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Summary record of the 13th meeting
Held at Headquarters, New York, on Tuesday, 30 October 2007, at 10 a.m.

Chairman: Mr. Ali. . . . . (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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07-57017 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

Development Account (A/62/7/Add.6, A/62/123 and A/62/466)

1. **Ms. Van Buerle** (Director, Programme Planning and Budget Division), introducing the fifth progress report of the Secretary-General on the implementation of projects financed from the Development Account (A/62/123), said that the report provided information on the progress made with the Development Account, an update on its management and coordination, and an overview of the way forward. As at 30 April 2007, 90 projects had been or were being implemented, for a total amount of $65 million. The projects were funded in the tranches or thematic clusters shown in table 2: tranches 1 to 3 had now been closed; the original average budget per tranche of $930,000 had been reduced to $650,000 in the light of experience in order to reconcile the capacity to execute projects within existing staff resources over a time frame of under four years. Joint implementation by two or more implementing entities had emerged as a cost-effective way of operating across sectors and regions.

2. The design of projects funded from the Development Account had evolved, and the implementing entities now had a better grasp of the logical framework; the quality of projects had also improved considerably. In accordance with a recommendation of the Board of Auditors, the Development Account progress reports, including final evaluations and external evaluations made on project completion, were now submitted in a more timely manner, and communication with the implementing entities had improved.

3. Turning to the report of the Secretary-General on the Development Account (A/62/466), she said that part one of the report reviewed the impact of the Development Account in terms of its aims and purposes. Each project was intended to benefit multiple developing countries, encourage cooperation among United Nations bodies, secure innovation while producing a sustainable impact, and use mainly the resources available in the developing countries; regional and interregional joint activities were also encouraged. Paragraph 22 summarized the seven commonest responses by implementing entities as to the importance of the Development Account, while paragraphs 32 to 50 discussed the five major aims and purposes, which the entities generally considered were being achieved.

4. In part two of the report, paragraph 68 revisited the six major types of efficiency measures originally identified in the report of the Secretary-General on the Development Account (A/52/1009). It had been concluded that while efficiency measures might produce productivity gains it was impossible to quantify them, but they had been channelled back to the relevant programmes and sections in order to improve programme delivery. Paragraph 78 listed a number of options for identifying additional resources for the Development Account, while the recommended action by the General Assembly was set out in paragraph 80.

5. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendations on the two reports of the Secretary-General were incorporated in paragraphs 13 and 14 of its seventh report (A/62/7/Add.6). The Advisory Committee noted that calls by the General Assembly for the Secretary-General to identify additional resources for the Development Account had not met with success. It was of the view that the funding mechanism of the Account, as currently designed, had not proven to be successful. Furthermore, the three options proposed by the Secretary-General in his report (A/62/466) did not represent realistic or reliable solutions to the fundamental problem of the funding mechanism. Further to its resolution 56/237, in which the General Assembly reiterated its decision to keep the implementation of the Development Account under review, the Assembly might wish to review the Account in all its aspects.

6. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that in 1997, in his report "Renewing the United Nations: a programme for reform" (A/51/950), the Secretary-General had proposed creating a "dividend for development" in the region of $200 million: 10 years on, the Development Account had received only five modest tranches of $13,060,000, despite the fact that, as the Secretary-General confirmed, the projects funded from the Account met the highest standards of efficiency and had a positive impact on the development efforts of many developing countries.

7. The Group would welcome clarification of the reasons for the worrying situation described in table 2 of the Secretary-General's report (A/62/466). It was regrettable that the $2.5 million identified in General Assembly resolution 61/252 for transfer to the Development Account had not materialized. Furthermore, the three options for identifying additional resources set out in paragraph 78 of the report were of no practical value. Since the report clearly suggested that meaningful savings or efficiency gains were not foreseeable, the General Assembly must take decisive action at the present session to appropriate resources for the Development Account under the regular budget, and the Secretary-General should be requested to divert to the Account the balance of the $20 million available for use in accordance with the limited budgetary discretion accorded to the Secretary-General by General Assembly resolution 60/283.

8. **Mr. Firmin** (Dominican Republic), speaking on behalf of the Rio Group, said that none of the requests made to the Secretary-General by the General Assembly in its resolution 61/252 had produced a satisfactory response. The level of resources allocated to the Development Account over the past five bienniums had decreased in real terms. The Rio Group would have expected to receive a proposal which took due account of the interest in the issue shown by the Member States, in particular the developing ones. The General Assembly should take at the present session a firm decision to increase the level of resources substantially in the biennium 2008-2009. The Group fully endorsed the recommendations of the Advisory Committee in that connection.

9. The Development Account had financed projects in the Latin American region, notably with the support of the Economic Commission for Latin America and the Caribbean, but it was worrying that the region had not received its fair share of attention. The Development Account must continue to receive support, both because there could be no peace and security without development and because it was an essential means of fulfilling the mandates agreed at the development summits.

10. **Mr. Alouan Kanafani** (Venezuela) said that the discussion of the Development Account provided an opportunity to examine all possible funding options for supporting the efforts of the developing countries to attain the Millennium Development Goals. However, his delegation had to agree with the Advisory Committee that the calls by the General Assembly for the Secretary-General to identify additional resources for the Account had not met with success, that its funding mechanism had not proved to be successful, and that the Account's base was unlikely to grow. The Development Account could not subsist on non-existent surpluses from other accounts, in other words on nothing. It must be increased to the level originally proposed by the Secretary-General by means of effective mechanisms, including for example assessed contributions; and serious consideration should be given to transferring to the Account the balance of the amount available for use in accordance with the limited budgetary discretion accorded to the Secretary-General.

11. The developed countries must be reminded of the need for them to fulfil their commitment to channel 0.7 per cent of their gross domestic product (GDP) to the developing countries. Since peace and security were unattainable without development, greater attention must be accorded to development, which was after all one of the pillars of the United Nations.

12. **Mr. Krishnaswamy** (India) said that the Development Account was important because, apart from the regular programme of technical cooperation, it provided the only regular resources dedicated to technical cooperation for development. Through the Executive Committee for Economic and Social Affairs the programme managers had given the Account a ringing endorsement, and its beneficiaries also praised its relevance and utility. In his reports the Secretary-General also indicated that the Account had become an important low-cost capacity-building tool, with 70 per cent of the completed projects generating durable solutions to the problems tackled: the same could not be said for most of the Organization's other programmes.

13. In his introductory remarks on the proposed programme budget for the biennium 2008-2009 the Secretary-General had stated his intention of reinforcing South-South cooperation. Since the Development Account offered a cost-effective means of financing such cooperation, it was puzzling that, given the original indicative target of $200 million by 2003, it was stuck at a level of $16,480,000, especially in view of the large increase in the regular budget. The Development Account must not be made the scapegoat for profligacy in other parts of the Organization; rather,

it should be further strengthened by rectifying the reported shortcomings, which were due largely to the lack of a system for identifying efficiency gains. Other sources of predictable and sustainable funding must be explored, for the three options described in the report were unrealistic and impracticable. An effort must be made to increase the resources allocated to the Development Account in the programme budget for the next biennium.

14. **Mr. Rosales Díaz** (Nicaragua) recalled that the General Assembly had made its first appeal to the industrialized countries to allocate 0.7 per cent of their GDP to official development assistance (ODA) in 1970. Four decades later the level of ODA had reached just 0.33 per cent of GDP, despite the enormous challenges which had emerged during that period. Both mitigation of and adaptation to the effects of climate change, for example, were closely linked to patterns of development and consumption and to development policies. Now in 2007, half way to the time limit for attainment of the Millennium Development Goals, the conclusion was a bitter one: ODA had actually declined since 2005, and a further $50 billion would be required in order to meet the commitment to the developing countries.

15. Seen against the original target of $200 million, the amounts allocated to the Development Account were laughable: the Account represented only 0.37 per cent of the proposed budget for the next biennium, and even the $7 million available for use by the Secretary-General in accordance with his limited budgetary discretion had not been placed in the Account. The situation was truly lamentable. Accordingly, his delegation agreed fully with the Advisory Committee that the time had come to review the mechanisms for funding the Account and that the three options proposed by the Secretary-General did not represent realistic or reliable solutions. They did not include the obvious measure: allocation of resources by the Member States under the regular budget.

The meeting rose at 10.45 a.m.