



General Assembly

Fifty-seventh session

Official Records

Distr.: General

3 July 2003

Original: English

Fifth Committee

Summary record of the 49th meeting

Held at Headquarters, New York, on Monday, 12 May 2003, at 10 a.m.

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

Contents

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

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

Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme

Conditions of service and compensation for officials other than Secretariat officials serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions

Conditions of service and compensation for officials other than Secretariat officials: Members of the International Court of Justice, Judges of the International Tribunal for the Former Yugoslavia and Judges of the International Tribunal for Rwanda

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

03-35586 (E)

* 0335586 *

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

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

Support account for peacekeeping operations
(A/57/725, A/57/732 and A/57/776)

Gender mainstreaming (A/57/731 and A/57/776)

United Nations Logistics Base at Brindisi (A/57/670 and Corr.1, A/57/671, A/57/751 and A/57/772/Add.9)

Resident investigators (A/57/494, A/57/772 and A/57/776)

Contingent-owned equipment (A/56/939, A/C.5/56/44, A/57/397 and A/57/772)

Death and disability benefits (A/C.5/56/41, A/57/772 and A/C.5/57/37)

1. **Mr. Halbwachs** (Controller), introducing the reports of the Secretary-General contained in documents A/56/939, A/C.5/56/41, A/C.5/56/44, A/57/397, A/57/494, A/57/670, A/57/670 and Corr.1, A/57/671, A/57/725, A/57/731, A/57/732, A/57/751 and A/C.5/57/37, said that they covered six main subjects: the support account for peacekeeping operations, the United Nations Logistics Base at Brindisi (UNLB), gender mainstreaming, resident investigators, contingent-owned equipment, and death and disability benefits.

2. With respect to the support account and the related performance report for the period from 1 July 2001 to 30 June 2002 (A/57/725), he noted that against the apportionment of \$89,749,200, expenditures had amounted to \$84,343,000, resulting in an unencumbered balance of \$5,406,250, which was largely due to the actual vacancy rate having been higher than the budgeted rate and to underexpenditures in respect of travel, communications and information technology.

3. The budget for the support account for peacekeeping operations for the period from 1 July 2003 to 30 June 2004 (A/57/732) reflected improvements in results-based budgeting and in the definition of objectives and expected results. Given the

common nature of backstopping support provided by Headquarters to peacekeeping operations, a single overall objective had been proposed for the 2003/04 support account, compared with 18 objectives in 2002/03. Many of the achievement indicators had been redefined to make them more relevant and measurable as clear benchmarks of potential accomplishments over the budget period. Estimates for the support account for the period 1 July 2003 to 30 June 2004 stood at \$115,863,100 and provided for 761 posts.

4. The proposed budget represented an increase of \$14,996,900, which was partly attributable to changes in standard salary costs and to the inclusion under the support account of 27 posts for resident auditors and auditing assistants that had been redeployed from the budgets of peacekeeping missions. Proposals had also been made for posts to strengthen the capacity of the Executive Office of the Office of Internal Oversight Services (OIOS) to handle the administration of its support account posts. The budget increase also reflected proposals for the establishment of a regional investigator capacity in Nairobi and Vienna, a resident auditor office in the Middle East, additional posts at Headquarters to augment guidance and support to peacekeeping missions, the upgrading of information and communications technology support, and investment in managerial, technical and substantive skills training for staff at Headquarters. One P-5 post and one General Service post were proposed for gender mainstreaming functions in the Peacekeeping Best Practices Unit.

5. Introducing the report of the Secretary-General on gender mainstreaming in peacekeeping activities (A/57/731), he noted that the purpose of such mainstreaming was ultimately to provide better policies and programmes, in full recognition of their impact on all intended beneficiaries and to facilitate decision-making by Governments, at both the national and international levels, in post-conflict situations. Specific training programmes, methodologies and tools should be developed to strengthen that capacity within the Department and to guide work on gender mainstreaming. Studies would also be required to address specific problems and issues and monitoring and reporting mechanisms should be put in place to provide support from Headquarters to the field.

6. In that connection, the Office of the Special Adviser on Gender Issues and Advancement of Women played an advisory and supportive role, with a strong

focus on overall monitoring and reporting on progress made in gender mainstreaming at the global level. Gender focal points had been appointed in many parts of the Secretariat to help ensure that gender perspectives were reflected in the substantive work of the departments and offices. Designated staff members were expected to perform such duties in addition to their other areas of responsibility. In view of the size of the Department of Peacekeeping Operations, the complexity of its mandate, and the large number of its field missions, however, assigning staff as focal points on a part-time and ad hoc basis was inadequate to deal with gender mainstreaming in peacekeeping activities. The Department required a strong gender advisory capacity at Headquarters to provide advice and backstopping for field operations. The presence of a senior gender adviser within the Peacekeeping Best Practices Unit would help to mainstream the gender perspectives into all aspects of the Department's work.

7. A new post at the D-1 level was proposed for the Chief of the Department's Communications and Information Technology Service in order to provide direction and ensure coherence between the ongoing activities of the Logistics Support Division and the various elements of its new initiatives, in light of the increasing demands and complexity of communications and information technology.

8. The resources earmarked for posts in OIOS related to 43 continuing and 22 new posts, including the 27 posts for resident auditors and auditing assistants that were currently approved under the relevant peacekeeping operation budgets. The anomaly of the Executive Office currently having no posts funded from the support account should be rectified.

9. Turning to the report of the Secretary-General on experience with resident investigators, including proposals and plans for the future review by the Advisory Committee on Administrative and Budgetary Questions in the context of peacekeeping budgets (A/57/494), he noted that between 1994 and 1999, OIOS had received a total of 240 peacekeeping cases and had conducted its investigations using resources assigned to the Office at Headquarters. Since 2000, the volume of reports alleging violations in peacekeeping missions had increased significantly and the ability of the Office to investigate even the most serious of those cases had diminished. Ad hoc arrangements had been made in that year to provide several peacekeeping missions with investigative resources for OIOS. For

example, resident investigators had been recruited and placed in the United Nations Interim Administration Mission in Kosovo (UNMIK) and in the United Nations Transitional Administration in East Timor (UNTAET). However, while those arrangements had made it possible for investigations to be carried out in a timely and efficient manner, they had subjected the investigators to a variety of short-term postings. A stable arrangement with dedicated, budgeted posts was essential for carrying out the necessary investigations. At the current stage, 12 additional posts were being proposed to strengthen the ability of OIOS to respond to the significant peacekeeping caseload.

10. The results of mission-based investigators, who provided investigative services based on an assessment of priorities under the operational supervision of the Director of the Investigations Division at Headquarters, had been positive and investigation teams had been able to handle both large and small cases in a timely manner and to find solutions to recurring problems. On the other hand, the lack of independence and control had had a negative impact on the work of the investigations.

11. In the Department of Management, one post in the Professional category and one in the General Service category were proposed to clear the backlog of decisions in respect of recommendations of the Joint Appeals Board, the Joint Disciplinary Committee and the United Nations Administrative Tribunal (UNAT) in relation to mission staff as well as to ensure the implementation of the Secretary-General's decisions on appeals and disciplinary cases. The addition of the new posts would also prevent situations in which financial compensation was awarded by UNAT because of delays in the disposition of cases by the Organization.

12. In the Treasury, two posts had been requested to support the core functions of investment, foreign exchange, processing of payments and monitoring of disbursements. In the Accounts Division, it was proposed to reclassify the post of Chief of the Africa Unit to the P-4 level in order to strengthen supervision and technical leadership in the Unit, since three of the five large peacekeeping operations were currently in the region. In the Medical Service, additional posts were also required for a psychologist and a secretary. The psychologist was needed because of the increasing number of mental health issues reported by personnel returning from missions in the field. In the Specialist Services Division of the Office of Human Resources

Management, a staff counsellor was proposed to provide counselling for staff before and after mission assignments in the context of increased mobility and career support. It was also proposed to reclassify the post of Chief of the Transport and Logistics Section from P-4 to P-5.

13. With regard to other resources, most of the increase in travel resulted from the consolidation of the 27 resident auditor posts and the establishment of regional investigators. Increased provisions were also proposed for communications, information technology and training.

14. The report of the Secretary-General on the performance report on the budget of UNLB for the period from 1 July 2001 to 30 June 2002 (A/57/671) showed a rate of implementation of almost 100 per cent. The largest increases in operational costs fell under communications, information technology, facilities and infrastructure, miscellaneous supplies, and services and equipment.

15. With regard to the status of the implementation of the strategic deployment stocks (A/57/751), the Department of Peacekeeping Operations had developed a detailed plan for the phased establishment of those critical stocks at UNLB, which provided for the ability to deploy a headquarters for a traditional mission, to deploy a traditional mission and to deploy a complex mission. The first objective had been achieved and sufficient strategic deployment stocks had been positioned at UNLB to rapidly deploy a headquarters for a traditional peacekeeping mission. Detailed specifications for some complex equipment in areas such as communications were currently being finalized and would be purchased in the months ahead. Every effort was also being made to complete the procurement process for the strategic deployment stocks within the current financial period.

16. Regarding contingent-owned equipment, he noted that the progress report on the write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43), which summarized the progress made between July 2001 and April 2002, had been introduced at the second part of the resumed fifty-sixth session of the General Assembly (see A/C.5/56/SR.56, para. 4).

17. The progress report on the processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping missions (A/C.5/56/44) summarized the status as at 30 April 2002 of

contingent-owned equipment claims for equipment and self-sustainment supplied in peacekeeping missions and letter of assist claims for services provided by Member States. The new contingent-owned equipment methodology had greatly reduced the time required for processing reimbursements of major equipment and self-sustainment, while improving the efficiency with which claims were calculated and certified. Nevertheless, 13 troop contributors had opted to remain under the old methodology, which was complex, labour-intensive, time-consuming and costly. The Secretariat was therefore continuing its efforts to convince them to convert to the new methodology of reimbursement.

18. The report of the Secretary-General on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/639) identified four areas where further improvement was desirable: memorandums of understanding; pre-deployment visits; verification of contingent-owned equipment; and claims processing.

19. The early conclusion and signature of the memorandum of understanding was key to ensuring the efficiency of the system, as well as timely reimbursement. However, the Secretariat continued to note delays in that regard. The main causes of the delays and proposals for how to resolve them were outlined in paragraphs 7 to 14 of the report. The Secretariat was, *inter alia*, conducting more informal discussions with troop contributors and providing training to staff of the permanent missions concerning memorandum of understanding negotiations and the contingent-owned equipment methodology in order to address the delays in obtaining the major equipment and/or self-sustainment position from troop contributors. In that connection, the Secretariat proposed that when a special case reimbursement rate was repeatedly required for an item of major equipment, that item should be submitted to the next Working Group on Reimbursement of Contingent-owned Equipment for determination of a standard dry/wet lease reimbursement rate. The making of substantive changes in the text of the memorandum of understanding also introduced significant delays. Accordingly, the Secretariat recommended that the model memorandum of understanding document recommended by the Secretary-General (A/51/967 and Corr.1) should be approved by the General Assembly to facilitate the memorandum of understanding process.

20. Based on its experience, the Secretariat believed that the pre-deployment visit was a crucial component of the contingent-owned equipment methodology. It therefore requested that all troop contributors should be willing to accept such visits.

21. Reimbursement for contingent-owned equipment was dependent on the verification that the materials and services provided in the field met the undertakings of the troop contributor in its memorandum of understanding. Yet there were many instances in which equipment was inconsistent with the memorandum of understanding or lacked the operational capability to meet the mandate of the peacekeeping operation. In addition, in certain missions, troop contributors did not bring minor equipment and consumables sufficient for self-sustainment. The Secretariat was seeking to address those problems and to simplify the production and processing of verification reports.

22. As to claims processing, there had been significant improvements as a result of the reorganization of the Claims and Information Management Section of the Department of Peacekeeping Operations and the training of staff in contingent-owned equipment methodology and processing.

23. Turning to the report of the Secretary-General on practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397), he said that involvement of troop contributors as early as possible in the planning stages of peacekeeping missions was the key to success. The Secretariat was developing the rapid deployment level standby arrangements, a level of commitment whereby resources pledged by troop contributors to the United Nations Standby Arrangements System could be deployed to a United Nations mission within 30 or 90 days of a Security Council mandate.

24. The report raised a number of issues that needed to be addressed. First, there were inconsistencies in the methodology for major equipment, involving the categorization of equipment and reimbursement rates. Second, there were variances in major equipment, where equipment negotiated in a memorandum of understanding was not the same as what was actually deployed. Third, there were cases where troop contributors agreed to self-sustain their contingents in various categories but lacked basic minor equipment or consumables. The options available to the Secretariat

in such cases were summarized in paragraphs 20 to 24 of the report.

25. Two reports, the arrival and inspection report and the verification report, were critical in ascertaining the capacity of troop contributors to meet the requirements of the contingent-owned equipment methodology, and that capacity was greatly enhanced by pre-deployment visits. Also, the Secretariat had found that when a troop contributor had attended a workshop on the methodology, the submission of claims was timelier and the required documentation more inclusive, thereby reducing the time taken to process claims.

26. The Secretariat had revised the Contingent-owned Equipment Manual to take account of the recommendations of the Phase II, III, IV, V and post-Phase V Working Groups. In addition, it had recently held its first contingent-owned equipment conference, at which peacekeeping mission field staff had received training in the consistent application of standards, as set out in the Manual. Lastly, it was writing standard operating procedures in the areas of contingent-owned equipment claims policy, procedures and processing.

27. The note by the Secretary-General on death and disability benefits (A/C.5/57/37) summarized the progress made in 2002 in processing death and disability claims. In the previous annual report (A/C.5/56/41), 78 claims were pending as at 31 December 2001. During 2002, a further 82 claims had been received, bringing the total number of claims available for processing to 160. Of those 160 claims 126 had been processed, with 34 pending as at 31 December 2002, including 21 for which documentation from the troop contributor was lacking. Almost all claims were now processed within the 90-day timeline established by the General Assembly when complete information was provided by the Member State at the time of submission. Training had been provided to permanent missions in order to facilitate that process. The new death and disability methodology was working well. It was therefore recommended that the annual report should be discontinued and that information on claims should be included in the report on the overview of the financing of the United Nations peacekeeping operations.

28. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of ACABQ (A/57/772/Add.9 and A/57/776), said that the Advisory

Committee's comments and recommendations on the reports of the Secretary-General on resident investigators, contingent-owned equipment and death and disability benefits were contained in its general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/57/772), which had been introduced at the Committee's 46th meeting on Monday, 5 May 2003.

29. He had also referred in his introductory statement to the two reports of ACABQ currently before the Fifth Committee, namely, the report on the support account for peacekeeping operations (A/57/776) and the report on the United Nations Logistics Base at Brindisi (A/57/772/Add.9). For the reasons set out in those reports, the Advisory Committee was recommending amounts of \$111.5 million for the support account and \$22.2 million for the Logistics Base, as against estimated requirements of \$115.9 million and \$23.3 million, respectively. He had no further comment to make. However, he stood ready to provide any additional clarification required.

30. Some delegations had expressed regret about the late issuance of certain reports of ACABQ. He wished to point out that, as at 5 May 2003, all reports approved by the Advisory Committee before the end of its winter session on 28 March 2003 had been issued. Twelve reports on peacekeeping activities sent for processing between 2 and 8 April 2003 had been issued between 23 April and 1 May 2003. A number of reports of the Secretary-General listed in the programme of work of the Fifth Committee had been issued after the end of the Advisory Committee's winter session. He had referred to those reports in his statement at the 46th meeting.

31. The schedule for the review of peacekeeping budgets had been recommended by the Advisory Committee in its report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/49/664). The aim had been to ensure that both the Advisory Committee and the Fifth Committee had sufficient time to consider peacekeeping budgets. The Advisory Committee's recommendation had been endorsed by the General Assembly in resolution 49/233; the schedule itself was set out in General Assembly decision 49/478. With few exceptions, the Advisory Committee had regularly submitted its reports for processing as soon as it

approved them in order to comply with the schedule established by the Assembly.

32. **Ms. Arce de Gabay** (Peru), speaking on behalf of the Rio Group, said that United Nations peacekeeping activities were taking place on several continents, with thousands of military, police and civilian personnel carrying out their functions in different societies. No two peacekeeping operations were alike. Accordingly, efforts to achieve peace and reconstruction must be carefully thought through prior to implementation. Likewise, the different impact of armed conflict on women and men must be taken into account in defining operational concepts. Mainstreaming a gender perspective in peacekeeping activities was thus of great importance, as was the recognition of women's significant contribution to peace processes. It would also be helpful to increase women's participation in peacekeeping both at Headquarters and in the field. The Rio Group supported the observations made in the relevant report of the Secretary-General (A/57/731) and endorsed the Advisory Committee's recommendation concerning the establishment of a gender adviser post at the P-4 level in the Department of Peacekeeping Operations.

33. **Mr. Hammerschmidt** (Canada), speaking also on behalf of Australia and New Zealand, said that, notwithstanding the progress made, the level of peacekeeping arrears remained a cause for concern. He therefore urged all Member States to pay their assessments in full, on time and without conditions.

34. In recent years, the Committee had focused on strengthening the capacity of the Department of Peacekeeping Operations. As that phase drew to a close, it must now turn its attention to improving the management of the peacekeeping programme and of the related resources. The resources requested for the support account for peacekeeping operations in 2002 had been intended to build sufficient capacity for the effective backstopping of peacekeeping operations. That goal having been largely achieved, the level of the support account could now be expected to mirror the tempo of United Nations peacekeeping activities.

35. Areas that needed further attention included the Department's information technology framework. It would be interesting to know how the Department's activities in that field fit into the Organization's information technology strategy. Given the number of projects under implementation, strong executive

leadership was paramount. Effective management was also required to bring about improvements in recruitment, logistics and budgeting activities at Headquarters.

36. Another unmet requirement was for a United Nations capacity to address, in the context of peacekeeping operations, the very different needs of women and men in conflict and post-conflict situations. In that connection, he noted that the Secretary-General's proposal for the establishment of a senior gender adviser post in the Department of Peacekeeping Operations had been strongly endorsed by the Special Committee on Peacekeeping Operations. The delegations of Australia, Canada and New Zealand also supported that proposal and welcomed the gender strategy set out in document A/57/731.

37. An effective oversight capacity helped strengthen management of the peacekeeping programme. The delegations of Australia, Canada and New Zealand therefore supported the consolidation of the overall requirements for oversight services under the support account, which should increase transparency and facilitate the administration of oversight resources. They looked forward to receiving additional information on the increase requested for OIOS.

38. The Committee should give serious consideration to the consolidation of peacekeeping accounts, the potential benefits of which were significant. Given the establishment of strategic deployment stocks and pre-mandate commitment authority, the level and purpose of the peacekeeping reserve fund should be reviewed. If some or all of the monies were no longer needed, they should be returned to Member States, as should the funds in the accounts of closed missions. The delegations of Australia, Canada and New Zealand supported the recommendations of the Board of Auditors in that regard.

39. Effective management began with a focus on objectives and results. The Secretariat was therefore to be commended for its efforts to bring peacekeeping activities into a results-based framework. The reports before the Committee were user-friendly and had been issued in a timely fashion. He looked forward to seeing stronger links between resources, expected accomplishments and outputs in future budgets and to the combination of budget and performance reports.

40. **Mr. Hønningstad** (Norway) said that Norway remained committed to United Nations peacekeeping.

It was up to Member States to ensure that the United Nations had sufficient resources to maintain peace and security, a core task of the Organization and one that was becoming increasingly complex.

41. His delegation welcomed the report of the Secretary-General on the overview of the United Nations peacekeeping operations (A/57/723), which ensured transparency, thereby enhancing the ability of Member States to evaluate past actions, and provided a better basis on which to plan for the future.

42. Concerning the support account, adequate resources at Headquarters were vital for ensuring proper planning and implementation of peacekeeping operations. He therefore welcomed the steps taken by the Secretariat to optimize the use of resources and looked forward to further efforts in 2003/04 to enhance the Organization's effectiveness and efficiency. He was concerned, however, about the continuing delays in the recruitment and placement of staff in the Department of Peacekeeping Operations.

43. His delegation attached great importance to the existence of a coherent policy on gender mainstreaming in peacekeeping activities. As stated in the relevant report (A/57/731), for gender mainstreaming in peacekeeping activities to be effective, from the initial stages of negotiating peace agreements to post-conflict reconstruction, it was necessary to have a full-time, dedicated capacity at Headquarters in the Department of Peacekeeping Operations to provide the required support and overall policy guidance. Accordingly, he welcomed the Advisory Committee's support for the establishment of a gender adviser post in the Department's Peacekeeping Best Practices Unit. He, however, regretted that the Advisory Committee was not convinced of the need for the post to be at the P-5 level or of the need for a related General Service post. High seniority was an important means of attracting the best applicants and would signal the priority given to gender mainstreaming.

44. Lastly, he concurred with the Advisory Committee that the Secretary-General's report on the status of the implementation of the strategic deployment stocks (A/57/751) should be consolidated with his performance report on the budget of the United Nations Logistics Base at Brindisi.

45. **Mr. Repasch** (United States of America) said that he attached great importance to effective oversight,

particularly of field missions, where the risks of fraud, wastage and mismanagement were high. The activities of OIOS had produced very good results, including multimillion-dollar savings in mission subsistence allowance payments and the discovery of fraudulent travel claims at the United Nations Mission in Bosnia and Herzegovina (UNMIBH). He, therefore welcomed the Secretary-General's emphasis on increased oversight of the support account for peacekeeping operations through increased resource allocations to OIOS.

46. He had a number of questions arising from the Advisory Committee's report (A/57/776). In paragraph 63 of the report, ACABQ had recommended that, in view of current circumstances, the request for the establishment of four new posts at the United Nations Iraq-Kuwait Observation Mission (UNIKOM) should be suspended for the time being. However, in spite of the circumstances in question, the need for audit capacity at UNIKOM had not diminished, and he wondered whether ACABQ had any alternative suggestions for how to ensure that that capacity was maintained.

47. Secondly, despite agreeing with the regional investigation approach, ACABQ had approved the creation of only four investigation posts out of the 12 that had been requested, but expected that those four posts would also be used for investigation work elsewhere, as appropriate. Given that the four posts were intended primarily to serve the Nairobi hub and that the greatest need for investigative work was in the African region, he was curious to know how they could be used for work elsewhere.

48. With regard to the proposed transfer of audit posts from the peacekeeping missions to the support account (para. 69), he had been under the impression that those posts already existed and therefore wished to know why additional resources were necessary to manage them. It was possible that there might be two existing posts elsewhere in the support account that could be used for that purpose.

49. Lastly, he noted that ACABQ had recommended that the establishment of a regional investigative hub in Vienna was unnecessary. Since the Committee had repeatedly been told that there were insufficient resources to investigate all allegations of misconduct, he wondered what the consequences of that particular recommendation would be for effective oversight services in peacekeeping missions.

Mission liquidation activities (A/57/622)

Procurement of goods and services through letters of assist (A/57/718)

50. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the note by the Secretary-General on the follow-up review of the status of recommendations of the Office of Internal Oversight Services on mission liquidation activities at the United Nations (A/57/622), said that the objective of the review had been to confirm whether the Department of Peacekeeping Operations and the Office of Programme Planning, Budget and Accounts had completed the implementation of the recommendations of OIOS since the initial update transmitted to the General Assembly on 2 April 2002.

51. OIOS had found that its original audit recommendations were at various stages of implementation and that six of the seven missions currently in the process of liquidation had been undergoing liquidation at Headquarters for at least three years. Furthermore, although the Department of Peacekeeping Operations had reported that it had completed the liquidation of one mission, Headquarters Property Survey Board cases valued at \$806,000 pertaining to that mission had not been properly resolved. OIOS was of the opinion that the delay in liquidation activities had been mainly due to the absence of the systematic planning and monitoring mechanisms it had previously recommended.

52. As a result of the review, OIOS had closed nine of the original 13 audit recommendations and had reiterated four of them, three of which had been accepted by the Department of Peacekeeping Operations. However, the recommendation calling for a detailed liquidation plan setting out specific tasks and implementation time frames had not been accepted, which was regrettable, given the fact that such a plan was critical if liquidations were to be completed expeditiously. OIOS continued to advocate systematic planning against which the overall performance and timeliness of mission liquidation activities could be measured, and would closely monitor the implementation of its remaining recommendations in that area.

53. OIOS was currently collaborating with the Department of Peacekeeping Operations on the establishment of a recommendations monitoring system, which would greatly facilitate the Department's monitoring and tracking of OIOS

recommendations. That system was based on an internal OIOS system that tracked the implementation status of recommendations in departments and offices.

54. The report of OIOS on the procurement of goods and services through letters of assist (A/57/718) summarized the results of an OIOS audit that had reviewed a sample of 35 letters of assist issued by the Department of Peacekeeping Operations during the period 2000-2001, which had a total value of \$71.4 million. The audit had shown that the Department had not drawn up a comprehensive list of goods and services considered to be of a strictly military nature which could not be procured through commercial sources. OIOS had found that letters of assist sometimes included goods and services that could be procured commercially through competitive bidding and that, furthermore, the criteria used by the Department for selecting Governments to provide the required goods and services were unclear. The audit had highlighted the need to establish a competitive selection process to increase transparency and ensure more economical procurement of such goods and services through letters of assist.

55. The review had also noted that the Department's Finance Management and Support Service had made payments totalling \$11.6 million before the relevant letters of assist had been completed and signed by the providing Government, a practice that was contrary to financial rule 110.22, which required that payments should be based on written contracts. There had also been other instances in which the Finance Management and Support Service had processed claims for goods and services that were not supported by letters of assist. OIOS took the view that such payments required the prior authorization of the Controller on the basis of proper justification.

56. OIOS had made eight recommendations on the basis of the audit, all of which had been accepted. The Department had initiated steps to implement them, which would result in a significant improvement in the Secretariat's practices and procedures for procuring goods and services through letters of assist. Those steps included the establishment of an interdepartmental working group to study current procedures and implement revisions. The group would develop revised guidelines for letters of assist, which would meet the needs of troop-contributing countries, field missions and the Department of Peacekeeping Operations and which, to the extent practicable, would incorporate the recommendations of OIOS.

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

Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme (A/57/7/Add.25)

57. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of ACABQ on the salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme (A/57/7/Add.25), said that the report was based on information provided to the Advisory Committee by the Controller. As indicated in the report, the purpose of the Advisory Committee's recommendations was to apply the decision of the General Assembly contained in resolution 57/285 concerning the emoluments of the Secretary-General and the Administrator of the United Nations Development Programme (UNDP). The application of the decision would result in purely technical adjustments to those emoluments. In accordance with the procedure that had been followed in the past when dealing with the question of the salaries of the Secretary-General and the Administrator of UNDP, the annex to the report contained a draft resolution approving the proposed adjustments. The annex to that draft resolution contained a purely technical amendment to paragraph 1 of annex I to the Staff Regulations of the United Nations concerning the salary of the Administrator of UNDP.

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/57/35)

58. **Ms. Beagle** (Director of the Specialist Services Division, Office of Human Resources Management), introducing the report of the Secretary-General on conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/57/35), said that the report proposed consequential changes in the level of emoluments and pensionable remuneration of the three officials

concerned as a result of the adoption by the General Assembly of resolution 57/285. By means of that resolution, the General Assembly had approved a differentiated increase of 6.3 per cent in the base salary scale for the D-2 grade and above, effective 1 January 2003, and, as a result, the scale of pensionable remuneration for those staff had also been revised as of the same date. Accordingly, in order to maintain salary relativity, it was proposed to apply a 6.3 per cent increase to the net compensation of the three officials concerned, effective 1 January 2003. Should that proposal be approved, their pensionable remuneration would also be increased by the same percentage amount.

59. The last comprehensive review of the compensation of the officials in question had been carried out in 2000 and, in line with the provisions of General Assembly resolution 55/238, the next review was scheduled for the sixtieth session of the General Assembly in 2005. However, during the 2000 review, the General Assembly had recognized that there had been a lag in bringing the levels of compensation of the officials concerned up to date. The General Assembly had therefore decided to restore a certain relativity between the emoluments of those officials and those of senior Secretariat officials serving at the same duty station. The Assembly had also decided to continue the interim adjustment procedure for effecting revisions to the annual net compensation of those officials and to remove the requirement for at least a five per cent movement in the consumer price index in order to effect those revisions.

60. If the matter was not considered now, a substantial gap would develop between the emoluments of the officials concerned and those of senior Secretariat officials, which would not be consistent with the concern that relativity of remuneration should be maintained. In order to assist the Committee in its consideration of the matter, the Secretariat would provide a comparative analysis of the evolution of the salaries of the officials concerned and of senior Secretariat officials at Headquarters.

61. Should the General Assembly approve the proposals, an additional requirement of \$20,800 was estimated for the biennium 2002-2003, representing the full cost of provision in respect of the Chairman of ACABQ and the net cost to the United Nations of the provisions for the Chairman and Vice-Chairman of the International Civil Service Commission (ICSC). Those requirements would be reflected in the second performance report on the programme budget for the

biennium 2002-2003, which would be presented to the General Assembly at its fifty-eighth session.

62. **Mr. Repasch** (United States of America) said that he had two questions relating to the proposal contained in document A/C.5/57/35. First, he would be grateful if the Secretariat could provide the Committee with the mandate which had given rise to the report. Secondly, in view of the fact that the General Assembly had affirmed on countless occasions that the conditions of service and compensation of the full-time members of ICSC and of the Chairman of ACABQ should be separate and distinct, he wished to know why the proposal contained in the report linked their salaries to those of Assistant Secretaries-General and Under-Secretaries-General.

63. **Mr. Hammerschmidt** (Canada), also referring to the proposal contained in document A/C.5/57/35, asked whether there was a statutory basis for the proposed salary adjustments. With regard to the annual adjustment of 90 per cent of the movement in the consumer price index, he wondered whether the progressive lag in compensation would be caught up in the comprehensive reviews and whether that lag was reflected in the proposal before the Committee. He also wished to know the basis on which comparisons were made between the compensation of officials of ICSC and ACABQ on the one hand and Assistant Secretaries-General and Under-Secretaries-General on the other.

Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, judges of the International Tribunal for the Former Yugoslavia and judges of the International Tribunal for Rwanda (A/C.5/57/36)

64. **Ms. Beagle** (Director of the Specialist Services Division, Office of Human Resources Management), introducing the report of the Secretary-General on conditions of service and compensation for officials other than Secretariat officials contained in document A/C.5/57/36, said that the report was being submitted to the General Assembly in order to draw attention to the fact that the pension scheme regulations applicable to the judges of the International Court of Justice (ICJ), the International Tribunal for the Former Yugoslavia (ICTY) and the International Tribunal for Rwanda (ICTR) currently contained no provision barring payment of a retirement pension to a judge who had previously served in any of those organs, when serving

as a judge in another of those organs. A further issue had arisen with the recent election of two judges of ICTY and ICTR to the new International Criminal Court (ICC).

65. Accordingly, the Secretary-General was proposing to amend the respective pension scheme regulations to ensure that judges serving in any of those organs would not simultaneously be drawing a pension from another of them. The proposed amendments were contained in annexes I, II and III to the report.

66. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report contained in document A/C.5/57/36 had been prepared in response to a query raised by ACABQ in one of its regular reviews. ACABQ recommended that the General Assembly should approve the amendments to article 1 of the Pension Scheme Regulations for judges of ICJ, ICTY and ICTR, as set out in annexes I, II and III to the report.

The meeting rose at 12 p.m.