely reimbursement by the Organization. As at 31 October, an estimated \$144 million was owed to Bangladesh.

29. He appealed to all delegations to recommit themselves to their Charter obligations, so that the United Nations could carry out its mandated activities fully and effectively.

30. **Mr. Cho Hyun** (Republic of Korea) said that his delegation noted with concern that the overall picture was mixed, with gains in cash availability for the capital master plan and a decline in unpaid assessments for peacekeeping operations being offset by the uncertainty surrounding the regular budget and the Organization's debt to Member States. Even where it was most promising, the picture was not one of unmixed progress. Unpaid peacekeeping assessments would increase significantly when the General Assembly adopted the new scale of assessments for 2007. Furthermore, changing needs over the course of the year necessitated increases in assessments and made it difficult for Member States to remain current with their obligations. Member States must pay their arrears so that the Organization could function efficiently on all fronts. The Republic of Korea was committed to the payment plan it had recently developed to clear its outstanding and future peacekeeping assessments before the end of 2008. In fact, it hoped to meet its obligations ahead of schedule.

31. Given its unwavering commitment to human rights and the prosecution of international crimes against humanity, his delegation was pleased to note the relatively healthy financial position of the international tribunals. However, the outstanding

balance was highly concentrated among a few Member States and there was continuing uncertainty about the tribunals' finances. He trusted that Member States would fulfil their commitments, in the interest of justice and respect for international law.

32. As for the capital master plan, the picture was once again mixed. While cash on hand had increased since the previous year, \$66 million was still outstanding. His delegation remained committed to the capital master plan. The condition of the Secretariat Building undermined the safety and morale of the entire staff. Modernizing the building must be pursued as part and parcel of the overall reform.

33. If Member States were to commit substantial resources to the United Nations as needs arose, they must be confident that they would be repaid in a timely fashion. His delegation hoped that the Organization would reduce its outstanding debt to Member States.

34. Lastly, the Organization could perform its work only as well as its Members fulfilled their financial obligations. The Organization depended not on the shared largesse of its Members, but on their shared responsibility to honour their financial commitments.

35. *Mr. Mitsopoulos (Greece), Vice-Chairman, took the Chair.*

36. **Mr. Liu Zhenmin** (China) said that all Member States agreed that, in an increasingly complex world, the role of the United Nations must be strengthened. However, without steps to give the Organization a solid financial foundation, that position was meaningless. It was therefore essential for all Member States to fulfil their financial obligations in full, on time and without conditions, so that the United Nations would have sufficient resources to carry out its activities.

37. The figures presented by the Controller showed that some Member States, in particular some developing countries, had done their utmost to meet their financial obligations; despite all kinds of practical difficulties; those efforts merited appreciation. His delegation hoped that the country with the most arrears would follow the example of others and demonstrate its commitment to the United Nations by paying all its assessed contributions in full, on time and without conditions. It should also pay off all its arrears.

38. China supported the reform measures taken by the Secretary-General to improve the efficiency and effectiveness of the Secretariat. Member States needed

to work harder to make greater progress on financial reform, while the Secretariat should further improve its rules, regulations and systems, reinforce financial discipline and make effective use of every penny of Member States' contributions.

39. Despite being a developing country that required a large amount of resources for its own economic development, China had paid in full its assessed contribution for 2006 (over \$35 million) and its assessments for the two international tribunals (almost \$6 million). China's peacekeeping assessment for the period since 1 January 2006 would exceed \$145 million. China would also pay off its assessment for the capital master plan as soon as possible. In total, those assessments exceeded \$189 million. With its practical action, China had made a real contribution to building a solid financial foundation for the United Nations.

40. A strong and stable financial foundation was essential if the United Nations was to fulfil its Charter responsibilities and accomplish its missions. It was also particularly necessary in the current climate of reform. He therefore called on all Member States to fulfil their financial obligations to the Organization.

41. **Mr. Ashakli** (Malaysia) said that reform was an evolving process that should be based on the collective views of all Member States. Its success could be guaranteed only by adequate financing from all Member States.

42. As at 31 October 2006, unpaid assessments for the regular budget had declined in comparison to their level of October 2005, but so had the number of Member States that had paid their regular budget assessments in full. Given the constraints and uncertainties of the current financial situation, his delegation earnestly hoped that the Member States concerned would meet their obligations in full, on time and without conditions.

43. Regarding peacekeeping budgets, he recalled that peacekeeping assessments for the period beyond 31 December 2006 could not be issued until the new scale of assessments had been adopted. It was vital to provide peacekeeping operations with adequate tools and resources. A positive outcome on the scale of assessments must therefore be achieved by the end of the year. He hoped that the new scale of assessments for peacekeeping operations would reflect fair,

equitable and balanced rates, agreed upon by all Member States.

44. Malaysia welcomed the progress made in reducing the outstanding balances owed to the international tribunals and hoped that the positive trend would continue, so that the tribunals could carry out their important work expeditiously.

45. Further delays in the implementation of the capital master plan, meanwhile, would escalate the cost and have serious consequences for the work of the Organization. It was discouraging that discussions were pending on a number of important funding-related issues. Given the project's serious financial implications, he sincerely hoped that all Member States would engage constructively in the discussion, so that a concrete result could be achieved as soon as possible.

46. The deliberations on a new scale of assessments for 2007-2009 were crucially important for securing a healthy and stable financial position for the United Nations. Member States should take the necessary measures to settle their arrears and honour their assessed contributions in full, on time and without conditions.

47. **Mr. Kovalenko** (Russian Federation) said that it was clear from the Controller's statement that all of the Organization's budgets were experiencing cash-flow problems: the position was no more stable or predictable than it had been in 2005, and the total amount of arrears was still attributable to a small number of States. The failure of those States to fulfil their financial obligations threatened to undermine the efforts of the United Nations to maintain international peace and security and might jeopardize the success of the reform process. Moreover, arrears in Member States' contributions might lead to a substantial increase in the Organization's indebtedness to troop-contributing countries; the Russian delegation was not heartened by the prospect of delays in reimbursements from closed peacekeeping operations. The information provided by the Secretariat would be useful to Member States in their discussion of such important questions as the scale of assessments for 2007-2009 and the financing of the capital master plan.

48. The Russian Federation appealed to Member States to meet their financial obligations to the Organization on time and in full.

49. **Ms. Castillo** (Bolivarian Republic of Venezuela) said that, if the United Nations was likened to a Government, Member States' contributions could be likened to the taxes that citizens had to pay to enable it to function properly and achieve its aims. Two obligations arose from Article 17, paragraph 2, of the Charter: Member States must agree on how to apportion the expenses of the Organization and must then meet their financial obligations in full, on time and without conditions.

50. The Secretariat was responsible for fulfilling the mandates given to it by Member States and must find mechanisms to guarantee the Organization's financial solidity. Many countries were unable to fulfil their obligations on time, either because of circumstances beyond their control or because they were developing countries with more pressing problems to address. Even so, many countries in such circumstances did manage to meet their payments.

51. The Bolivarian Republic of Venezuela had found it difficult to pay its contributions on time in recent years, especially in 2002 and 2003, when there had been a coup against the Government, and later during the sabotage of the oil industry, which had caused the country huge losses. The Government had nonetheless fulfilled its financial obligations to the Organization and was currently up to date with its payments to the regular budget, peacekeeping operations, the international tribunals, and the funds and programmes.

52. However, some countries had enviable economic power but did not fulfil their obligations. Year after year, the major contributor had accounted for a very high percentage of the total amount owed to the Organization. That State's practice of delaying payments reflected not an inability to pay, but a desire to push through proposals that were in its interest; that had been the reason behind the spending cap imposed in December 2005.

53. One way to encourage countries to pay their contributions was to acknowledge their efforts. That was particularly true of developing countries, which had to make sacrifices at home in order to pay their contributions. Her delegation stood ready to support any initiatives aimed at enabling the Secretariat to better perform its tasks.

54. **Mr. Vijayan** (India) said that the payment of assessed contributions in full, on time and without conditions was a fundamental legal and moral

obligation which the Charter imposed on all Member States, yet those with more than adequate means were essentially responsible for creating the Organization's financial crisis. Member States should not simply blame managerial and institutional failure as being solely responsible for the alleged inefficiencies and ineffectiveness of the United Nations. Time and again the Organization's financial situation had cast doubt on its capacity to perform the role expected of it. Improvement of the uncertain position of the regular budget for the current year depended on action by a few Member States in the near future, and particularly by the largest contributor, which was responsible for nearly 80 per cent of outstanding contributions.

55. More than half of the total amount due for peacekeeping operations was owed by just two Member States. Adequate funding of peacekeeping operations was essential for maintaining the credibility of the United Nations and its ability to fulfil the commitments made by the international community. Member States which had been steadfastly contributing troops and equipment should not be penalized, through delays in reimbursement, for their allegiance to the purposes and principles set out in the Charter. The only way for such issues to be resolved was for Member States, particularly those which had no legitimate reasons for withholding them, to pay their contributions in a fuller and more timely fashion.

56. **Ms. Mtambo** (Zambia) said she was concerned to note that by the end of 2006 the Organization might have to borrow more than \$200 million from reserve accounts. Some Member States, especially the developing countries, were experiencing economic difficulties, but nearly 80 per cent of the outstanding contributions were the responsibility of the major contributor. It was ironic that while Member States called for a more efficient and accountable United Nations, they were themselves lacking in that regard. Because of the non-payment of assessed contributions to peacekeeping operations by some Member States, troop-contributing countries, most of which were developing countries, were owed large amounts of money; failure to reimburse them was making it difficult to sustain the troops currently deployed.

57. As of 7 November 2006, her country had paid all its contributions to the regular budget, peacekeeping operations, the international tribunals and the capital master plan. It called on all Member States, and particularly the major contributor, to pay their assessed

contributions in full, on time and without conditions. That was clearly linked to the notion of accountability being debated and applied within the United Nations, and would enable the Organization to operate in an effective and efficient manner.

58. **Mr. Aljunied** (Singapore) said that one of the main causes of the continuing fragile financial situation of the United Nations was the late payment or non-payment of assessed contributions by a few Member States. That was both unfair to the Organization and a disservice to those Member States which met their obligations promptly, including many developing countries coping with genuine economic and political constraints. All Member States had a legal and financial responsibility to pay their assessed contributions in full, on time and without conditions. Member States could not demand accountability from the Organization when they did not meet that standard themselves. The United Nations could not be strong and effective if it did not have adequate and predictable resources. The issue of late payment and non-payment was both financial and political in nature. Singapore urged all Member States that were in a position to do so to pay their assessed contributions in full, on time and without conditions.

59. **Mr. Sach** (Controller) thanked Member States that had paid their assessed contributions in full. With regard to the regular budget, it was important for the Organization to avoid having to borrow more than \$200 million from reserve accounts in order to sustain itself up to the end of the calendar year. He appealed to the 68 Member States that had paid none or only part of their assessed contributions to the regular budget for 2006, especially those with large amounts outstanding, to pay as soon as possible, ideally within the quarter. It would not be possible to make any reimbursements to troop-contributing countries in the fourth quarter because the vast majority of Member States had not paid their peacekeeping assessments in full; progress had to be made by the end of the year if the Organization was to be in a position to make reimbursements in the first quarter of 2007. It was crucial that a new scale of assessments should be adopted during the current session; otherwise, the Organization would not be able to issue any assessments for 2007 and the cash flow situation would rapidly become unmanageable.

Agenda item 117: Programme budget for the biennium 2006-2007 (continued)

United Nations Fund for International Partnerships (A/61/189)

60. **Mr. Dossal** (Executive Director, United Nations Fund for International Partnerships (UNFIP)), introducing the report of the Secretary-General on UNFIP (A/61/189), said that the Fund's partnership with the United Nations Foundation had continued to prosper, with UNFIP providing a one-stop service to the outside world and the United Nations system in building innovative partnerships, mainly at the country level, to work towards the Millennium Development Goals. Its facilitation and advisory service for companies, foundations and civil-society organizations had grown exponentially.

61. Since the Fund's inception, some \$1 billion had been channelled to United Nations causes through the Foundation, including \$600 million from Mr. Robert E. (Ted) Turner, who had recently pledged to continue his efforts to bring in new resources, with the aim of using the original \$1-billion pledge to generate another \$1 billion for the benefit of developing countries.

62. UNFIP would submit a separate report on the first year of operation of the United Nations Democracy Fund. Since the current report's issuance, another eight Member States had given financial support to the Fund, which now had over \$51 million in contributions and had programmed \$36 million for 125 projects in 72 countries.

63. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, commended the work of UNFIP, which, through its collaboration with the United Nations Foundation, had supported projects in such areas as children's health, women and population, the environment, and peace, security and human rights. She welcomed the allocation of \$170.5 million to the Fund's activities for 2005 and expressed particular appreciation for the assistance provided to the victims of the tsunami in the Indian Ocean and the earthquake in Pakistan and for the preparatory work undertaken by UNFIP for the launch of the United Nations Democracy Fund.

64. The Group of 77 and China noted the role played by UNFIP in facilitating new partnerships and alliances with the private sector, foundations and civil-society organizations for operational activities aimed at

promoting corporate social responsibility and providing seed money for programmes relating to the Millennium Development Goals. The work of UNFIP illustrated the positive contribution that public-private partnerships could make to the work of the Organization. The activities of UNFIP made an important contribution to the implementation of the outcomes of major United Nations conferences and summits, and the projects it facilitated made a positive impact in the developing and least developed countries.

65. **The Chairman** said he took it that the Committee wished the Secretariat to prepare a draft decision for its consideration, whereby it would recommend that the General Assembly should take note of the Secretary-General's report on UNFIP (A/61/189).

66. *It was so decided.*

Agenda item 120: Administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency (A/61/203 and Corr.1)

67. **Mr. Lalli** (United Nations System Chief Executives Board for Coordination (CEB)), introducing the note by the Secretary-General transmitting the statistical report of CEB on the budgetary and financial situation of the organizations of the United Nations system (A/61/203 and Corr.1), said that the system-wide financial data contained in the report were collected by means of a biennial survey. The format and content of the tables contained in the current report had been revised and improved, in particular with respect to income and expenditure data on extrabudgetary resources, following consultations with the Finance and Budget Network of the High-level Committee on Management.

68. The survey had been completed in July 2006; participation had been excellent and the data presented were comprehensive and of good quality. The tables in the report gave information on regular resources, extrabudgetary resources, total expenditure, assessed contributions and working capital funds. All the tables and data in the report, as well as analyses, charts and information on the distribution of extrabudgetary resources by country and organization, were likewise available on the CEB secretariat website.

69. **Mr. Kozaki** (Japan) said that the information provided in the report was valuable and that he

appreciated the improved format. CEB could further improve the report in the future by providing information on all contributions, on consultations within the High-level Committee on Management and on developments with regard to accounting standards in the Organization. In that connection, he asked why data from peacekeeping operations had not been included in the report. Such vital information should be included in future.

70. **Mr. Lalli** (United Nations System Chief Executives Board for Coordination) drew attention to the explanatory remarks relating to tables 4 and 6 included in the note by the Secretary-General (pp. 2-3), which partially explained the omission of peacekeeping data, and recalled that such data could be found in the monthly reports of the Secretariat on the status of contributions (ST/ADM/SER.B...). The difference between the six-month budget cycle for peacekeeping operations and the two-year cycle covered by the report made it difficult to include matching data. He had, however, taken note of the Japanese delegation's suggestions concerning the preparation of the next report.

71. **The Chairman** said he took it that the Committee wished the Secretariat to prepare a draft decision for its consideration, whereby it would recommend that the General Assembly should take note of the note by the Secretary-General transmitting the statistical report of the United Nations System Chief Executives Board for Coordination on the budgetary and financial situation of the organizations of the United Nations system (A/61/203 and Corr.1).

72. *It was so decided.*

Other matters

73. **Mr. Garcia** (United States of America) recalled that at the Committee's 18th meeting the representative of the Russian Federation had raised a series of questions regarding the Secretary-General's decision to waive the immunity of an Inspector of the Joint Inspection Unit (JIU) and the former Chairman of the Advisory Committee. The question of the waiver of the immunity of the JIU Inspector was specifically addressed in the Unit's report for 2005 and programme of work for 2006 (A/61/34), which was currently before the Committee for appropriate action.

74. The issue of the waiver of the immunity of the former Chairman of ACABQ, which was not currently

before the Committee, had been raised by that individual in the context of a criminal proceeding instituted against him by the United States authorities. That matter was therefore before the court. While his delegation had no concerns regarding the request for a written response to questions relating to the waiver of the immunity of the JIU Inspector or to the general issue of waivers of immunity, it was greatly concerned at any request relating to the waiver of the immunity of the former Chairman of ACABQ, who was the subject of a criminal proceeding. His delegation believed that, in the light of the concerns it had raised, the request from the Committee, on behalf of one delegation, for information with regard to that waiver of immunity should be reviewed.

75. **Mr. Kovalenko** (Russian Federation) said that, in keeping with the procedures and practice of the Committee, his delegation had exercised its right to request information from the Secretariat regarding the procedure for waiving the immunity of elected officials of the Organization. Such matters, which related to the internal functioning of the Organization and the application by the Secretary-General of the rules and procedures of the General Assembly, had nothing to do with, and could not be made subject to, a judicial proceeding in a Member State.

76. Any attempt by a Member State to block such a legitimate request for information violated the practice and procedures of the Committee, was unprecedented and could have grave consequences for the future functioning of the Organization. His delegation therefore maintained its request and looked forward to receiving a response from the Secretariat in the context of a formal meeting.

77. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, stressed the right of any delegation to raise questions concerning the rules and procedures of the Organization. She also believed that it was not the intention of any delegation to censor information or prevent other delegations from posing questions. It was perfectly appropriate for the Secretariat to respond to the request for information. She trusted that it would exercise caution and refrain from making any comment that might affect matters that were not before the Committee.

78. **Mr. Berti Oliva** (Cuba) agreed that the Secretariat should, in keeping with the practice of the Committee, reply to a legitimate request from a

Member State which related to the internal functioning of the Organization, while at the same time taking into account the need to ensure that its response did not interfere in a legal proceeding under way in a Member State.

79. **The Chairman** said that due note had been taken of delegations' comments and that the matter would be further discussed by the Bureau.

The meeting rose at 12.15 p.m.