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Held at Headquarters, New York, on Monday, 15 October 2001, at 10 a.m.

Chairman: Mr. Effah-Apenteng . . . . (Ghana)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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01-58032 (E)

The meeting was called to order at 10 a.m.

Agenda item 125: Scale of assessments for the apportionment of the expenses of the United Nations (A/56/11 and Add.1)

1. **Mr. Sessi** (Chairman of the Committee on Contributions), introducing the report of the Committee on Contributions on the work of its sixty-first session (A/56/11 and Add.1), recalled that the General Assembly had requested the Committee to consider the procedures for the application of Article 19 of the Charter and measures to encourage the timely, full and unconditional payment by States of assessed contributions. The Committee had also considered the methodology for the preparation of future scales of assessments, the collection of contributions and the assessment of non-Member States. In addition, it had considered requests from a number of Member States for exemption under Article 19 and appeals by other Member States for a change of assessments.

2. One of the problems raised by application of Article 19 of the Charter was that it did not specify how arrears should be calculated. The Committee had been requested to consider two proposed changes in the procedures for the application of the Article under General Assembly resolution 55/5 A (paras. 5 and 6): one would calculate arrears twice a year (biannual application of Article 19); the other would calculate arrears on the basis of net assessed contributions instead of, as was currently done, comparing gross and net contributions. The Committee, which had considered a report of the Secretary-General on the subject (A/55/789), had presented its conclusions in section III A of its report: many of its members had considered that moving to a net to net comparison would be easier to manage than a biannual application of Article 19, and that it would have the effect of increasing the minimum amounts payable by most Member States to avoid its application, thereby ensuring an increase in the number of Member States respecting that Article. In view of that, the Committee was recommending that, should the General Assembly decide to proceed with the envisaged changes to the procedures for the application of Article 19, it should consider a gradual implementation. It was also recommending that, should the Assembly decide to proceed with either change, it should consider providing a grace period so as to give Member States time to make the necessary adjustments, as was normally done every time an element in the scale of assessments was changed.

3. With regard to requests for exemption under Article 19, he recalled that the General Assembly had urged Member States submitting such requests to provide the fullest possible supporting information, and to do so at least two weeks before the session of the Committee. The President of the General Assembly had received three requests for exemption before the deadline (the Comoros, Georgia and the Republic of Moldova) and a request from Burundi several weeks after the deadline. The Committee had recommended that the Comoros, Georgia and the Republic of Moldova should be permitted to vote until 30 June 2002, but had decided to take no action on the request from Burundi (see document A/56/11, sect. III B). The General Assembly had endorsed the Committee's recommendations and, welcoming the undertakings and assurances provided by the Permanent Representative of Burundi, had decided that that country should also retain its right to vote until 30 June 2002 (decision 55/473 C).

4. In accordance with the provisions of paragraph 7 of General Assembly resolution 55/5 A, the Committee on Contributions had considered further a number of possibilities — the indexation of arrears of contributions, interest on arrears, multi-year payment plans, early reimbursement to troop-contributing countries — and other suggestions for measures to encourage the timely, full and unconditional payment of assessed contributions. It had taken into account the experience gained by other United Nations organizations and other multilateral and regional organizations (A/56/11/Add.1). Its conclusions were reflected in section IV of its report in document A/56/11.

5. After referring to the general problems posed by the question of timely payment and the applicable regulations (notably the definition of timeliness provided by financial regulation 5.4), he reviewed the various procedures considered by the Committee and the conclusions it had reached. The Committee had agreed to resume consideration of the question of indexation of arrears and charging interest on arrears in light of any guidance from the General Assembly on a series of technical points (A/56/11, para. 60). It had considered that multi-year payment plans could be useful for reducing the arrears of contributions of Member States, and had recommended that the General Assembly should take a decision on the basis of a report from the Secretary-General (A/56/11, para. 63). The idea of early reimbursement of troop-contributing countries would be considered further on the basis of further guidance

from the General Assembly (A/56/11, para. 66). Finally, the Committee had considered a number of other suggestions (A/56/11, paras. 69-75), which it would be able to consider further in the light of any guidance from the Assembly.

6. As regards the methodology for the preparation of future scales of assessments, the Committee on Contributions had, taking account of the provisions of General Assembly resolution 55/5 B, considered various technical aspects, with the assistance of the United Nations Statistics Division. It had also considered the cases of countries suffering the unfavourable consequences of depressed primary commodity prices and the socio-economic impact of the presence of refugees. While acknowledging the importance of those problems for some Member States, it had concluded that it was not in a position to take them into account in establishing scales.

7. The 1993 System of National Accounts (1993 SNA) had been adopted by a growing number of countries but the Committee had noted that there were concerns about the comparability of national accounts data. Recalling its earlier decision that it was more important to have available recent and reliable data than conceptually comparable data (A/56/11, paras. 85 and 86), the Committee had decided to keep the matter under review and had encouraged Member States to consider adopting the 1993 SNA and to respond promptly to the National Accounts Questionnaire.

8. With respect to the complex and extremely technical question of the conversion rates used in the scale of assessments, the Committee had decided to continue its review of the revised method of calculating price-adjusted rates of exchange (PAREs) and of the problem posed by the choice of criteria for deciding ways in which market exchange rates (MERs) could be replaced by other conversion rates, for example PAREs. It had requested the Statistics Division to provide a further report, in particular on approaches to cases in which both methods for calculating PAREs had limitations.

9. Concerning requests submitted by two Member States that their contributions should be reviewed, the Committee had concluded that there had been no substantial change in the capacity to pay of the United Arab Emirates and that it could not therefore recommend a change in the assessment rate for that country; in addition, as it had not had sufficient time to undertake a complete review of Afghanistan's request, it had decided to take no action thereon (A/56/11, paras. 101 and 103).

10. The Committee had decided to defer to its sixty-third session its consideration of the question of the assessment of non-member States and it had noted with concern that four Member States (the Democratic People's Republic of Korea, Kiribati, Tonga and Viet Nam) still had arrears of contribution dating from the time when they were not members of the Organization. Lastly, as Guinea had paid the amount necessary to restore its vote in the General Assembly and as the General Assembly had subsequently permitted four Member States (Burundi, Comoros, Georgia and the Republic of Moldova) to retain their right to vote until 30 June 2002, 11 Member States currently came under Article 19 and had no vote in the General Assembly (the Central African Republic, Guinea-Bissau, Iraq, Kyrgyzstan, Liberia, Niger, Sao Tome and Principe, Seychelles, Somalia, Tajikistan and Uzbekistan).

11. **Ms. Pavlovskaya** (Russian Federation) said that it was important for all Member States scrupulously to meet their financial obligations to the Organization. The financial well-being of the Organization depended not only on the will of its Member States, which ensured its financial stability and normal operation, but also on the nature of the system for the apportionment of its expenses. Over and above its financial aspects, the scale of assessments had a political character, since the equitable apportionment of expenses was a factor in ensuring the confidence of Member States in the Organization. Her delegation wished to draw attention, in that connection, to the decisive role that had been played by the truly historic decisions of the General Assembly on the reform of the scale of contributions, both to the regular budget and to the peacekeeping budgets, in the improvement in the financial situation of the Organization that was anticipated for the end of the year. Those decisions, which had been taken following consultations and negotiations of great technical complexity, had resulted in both political and financial compromises; more important still, they had been taken by consensus. In view of the successful reform of the scale of assessments, during the current year the Committee on Contributions had had before it no priority tasks requested by the General Assembly (unlike the previous year, for example, when it had prepared 12 alternative scale methodologies), and it had therefore focused on other important questions within its competence. On the subject of the procedures

for the application of Article 19, the Committee had rightly recommended that, should the General Assembly decide to introduce changes in current practice, it should do so gradually with due consideration of the consequences.

12. On the subject of measures to encourage the timely, full and unconditional payment of contributions, the expert opinion of the Committee on Contributions was very important for the Member States. Her delegation approved the Committee's conclusions, particularly with respect to the usefulness of multi-year payment plans to reduce the arrears of contributions of Member States and the recommendation that the General Assembly should take a decision on the matter on the basis of a report from the Secretary-General. It was also fully in agreement with the doubt expressed by the Committee on Contributions as to whether the proposal to restrict the access of citizens and companies of Member States in arrears to opportunities for recruitment and procurement fell within its terms of reference, raising as it did a variety of complex issues. She considered that that proposal, which was of a political nature, could only be considered by the General Assembly.

13. Her delegation welcomed the work that the Committee on Contributions had done on the methodology for the preparation of future scales and considered that, while it should keep a close watch on changes in the relative capacity of States to pay and should focus on certain technical aspects of the methodology (conversion rates, national accounts data, and so forth), for both financial and political reasons no major change should be made in the next few years to the recently approved scale methodology.

14. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that it attached great importance to the scale of assessments. He noted that a significant part of the report of the Committee on Contributions (A/56/11) was devoted to the application of Article 19 of the Charter. He reaffirmed that the obligation of Member States to pay assessed contributions to the budget of the Organization on time, in full and without conditions in accordance with Article 17, would be unaffected by any possible future strengthening of the procedures for the application of Article 19.

15. As for the calculation of arrears, the Committee's report clearly stated that the current method was consistent with the relevant decisions of the General Assembly, which, in turn, were consistent with Article 19. The measures proposed in paragraphs 5 and 6 of General Assembly resolution 55/5 A sought to improve the Organization's financial situation, yet, according to the Secretary-General's report (A/55/789), the two proposed changes (net to net comparison and the biannual calculation of arrears) would probably lead to more developing countries being affected by Article 19. The Committee on Contributions predicted that the adoption of those measures would penalize many Member States, in particular developing countries — a fact which could have consequences for any decisions the Assembly might have to take under Article 108 of the Charter — although it would not improve the Organization's financial position. Even if the net to net comparison were to be adopted and if all Member States with arrears were to pay the minimum amount required under Article 19, the cash balance of the United Nations would be improved by a mere $9 million. That meagre achievement would entail a serious risk of increasing the number of countries falling under Article 19 and compromising the democratic nature of the Organization.

16. The developing countries had had to assume a heavier financial burden owing to the application of the new scales approved by the General Assembly at its fifty-fifth session, despite the enormous economic difficulties being experienced by some of them and despite the effects of the current global recession. In view of the foregoing, the Group of 77 and China could not agree to the two proposed changes to the procedures for the application of Article 19.

17. **Mr. Maquieira** (Chile), speaking on behalf of the Rio Group, said that the Group associated itself with the statement made on behalf of the Group of 77 and China. During the first part of the resumed fifty-fifth session, the Group had clearly expressed its opposition to any change in the procedures for the application of Article 19, including the utilization of a net to net comparison and the biannual calculation of arrears. The only practical effect of those two changes would be to increase the number of developing countries affected by Article 19.

18. When it had considered the issue at its previous session, the Committee on Contributions had agreed with the Secretary-General that the change in the method of calculation would affect many Member States and would lead to an increase in the number and frequency of requests for exemption, but would have a

minimal bearing on the amounts collected. As could be seen from annex I to the Secretary-General's report (A/55/789), if the net to net method were to be adopted, the minimum amounts Member States would have to pay to avoid the application of Article 19 would bring in no more than an additional $9 million.

19. From the legal standpoint, there was no need to depart from the current practice, since the Office of Legal Affairs had ruled that the current procedure was consistent with the decisions of the General Assembly and the provisions of Article 19.

20. He pointed out that the member countries of the Rio Group had demonstrated their commitment to the Organization in December 2000 during the negotiations on the scale of assessments that had led to the adoption of resolutions, the consequences of which were being borne almost exclusively by developing countries. Those countries required time to adjust, especially in view of the current economic situation. For all those reasons, the Rio Group could not support the proposed changes. It nevertheless believed that sustaining the Organization was the collective responsibility of all Member States, each of which undertook to pay its assessed contributions when it became a Member of the United Nations.

21. **Mr. Fonseca** (Brazil) unreservedly endorsed the statements made on behalf of the Group of 77 and China and the Rio Group. The main issues at stake were whether (a) to calculate arrears biannually, (b) to compare net arrears with net assessed contributions, and (c) to introduce incentives and sanctions to encourage the timely, full and unconditional payment of contributions by Member States. In order to decide the matter, it was necessary to ask whether the proposed measures were fair, justifiable and likely to improve the Organization's financial position in any way. The reply to all three questions was "no".

22. First, the proposed measures were unfair because they would merely increase the number of developing countries affected by Article 19 and would therefore doubly penalize those countries which were bearing a disproportionate share of United Nations expenses owing to the agreement that had allowed for a reduction in the rate of assessment of the United States. Second, those measures were unjustifiable because they would have no impact on a Member State's ability to discharge its financial obligations to the Organization. Except for one case, all countries in arrears were genuinely unable to pay their dues on time. Third, the proposed measures would do nothing to improve the financial situation of the United Nations. As the reports showed, if all the countries which were threatened with the application of Article 19 were to pay the minimum amounts calculated on the basis of a net to net comparison, the Organization would receive only $9 million in additional revenue; that was a trifle compared with the arrears of the major contributor which, incidentally, would not be affected by the application of the net to net comparison.

23. Neither the Secretary-General nor the Committee on Contributions had wished to make any firm recommendations on the three measures proposed and had therefore left it to the General Assembly to take decisions that were political in nature. The Committee on Contributions had, however, suggested that, if the measures were adopted, their implementation should be gradual and a grace period should be provided.

24. Moreover, the Under-Secretary-General for Management had announced that the payments expected from the United States at the end of the year would mark the end of what he called the "gloom and doom" era for the United Nations budget.

25. There was therefore abundant reason to believe that the measures proposed in paragraphs 5, 6 and 7 of resolution 55/5 A would not have the desired effect. The additional revenue they would generate for the Organization would be minimal, and they would have no impact on the implementation of programmes. At the same time, they would represent an additional burden for developing countries facing insurmountable budgetary constraints. Moreover, it was inappropriate to link the question of the proposed measures with requests for exemption. The examination of individual cases and the choice of methods should not be confused. In conclusion, he said that the proposed changes were neither necessary nor warranted, and his delegation was not in favour of them.

26. **Mr. Kelapile** (Botswana) said that, while he fully supported the statement made on behalf of the Group of 77 and China, he wished to explain the views of his country on the report of the Committee on Contributions. First, he emphasized that all Member States had an obligation, in accordance with the Charter and numerous resolutions of the General Assembly, to pay their assessed contributions in full, on time and without any conditions. Each of them shared in the collective responsibility to

ensure the funding of the activities of the Organization, and as long as the expenses were apportioned in accordance with the principle of capacity to pay, there could be no justification for non-payment by any member State unless the General Assembly had satisfied itself that that State was unable to meet its obligations.

27. His delegation agreed with those who held the view that Article 19 of the Charter needed to be strengthened. It therefore seemed logical to pursue the consideration of measures which might encourage Member States to pay their contributions in full, on time and without any conditions. As his delegation had observed in 1999, the expert opinion of the Committee on Contributions was essential in that regard, in accordance with the Committee's terms of reference, adopted by the General Assembly in 1946, and rule 160 of the rules of procedure of the General Assembly.

28. While it welcomed the report of the Committee on Contributions, his delegation regretted that it did not contain more conclusive recommendations as to how to respond to the issues raised. Although it was true that the Committee needed guidance from the General Assembly, the Assembly could only provide that guidance if it was given a more concrete basis on which to do so. The Committee had expressed its willingness to continue consideration of some measures but had decided to discontinue consideration of others, and it sought the guidance of the Assembly on some complex issues which lay outside its field of competence. It should proceed with the issues that fell within its competence, and as far as the remainder were concerned, it was in the interest of Member States to provide clear legislative guidance rather than allow an expert committee to engage in protracted but fruitless discussions.

29. His delegation had been following with great interest the work of the Committee on Contributions on the question of the application of Article 19, and specifically the possibility of using net rather than gross assessments. The current interpretation of the concept of arrears and their calculation was linked to the interpretation of regulation 5.4 of the Financial Regulations, and in one of its previous reports the Committee on Contributions had expressed the view that the current gross assessments approach tended to reduce the minimum amounts which had to be paid in order to avoid the application of Article 19. In the same report, the Committee had stated that, according to the Office of Legal Affairs, the current procedure was consistent with the relevant decisions of the General Assembly, which, in their turn, were consistent with Article 19. The same information was to be found in paragraph 14 of the Committee's current report.

30. There was, of course, scope for improving the procedures for the application of Article 19, but some of the proposed changes might not be desirable. As the Committee on Contributions was again stated, they could in most cases have the effect of accelerating the application of Article 19. As the representative of Iran had observed on behalf of the Group of 77 and China, the potential negative effects of the two measures under consideration could not be ignored. The strengthening of Article 19 alone would be useless if the Member States lacked the political will to perform their obligations under Article 17.

31. **Mr. Cappagli** (Argentina) said that his delegation associated itself with the statements made on behalf of the Group of 77 and China and the Rio Group. The current procedures for the application of Article 19 were consistent with the decisions of the General Assembly and with the Charter, as the Office of Legal Affairs had stated. Moreover, the consequence of any change in those procedures would be to increase the number of developing countries that were experiencing economic difficulties which would fall under the provisions of Article 19. In 2000, those same countries had shown their commitment to the United Nations by voluntarily accepting an increase in their contributions. Argentina, for example, had doubled its contribution to the peacekeeping budgets at a time when those budgets had risen to levels comparable to those in 1994 and when the developing countries bore the greatest burden in a climate of economic crisis. It was not the right time for stricter procedures for the application of Article 19.

32. The Charter specifically provided for an exception to Article 19 when a Member State was unable, for reasons beyond its control, to fulfil its obligations. The General Assembly decided on exemptions in the light of the report of the Committee on Contributions. The best way to strengthen Article 19 was to apply the provisions of the Charter and the decisions of the General Assembly objectively. There was no reason to change the procedures for the application of Article 19, and, if there was, it was not the right time to do so.

33. **Mr. Mustafa** (Sudan) endorsed the statement made on behalf of the Group of 77 and China. He also welcomed the statement made the previous week by the Under-Secretary-General for Management since the

improvement in the financial situation of the Organization would have a beneficial impact on its efforts to attain the objectives set by the Charter, particularly in the field of peacekeeping.

34. The proposed amendments to the procedures for the application of Article 19 were likely to result in an increase in the number of countries falling under the provisions of that Article; those would be countries experiencing difficulties, many of them developing countries or even least developed countries, already weighed down by the debt burden. Their situation would only be made worse if Article 19 were to be applied to them and there would be no appreciable improvement in the financial situation of the Organization.

35. His country was therefore in favour of maintaining the status quo in that connection, on the understanding that all Member States should make every effort to pay their contributions on time and in full.

36. **Mr. Ahmed** (Iraq) pointed out that his country was in a situation entirely outside its control and was thereby currently prevented from paying its contributions. It had always met its financial obligations to the United Nations up to the time when it had lost of the right to hold foreign currencies, even dollars intended for the payment of its arrears.

Agenda item 122: Programme budget for the biennium 2000-2001 (*continued*)

Proposal for enhancing the United Nations experience for visitors (A/55/835; A/56/7 (chap. I, sect. E, 8, paras. 103-113))

Capital master plan (A/55/117 and Add.1)

Information technology in the Secretariat (A/55/780; A/56/7 (chap. I, sect. E, 14, paras. 80-94))

Proposed measures to improve the profitability of the commercial activities of the United Nations (A/55/546; A/56/7 (chap. I, sect. E, 9, para. 114))

*Implementation of projects financed from the Development Account (*A/55/913; A/56/7 (chap. I, sect. E, 10, para. 115))

37. **Mr. Hammerschmidt** (Canada), speaking also on behalf of Australia and New Zealand on the report of the Secretary-General on the proposal for enhancing the United Nations experience for visitors (A/55/835), said that visits by the public did much to raise the profile of the Organization and its many accomplishments.

38. He agreed with the emphasis placed by the Advisory Committee on ensuring that the conditions for the acceptance of contributions in kind were met and shared its concerns about the costs associated with the project. Although certain costs should not be borne by the United Nations, further details were needed on the impact of the proposal on the regular budget. As there was a link between the costs and the scale of the project, he hoped that a future report on the subject would offer a number of options relating to the scale of activities and the expected operating costs.

39. Given the increased security concerns as a result of the events of 11 September, it was essential to coordinate the visitors' experience proposal closely with the capital master plan. Furthermore, although the United Nations would not be responsible for fund-raising for the visitors' experience, it was important not to conduct two separate campaigns, since that might have a negative impact. The visitors experience should therefore be fully integrated with the capital master plan.

40. Lastly, as with all such proposals, the visitors' experience proposal must demonstrate that the project would effectively achieve its goals, be efficient in doing so and provide the Organization and its Members with value for money. A decision could only be taken after consideration of a more comprehensive proposal.

41. **Ms. Attwool** (United States of America) was pleased to see that thought was being given to invigorating the commercial activities of the United Nations and increasing its revenue (A/55/546). However, as the Advisory Committee stated in its report, the potential of the United Nations Postal Administration, the catering services and the sale of publications should be examined more closely. The catering services, in particular, did not generate any substantial revenue for the Organization and should therefore be subject to more intense efforts by the Secretariat. Similarly, publications could produce considerable revenue and the Publications Board should look into the matter.

42. The proposal for enhancing the visitors' experience had been submitted at an opportune moment since it could be incorporated into activities for the renovation of the Organization's Headquarters and the

revitalization of its commercial activities. It was, however, regrettable that no time frame was indicated for the completion of the project and, more alarmingly, that there were no assurances that the United Nations Association of the United States of America (UNA/USA) would be able to raise the necessary funds in a timely fashion. The Advisory Committee had been right to request that funding should be secured before the renovation began. As the Advisory Committee had also recommended, other countries and private donors should be encouraged to contribute to the project.

43. It was to be hoped that such a renovation would ultimately result in an increase in net income from commercial activities of over $2 million per biennium. While revenue was expected to increase by $11 million and staff and maintenance costs by $9 million, there was a need for a flexible approach to staffing should the number of visitors fall below the expected range. She requested clarification on those points in the next report on the subject.

44. Her delegation supported the statements made the previous week on information technology in the Secretariat (A/55/780). It thanked the Secretariat for the efforts it had made to define its strategy in that area but, given what was at stake, it was deeply concerned to see that the strategy lacked detail and was not based on a long-term vision of the issue. The report did not contain time lines or resource requirements, nor did it set out the specific benefits expected from the investments. The report did a good job of analysing the past and the current situation, but the main lines of the information technology development strategy were not sufficiently clear. It was not possible to make an informed decision based on the information provided.

45. **Ms. Silot Bravo** (Cuba) said that her delegation endorsed the views of the Group of 77 and China regarding the reports on projects financed from the Development Account (A/55/913) and the visitors' experience proposal (A/55/835). Regarding the former, she said that the situation was far removed from that envisaged by the General Assembly when it had established the Account in the belief that efficiency gains would result in savings that would make it possible to finance an increasing number of projects. In fact, the resources transferred to the Development Account had not increased over the past two bienniums because the expected efficiency gains had not materialized or the savings had been redirected to priority areas within the corresponding budget sections. Her delegation was also concerned about the low rate of implementation of projects approved under the Account and it hoped that the General Assembly would take the necessary measures to rectify that situation.

46. With regard to the visitors' experience proposal, her delegation endorsed the Advisory Committee's observation that there was a need to expand the number of potential contributors. Like the Group of 77 and China, it wondered about the method used by the Secretariat to conclude that the number of visitors would increase in the years to come. It hoped that the Secretariat would submit an updated document containing responses to the questions raised by the members of the Committee and specifying the manner in which the project would be implemented and brought to completion.

47. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) recalled that, in his introduction of the report on the proposal for enhancing the visitors' experience and in his responses to delegations, he had emphasized that the report was a discussion paper rather than a budget document. The Secretariat would only be able to prepare a detailed proposal, including the budgetary aspects, when it had the construction and financing plans that the United Nations Association of the United States of America (UNA/USA) was to submit to it. However, the Association could not proceed until the Member States had given their agreement to the project in principle.

48. The Secretariat had established its estimates of the number of visitors on the basis of data gathered from institutions, both in the United States of America and in other countries, with the help of outside consultants. The events of 11 September would inevitably have an impact on the design of the project, and access by visitors to Headquarters must be seen in the context of the capital master plan.

49. With regard to fund-raising, he said that UNA/USA intended to make an in-kind contribution for which it would mobilize the necessary resources. The Secretariat would not make any appeal for funds for the project but would ensure that the Association took into account the Advisory Committee's recommendation that, given the Organization's international character, efforts should be made to expand the number of potential contributors by inviting United Nations associations of other countries to participate in the project. That recommendation had been conveyed to the President of the Association.

50. Replying to the question posed by the representative of Canada concerning fund-raising for the capital master plan, he said that the use of private donations did not conflict with the principle that the bulk of the funds should be provided by Member States. In that connection, he emphasized that the two projects were completely different: the capital master plan entailed renovating the existing infrastructure and bringing it up to standard, while the proposal for enhancing the visitors' experience was an entirely new project.

51. In response to a comment made by the representative of the United States concerning the Organization's information technology strategy, he said that that report, too, was a discussion paper. The Information and Communication Technology Board, which was to meet at the end of October, was preparing a time frame for the implementation of the strategy, including the additional staffing requirements, which would be transmitted to the Fifth Committee as soon as it was available.

52. **Mr. Zaitsev** (Department of Economic and Social Affairs), replying to the question posed by the representative of Cuba concerning the low rate of implementation of projects financed from the Development Account, recalled that, at the 6th meeting, the Assistant Secretary-General for Economic and Social Affairs had updated the information provided in the report, indicating that the rates of implementation for projects falling under the first and second tranches were 66 per cent and 35 per cent respectively. It must not be forgotten that most of the projects were multi-year projects and were to be implemented over a period of 3 to 4 years.

53. The project evaluations carried out at the beginning of the year when the progress reports had been prepared had yielded some interesting lessons concerning the management of the Development Account. Those lessons had been taken into account in the preparation of the projects that would be considered by the Committee at the current session. The reports to be submitted at the end of the year on the third tranche of the projects should indicate that the delivery schedules for most of the projects had been observed.

54. **Mr. Repasch** (United States of America) said that his delegation was pleased to note that the implementation rate of projects financed from the Development Account had improved. It also appreciated the tone of the report (A/55/913), which showed that real efforts had been made to carry out projects and to remedy the shortcomings found, particularly by introducing an important element of monitoring and evaluation.

55. His delegation endorsed the observations on budget section 33 which the Advisory Committee had made in its report (A/56/7), to the effect that efficiency measures and performance measurement did not necessarily yield immediate savings; however, there were some measures that could produce quick results. The Secretary-General should therefore take measures that produced efficiency gains in the short term along with measures whose effects were felt in the longer term. Future reports on the implementation of projects financed from the Development Account should indicate for each project the date of commencement, the projected date of completion and the implementing agency.

56. With respect to the capital master plan, he asked when the advisory group of financial experts and eminent persons would be established, since it was to have been set up on a priority basis. That group should be established as soon as possible.

57. **Ms. Silot Bravo** (Cuba) said she wished to clarify that, in its statement, her delegation had referred not to the low implementation rate of the projects financed from the Development Account, but to the insufficiency of the resources allocated to support the projects and the lack of clarity in the manner in which the Department of Economic and Social Affairs had determined the amount of resources necessary for the projects' implementation. Those comments had followed up on the observations made by the Advisory Committee and the Office of Internal Oversight Services to the effect that project evaluation should focus not only on the outcome of each project, but also on factors that could affect the Account's functioning, particularly the lack of support services.

58. **Mr. Niwa** (Assistant Secretary-General for Central Support Services), replying to the question posed by the representative of the Syrian Arab Republic at the Committee's 6th meeting, concerning the meaning to be attributed to the term "take note" in paragraph 35 of document A/55/546, said that, while the General Assembly had affirmed, in its decision 55/488, that the term was neutral and constituted neither approval nor disapproval, the report in question had been prepared nearly a year earlier. He suggested that the phrase should be changed to read, "The

General Assembly is therefore requested to approve in principle the measures outlined in the present report".

59. With respect to the Syrian delegation's comment that the Secretariat should have mentioned General Assembly resolutions 54/256 and 55/232 on outsourcing practices, he confirmed that the Secretariat scrupulously observed the guidelines set out in the latter resolution whenever it considered outsourcing certain activities.

60. With respect to the catering services, he recalled that he had already indicated, in his introductory statement, that the Advisory Committee would be consulted with regard to the renewal of the service provider's contract before the current contract expired in 2003. At that time, the Office of Central Support Services would also review the terms of the contract in liaison with the Office of Internal Oversight Services, as it had done the last time the contract had been renewed.

61. In reply to the question posed by the representative of the United States on the establishment of the advisory group of financial experts, he acknowledged that the Secretariat had experienced delays. The reason was that it had scheduled, first for June and then for September, a meeting with the competent city and state authorities of New York to consider arrangements for the temporary accommodation of staff while the work was under way. Of course, the events of 11 September had made it necessary to postpone the meeting, but no new date had yet been set. Pending the resumption of the discussions, the Secretariat was preparing a proposed mandate for the advisory group, and was considering the appropriateness of expanding the remit of that body and not limiting it to financial considerations.

62. **Mr. Zaitsev** (Department of Economic and Social Affairs) recalled, in response to the concern expressed by the Cuban delegation with regard to support for projects financed from the Development Account, that Mr. Civili, the Assistant Secretary-General for Economic and Social Affairs, had indicated in his introduction of the report on the Development Account (A/55/913) that his Department, whose resources were limited, was increasingly taking advantage of information and communication technologies and the synergies among the various entities of the Department to reduce costs while enhancing the projects' impact. At the same time, the Department was seeking to obtain additional support staff from the administrative services, which appeared sympathetic to its arguments. Future reports on the Development Account would contain details on the subject.

The meeting rose at 12.10 p.m.