The financial situation of the United Nations continued to improve in 2004 despite some areas of concern. By the end of the year, unpaid assessments almost doubled, compared to 2003, and the number of Member States paying their contributions to the regular budget in full and on time fell. While aggregate cash increased slightly, the Organization was still obliged to cross-borrow from other accounts and was still using reserves at the end of the year. Unpaid assessments reached $2.9 billion, compared to $1.6 billion in 2003, and debt to Member States for troops and contingent-owned equipment was $549 million, against $449 million in 2003.

In December, the General Assembly adopted revised budget appropriations for the 2004-2005 biennium of $3,608,173,900, an increase of $428,977,800 over the revised appropriation of $3,179,196,100 approved in June, to provide for the strengthening of UN security management. It invited the Secretary-General to prepare his proposed 2006-2007 programme budget on the basis of a preliminary estimate of $3,621,900,000.

The Committee on Contributions considered the methodology for calculating future scales of assessments, the criteria for ad hoc adjustments to assessments and measures to encourage the payment of arrears in contributions to the UN budget, including multi-year payment plans.

The Assembly also examined the proposed strategic framework for 2006-2007, which replaced the four-year medium-term plan, and endorsed the proposed biennial programme plan for that period.

Financial situation

Although the overall financial situation of the United Nations showed some improvement in 2004, serious problems remained. In October [A/59/294], the Secretary-General reported that aggregate assessments increased significantly to $5.9 billion as at 15 October (compared to $3.9 billion in 2003). Cash availability under the regular budget and related reserve accounts at the beginning of the year stood at $23 million, and only for two weeks in September was it necessary to engage in cross-borrowing. Based on information provided by the major contributor, a positive cash balance of $96 million was projected for the end of the year.

As at 15 October, unpaid assessments for the regular budget, peacekeeping and the two international tribunals (see p. 1275) totalled $3.3 billion, which included: $2.5 billion for peacekeeping (compared to $1.6 billion in 2003), $725 million for the regular budget ($32 million more than in 2003) and some $80 million for the tribunals ($37 million less than in 2003). Amounts that would be owed to Member States by 31 December were forecast to total $605 million, primarily due to the deployment of three new peacekeeping missions in Burundi, Côte d’Ivoire and Haiti. Member States that had paid their assessments in full as at 15 October numbered 111 (two less than at the same date in 2003).

In his end-of-year review of the financial situation [A/59/524/Add.1], the Secretary-General noted that the performance of the four indicators of the Organization’s financial health was mixed: aggregate cash available amounted to $1.8 billion, with the tribunals showing a net balance of $5 million, the regular budget $192 million, and peacekeeping $1.6 billion. Nonetheless, the Organization was still obliged to cross-borrow from other accounts in November for the regular budget and was still using reserves at year’s end. Total unpaid assessments decreased slightly to $2.9 billion and the actual debt to Member States amounted to $549 million. The number of Member States paying their regular budget assessments in full and on time fell to 124, down from 131 in 2003.

On 13 September, the General Assembly deferred consideration of the agenda item on improving the financial situation of the United Nations and included it in the draft agenda of its fifty-ninth (2004) session (decision 58/575). It further decided on 23 December that the item would remain for consideration at its resumed fifty-ninth (2005) session (decision 59/552).

Budget for 2004-2005

Revised appropriations

In April [A/58/756], the Secretary-General submitted revised estimates of $85,965,800 net
($92,433,500 gross) to finance the immediate and long-term measures he had proposed for strengthening the security and safety of the United Nations (see p. 1434) under sections 3, 4, 5, 7, 18, 19, 21, 22, 26, 28, 29A, 29C-G, 31, 33 and 34 and income sections 1 and 2 of the 2004-2005 programme budget, the budget for the International Criminal Tribunal for Rwanda (ICTR), and the relevant budgets of UN peacekeeping operations. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) recommended [A/58/758] that the General Assembly appropriate $40 million (gross) under the 2004-2005 programme budget to implement those measures. ACABQ further recommended that the estimated expenses of $4.9 million in respect of peacekeeping operations and ICTR be accommodated within existing budgets, and that some $8.9 million of the provision for the Office of the United Nations Security Coordinator be borne by the participating organizations under existing cost-sharing arrangements. To strengthen security of UN operations, the General Assembly, in resolution 58/295 of 18 June (see p. 1476), decided to appropriate $2,583,000, being the portion of costs normally attributable to the United Nations and to revert to the required residual funding of $8,162,100 at its fifty-ninth session when determining cost-sharing arrangements. It approved an additional appropriation of $18,287,100 under the budget sections identified by the Secretary-General and $48,700 under staff assessment.

In the first performance report on the 2004-2005 programme budget [A/59/578], the Secretary-General identified adjustments to the level of appropriations as a result of variations in the rates of inflation and exchange and in the standards assumed in the calculation of the initial appropriations. The adjustments yielded revised expenditures of $3,351.1 million, an increase of $172 million, as compared with a revised appropriation level of $3,179.2 million approved by resolution 58/295, and an increase in income of $9.4 million, resulting in a revised income estimate of $424.7 million. The revised net estimate for the 2004-2005 biennium therefore amounted to $2,926.4 million, an increase of $162.5 million over the appropriation approved in Assembly resolutions 58/271 A and B [YUN 2003, p. H11] and 58/295.

ACABQ recommended in December [A/59/601] that, with the exception of $815,000 related to staffing in the Office of the President of the General Assembly, the Assembly approve the revised estimates submitted by the Secretary-General, subject to adjustments resulting from its consideration of matters currently before it, including estimates related to special political missions and security, and to the consolidated statement of revised estimates and programme budget implications.

### General Assembly Action

On 23 December, the General Assembly, on the recommendation of the Fifth (Administrative and Budgetary) Committee [A/59/448/Add.2], adopted resolution 59/277 A-C [agenda item 108].

#### Programme budget for the biennium 2004-2005

The General Assembly

Resolves that, for the biennium 2004-2005, the amount of 3,179,196,100 United States dollars appropriated by it in its resolutions 58/271 A of 25 December 2003 and 58/295 of 18 June 2004 shall be adjusted by 428,977,800 dollars, as follows:

<table>
<thead>
<tr>
<th>Budget section</th>
<th>Amount approved in resolutions 58/271 A and 58/295</th>
<th>Increase/ (decrease)</th>
<th>Revised appropriation (United States dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part I. Overall policy-making, direction and coordination</td>
<td>58 504 400</td>
<td>3 038 800</td>
<td>61 543 200</td>
</tr>
<tr>
<td>1. Overall policy-making, direction and coordination</td>
<td>58 504 400</td>
<td>3 038 800</td>
<td>61 543 200</td>
</tr>
<tr>
<td>2. General Assembly affairs and conference services</td>
<td>533 774 800</td>
<td>26 681 700</td>
<td>560 456 500</td>
</tr>
<tr>
<td>Total, part I</td>
<td>592 079 200</td>
<td>29 720 500</td>
<td>621 799 700</td>
</tr>
<tr>
<td>Part II. Political affairs</td>
<td>242 461 500</td>
<td>185 165 700</td>
<td>427 627 200</td>
</tr>
<tr>
<td>3. Political affairs</td>
<td>242 461 500</td>
<td>185 165 700</td>
<td>427 627 200</td>
</tr>
<tr>
<td>4. Disarmament</td>
<td>18 118 400</td>
<td>621 500</td>
<td>18 739 900</td>
</tr>
<tr>
<td>5. Peacekeeping operations</td>
<td>89 898 300</td>
<td>2 961 500</td>
<td>92 859 800</td>
</tr>
<tr>
<td>6. Peaceful uses of outer space</td>
<td>5 484 400</td>
<td>419 500</td>
<td>5 903 900</td>
</tr>
<tr>
<td>Total, part II</td>
<td>355 962 600</td>
<td>189 168 200</td>
<td>545 130 800</td>
</tr>
<tr>
<td>Part III. International justice and law</td>
<td>31 621 900</td>
<td>3 314 100</td>
<td>34 936 000</td>
</tr>
<tr>
<td>7. International Court of Justice</td>
<td>31 621 900</td>
<td>3 314 100</td>
<td>34 936 000</td>
</tr>
<tr>
<td>8. Legal affairs</td>
<td>39 303 000</td>
<td>1 331 000</td>
<td>40 634 000</td>
</tr>
<tr>
<td>Total, part III</td>
<td>70 924 900</td>
<td>4 645 100</td>
<td>75 570 000</td>
</tr>
<tr>
<td>Part IV. International cooperation for development</td>
<td>137 739 400</td>
<td>5 288 300</td>
<td>143 027 700</td>
</tr>
<tr>
<td>Economic and social affairs</td>
<td>137 739 400</td>
<td>5 288 300</td>
<td>143 027 700</td>
</tr>
</tbody>
</table>
B

REVISED INCOME ESTIMATES FOR THE BIENNIAL 2004-2006

The General Assembly

Resolves that, for the biennium 2004-2005, the estimates of income of 415,340,500 United States dollars approved by it in its resolutions 58/271 B of 23 December 2003 and 58/295 of 18 June 2004 shall be increased by 28,511,400 dollars, as follows:

[see table on next page]

C

FINANCING OF THE APPROPRIATIONS FOR THE YEAR 2005

The General Assembly

Resolves that, for the year 2005:

1. Budget appropriations totalling 2,627,743,750 United States dollars and consisting of 1,580,430,150 dollars, being half of the appropriation initially approved for the biennium 2004-2005 in its resolution 58/271 A of 23 December 2003, 18,335,800 dollars, be-
ing the additional appropriation approved for the biennium 2004-2005 in its resolution 58/295 of 18 June 2004, and 428,977,800 dollars, being the increase approved in resolution A above, shall be financed in accordance with regulations 5.1 and 5.2 of the Financial Regulations and Rules of the United Nations, as follows:

(a) 29,509,150 dollars, consisting of:
   (i) 14,400,050 dollars, being half of the estimated income other than income from staff assessment approved for the biennium 2004-2005 in its resolution 58/271 B of 23 December 2003;
   (ii) Less 56,900 dollars, being the decrease approved in resolution B above;
   (iii) 15,871,000 dollars, being the balance in the surplus account as at 31 December 2003;
(b) 1,998,254,600 dollars, being the assessment on Member States in accordance with its resolution 58/1 B of 23 December 2003;
(c) 28,700 dollars, being the estimated staff assessment income approved by the Assembly in its resolution 58/271 B;
(d) 193,245,850 dollars, being half of the estimated staff assessment income approved by the Assembly in its resolution 58/295;
(e) 29,073,300 dollars, being the estimated income in income from staff assessment approved in resolution B above;
(f) Less 3,642,200 dollars, being the decrease in income from staff assessment for the biennium 2002-2003 compared with the revised estimates approved by the Assembly in its resolution 58/267 B of 23 December 2003.

2. There shall be set off against the assessment on Member States, in accordance with the provisions of General Assembly resolution 973(X) of 15 December 1955, their respective share in the Tax Equalization Fund in the total amount of 218,725,650 dollars, consisting of:

(a) 48,700 dollars, being the estimated staff assessment income approved by the Assembly in its resolution 58/271 B;
(b) 1,998,254,600 dollars, being the assessment on Member States in accordance with its resolution 58/1 B of 23 December 2003;
(c) 29,073,300 dollars, being the estimated income in income from staff assessment approved in resolution B above;
(d) Less 3,642,200 dollars, being the decrease in income from staff assessment for the biennium 2002-2003 compared with the revised estimates approved by the Assembly in its resolution 58/267 B of 23 December 2003.

Questions relating to the 2004-2005 programme budget

The Fifth Committee considered a number of questions related to the 2004-2005 programme budget, among them revised estimates resulting from resolutions and decisions by the Economic and Social Council in 2004, unforeseen and extraordinary expenses, estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council, the first performance report of the programme budget for the 2004-2005 biennium, and the contingency fund; consolidated statement of programme budget implications and revised estimates.

Other subjects covered concerned the International Trade Centre of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) (see p. 965), the Office of the United Nations High Commissioner for Refugees (see p. 1195), the United Nations Institute for Disarmament Research (see p. 584), the construction of additional conference centre facilities at the Vienna International Centre (see p. 1384), the Department of Public Information websites (see p. 629), the United Nations Institute for Training and Research (see p. 1139), UN security management system (see p. 1387), and the International Civil Service Commission (see p. 1407).

GENERAL ASSEMBLY ACTION

On 23 December, the General Assembly, on the recommendation of the Fifth Committee [A/59/418/Add.2], adopted resolution 59/276 [agenda item 108].

Questions relating to the programme budget for the biennium 2004-2005

The General Assembly,

I

Administrative arrangements for the International Trade Centre UNCTAD/WTO


1. Takes note of the report of the Secretary-General on administrative arrangements for the International Trade Centre UNCTAD/WTO and of the related report of the Advisory Committee on Administrative and Budgetary Questions, and endorses the recommendations contained therein;

2. Also takes note of the report of the Office of Internal Oversight Services on the inspection of programme management and administrative practices of the International Trade Centre UNCTAD/WTO, and requests the Secretary-General to ensure that the recommendations contained therein are implemented expeditiously;

II

Revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session and resumed substantive sessions of 2004

Takes note of the report of the Secretary-General on the revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive and resumed substantive sessions of 2004 and the related reports of the Advisory Committee on Administrative and Budgetary Questions, on the understanding that such appropriations as may be necessary and not exceeding 573,600 United States dollars...
will be requested by the Secretary-General in the context of a consolidated statement of programme budget implications and revised estimates to be submitted to the General Assembly;

III
Progressive implementation of article 20 of the statute of the Office of the United Nations High Commissioner for Refugees

Recalling paragraph 49 of its resolution 58/270 of 23 December 2003,
1. Takes note of the report of the Secretary-General on the progressive implementation of article 20 of the statute of the Office of the United Nations High Commissioner for Refugees and the related report of the Advisory Committee on Administrative and Budgetary Questions presented orally by its Chairman;
2. Requests the Secretary-General to include in the programme budget proposals for progressive increases for unforeseen and extraordinary expenses for the Office of the High Commissioner with a view to the full implementation of article 20 of the statute of the Office and to report on the progress made to the General Assembly at its sixtieth session in the context of the proposed programme budget for the biennium 2006-2007, while recognizing that the percentage referred to in paragraph 6 of the report of the Secretary-General does not represent a ceiling;
3. Calls upon the Office of the High Commissioner to keep its support costs, including management and administration, under review with the objective of reducing these as a percentage of total budget expenditure, and welcomes the decision of the Office to initiate a headquarters process review with the aim of simplifying and streamlining administration;
4. Requests the Secretary-General to include in the proposed programme budget for the biennium 2006-2007 a transparent presentation of the purposes for which regular budget funds are proposed, including the composition of administrative costs and information on efficiency measures;
5. Also requests the Secretary-General to ensure that oversight and accountability mechanisms in the Office of the High Commissioner are operating effectively with the required independence, authority and transparency;

IV
Unforeseen and extraordinary expenses

Having considered the report of the Secretary-General on the comprehensive review of the resolution on unforeseen and extraordinary expenses relating to expenses certified by the President of the International Court of Justice and the related report of the Advisory Committee on Administrative and Budgetary Questions,
1. Approves the request to change the ceiling to 200,000 dollars under the resolution on unforeseen and extraordinary expenses for expenses that may be certified by the President of the Court without prior concurrence of the Advisory Committee on Administrative and Budgetary Questions in connection with the designation of ad hoc judges with effect from the biennium 2006-2007;
2. Also approves the proposal to maintain an amount of 400,000 dollars in the regular budget of the Court to accommodate the recurring requirements for ad hoc judges, with effect from the biennium 2006-2007, to be included in the proposed programme budget for the biennium 2006-2007;

V
Request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the programme of work of the Institute for 2005

Recalling its resolution 58/272 of 23 December 2003,
1. Takes note of the note by the Secretary-General on the request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the programme of work of the Institute for 2005 and of the related report of the Advisory Committee on Administrative and Budgetary Questions;
2. Approves the request for a subvention to the Institute of 227,600 dollars, to be recosted, for 2005 from the regular budget of the United Nations, on the understanding that no additional appropriation would be required under section 4, Disarmament, of the programme budget for the biennium 2004-2005;
3. Requests the Secretary-General to make proposals in the context of the proposed programme budget for the biennium 2006-2007 for biennial review and approval by the General Assembly of subvention requirements of the Institute beginning with the biennium 2006-2007;

VI
Construction of additional conference facilities at the Vienna International Centre

Having considered the note by the Secretary-General on the construction of additional conference facilities at the Vienna International Centre and the related report of the Advisory Committee on Administrative and Budgetary Questions presented orally by its Chairman,
1. Takes note with appreciation of the proposal of the Government of Austria to construct a new conference facility within the boundaries of the Vienna International Centre;
2. Approves the participation of the United Nations, along with the other organizations located in the Vienna International Centre, in the arrangements for the proposed new conference facility on the terms proposed by the Secretary-General in his note;
3. Entrusts the Secretary-General to determine, in cooperation with the other three organizations located at the Vienna International Centre, the cost-sharing arrangements for potential future costs arising from the project within the amount indicated in his note, on the understanding that the related financial requirements will be dealt with in the context of the proposed programme budget for the respective bienniums, and to report thereon to the General Assembly for its review and decision;
4. Requests the Secretary-General to report on the progress in the project implementation to the General Assembly at its sixty-first session;
United Nations financing and programming

VII
Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council

Having considered the report of the Secretary-General on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council and on the request for a subvention to the Special Court for Sierra Leone, as well as the related report of the Advisory Committee on Administrative and Budgetary Questions,

Reaffirms section VI of its resolution 45/248 B of 21 December 1990,
1. Takes note of the report of the Secretary-General on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council;
2. Endorses the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report, subject to the provisions of the present resolution;
3. Notes that the charging of expenditures against the appropriation for special political missions would be subject to the extension of the respective mandates;
4. Reaffirms in the context of all Security Council decisions on special political missions, the prerogatives of the General Assembly in issues related to administrative and budgetary matters;
5. Reiterates that, in accordance with the Financial Regulations and Rules of the United Nations, the submission of the budget proposals is a prerogative of the Secretary-General;
6. Invites the Secretary-General to provide all intergovernmental bodies with the required information regarding procedures for administrative and budgetary matters;
7. Regrets the late issuance of the reports of the Secretary-General on estimates in respect of special political missions, and requests the Secretary-General, in the future, to present budget proposals for special political missions at an earlier date, in order to facilitate proper consideration by the General Assembly;
8. Approves the budgets of the 25 special political missions presented in table I of the report of the Secretary-General;
9. Decides to appropriate under the procedures provided for in paragraph II of annex I to its resolution 41/233 of 19 December 1986, under section 3, Political affairs, of the programme budget for the biennium 2004-2005 an amount of 678,600 dollars for the three special political missions presented in table I, part A, of the report of the Secretary-General, emanating from the decisions taken or to be taken by the General Assembly;
10. Also decides to appropriate under the procedures provided for in paragraph II of annex I to resolution 41/233, under section 3 of the programme budget an amount of 161,936,100 dollars for the 22 special political missions presented in table I, part B, of the report of the Secretary-General, emanating from the decisions taken or to be taken by the Secretary-General;
11. Further decides to appropriate an amount of 12,132,500 dollars under section 34, Staff assessment, to be offset by a corresponding amount under income section 1, Income from staff assessment, of the programme budget for the biennium 2004-2005;
12. Requests the Secretary-General, in preparing the next budget proposals for the Counter-Terrorism Committee Executive Directorate, to review and consider possible streamlining of the structure and level of positions, bearing in mind its temporary nature and its status as a subsidiary body of the Security Council, as well as to address its relationship with the Department of Political Affairs of the Secretariat;
13. Decides to approve the proposed waiver requested for the implementation of section III.B, paragraph 26, of resolution 51/226 of 3 April 1997, on an exceptional and extraordinary basis, and requests the Secretary-General to report in the next budget submission on how many consultants given such waiver were recruited, along with their nationalities and functions performed;
14. Requests the Secretary-General to recruit staff for the Counter-Terrorism Committee Executive Directorate in full compliance with relevant resolutions of the General Assembly;
15. Decides that the use of experts and consultants for the Counter-Terrorism Committee Executive Directorate and for the Security Council Committee established pursuant to Council resolution 1540(2004) of 25 April 2004 should also be in full compliance with the relevant resolutions of the General Assembly;
16. Takes note that the commitment authority authorized in resolution 58/284 of 8 April 2004 and valid through 31 December 2004 to support a subvention for the Special Court for Sierra Leone has been held unused in view of the continued dependence of the Court on voluntary contributions during the period and is being surrendered;
17. Authorizes the Secretary-General to enter into commitments in an amount not to exceed 20 million dollars to supplement the financial resources of the Special Court for Sierra Leone, with effect from 1 January to 30 June 2005, under special political missions of section 3, Political affairs, of the programme budget for the biennium 2004-2005;
18. Requests the Secretary-General, in concert with the Management Committee of the Special Court for Sierra Leone, to continue efforts to raise voluntary contributions to support the work of the Court and to report to the General Assembly at its resumed 59th session on progress made;
19. Appeals to Member States, as a matter of urgency, to contribute voluntary funds in support of the Court and to honour existing pledges;
20. Requests the Secretary-General to submit to the General Assembly at its resumed fifty-ninth session a progress report in respect of the Special Court for Sierra Leone;
21. Requests the President of the General Assembly to bring to the attention of the President of the Security Council the contents of the present resolution;

VIII
First performance report on the programme budget for the biennium 2004-2005

Having considered the first performance report of the Secretary-General on the programme budget for the biennium 2004-2005 and the related report of the Ad-
visory Committee on Administrative and Budgetary Questions,

Recalling its resolutions 58/270 and 58/271 A to C of 23 December 2003 and 58/295 of 18 June 2004,

1. Reaffirms the budgetary process as approved in its resolution 41/213 and as reaffirmed in subsequent resolutions;
2. Takes note of the first performance report of the Secretary-General on the programme budget for the biennium 2004-2005 and the addendum on the implementation of the United Nations Official Document System, and endorses the observations and recommendations contained in the related report of the Advisory Committee on Administrative and Budgetary Questions, subject to the provisions of the present resolution;
3. Reaffirms the importance that Member States attach to the work of the Office of the President of the General Assembly in support of the activities carried out by the President of the General Assembly;
4. Recalls paragraph 10 of the annex to its resolution 58/126 of 19 December 2003, notes the assurances given by the Secretariat that the three remaining positions, namely, one D-2, one D-1 and one General Service, needed to strengthen the Office of the President of the General Assembly will be provided, and in this context requests the Secretary-General to ensure its full and expeditious implementation;
5. Requests the Secretary-General to report to the General Assembly on the implementation of paragraph 4 above in the context of the second performance report;
6. Decides to approve a gross budget for the Joint Inspection Unit for the year 2005 in the amount of 5,385,700 dollars and to appropriate the amount of 1,712,700 dollars under section 31, jointly financed administrative activities, for the financing of the Joint Inspection Unit in 2005;
7. Notes the contents of paragraph 42 of the report of the Secretary-General and requests the Secretary-General to report to the General Assembly comprehensively on this issue at the beginning of its sixty-sixth session;
8. Recalls paragraph 9 of its resolution 58/270, and notes that its implementation resulted in a decrease of 4,007,000 dollars from the original proposed appropriation in section 23, Regular programme of technical cooperation;
9. Requests the Secretary-General to fill expeditiously vacant positions for web-site assistants in all official languages from external candidates, utilizing general temporary assistance;
10. Recalls paragraph 44 of its resolution 58/270 and takes note of the relevant paragraph of the Secretary-General’s report regarding the Repertory of Practice of the United Nations Organs, and requests the Secretary-General to keep the matter under review and to report thereon to the General Assembly in the context of the proposed programme budget for the biennium 2006-2007;

II. Approves a net increase of 172,851,200 dollars in the appropriation approved for the biennium 2004-2005 and a net increase of 9,406,800 dollars in the estimates of income for the biennium, to be apportioned among expenditure and income sections as indicated in the report of the Secretary-General and amended to reflect the recommendation of the Advisory Committee;

IX

Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization: status of implementation

Having considered the report of the Secretary-General entitled “Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization: status of implementation” and the related report of the Advisory Committee on Administrative and Budgetary Questions,

Recalling paragraph 42 of its resolution 58/270 and paragraph 95 of its resolution 59/126 B of 10 December 2004, in which it requested the Secretary-General to strengthen the web site through further redeployment to the required language posts,
Reaffirming the need to achieve full parity among the six official languages on the United Nations web site,
Also reaffirming its request to the Secretary-General to ensure that the Department of Public Information has appropriate staffing capacity in all official languages of the United Nations to undertake all its activities,

1. Takes note of the report of the Secretary-General and paragraphs 19 to 25 of the report of the Advisory Committee on Administrative and Budgetary Questions;
2. Requests the Secretary-General to submit proposals to strengthen the United Nations web site within the context of the proposed programme budget for the biennium 2006-2007;

X

Financial viability of the United Nations Institute for Training and Research

Recalling section XIV of its resolution 58/272 of 23 December 2003,
Having considered the note by the Secretary-General on the financial viability of the United Nations Institute for Training and Research, transmitting the note by the Board of Trustees of the Institute on the rationalization of the financial structure of the Institute, and the related report of the Advisory Committee on Administrative and Budgetary Questions presented orally by its Chairman,

1. Takes note with concern of the observations and conclusions of the Board of Trustees of the United Nations Institute for Training and Research transmitted under the cover of the note by the Secretary-General;
2. Stresses the importance of maintaining the current level of the training programmes of the Institute, and requests the Board of Trustees to make every effort to ensure that in 2005 the level of training programmes will be maintained;
3. Stresses also the need for continued consideration of the issues related to the Institute’s rent, rental rates and maintenance costs, taking into account its financial situation, with a view to its expeditious resolution;
4. Requests the Secretary-General to submit, as a priority, to the General Assembly at the beginning of its sixty-sixth session, and prior to the introduction of the proposed programme budget for the biennium 2006-2007, a comprehensive report on all aspects of the financial situation of the United Nations, including proposals which would address the long-term, sound and predictable funding of rent and maintenance costs;

5. Decides to consider the outcome of its consideration of that report in the context of the proposed programme budget for the biennium 2006-2007;

XI

Strengthened and unified security management system for the United Nations


Having considered the report of the Secretary-General on a strengthened and unified security management system for the United Nations and the report of the Office of Internal Oversight Services on the utilization and management of funds appropriated during the biennium 2002-2003 for strengthening the security and safety of United Nations premises;

Having also considered the report of the Advisory Committee on Administrative and Budgetary Questions,

Underlining the importance of achieving the highest levels of professionalism and expertise within United Nations security management,

Reaffirming Article 97 of the Charter of the United Nations,

Reaffirming also the role of the General Assembly in carrying out a thorough analysis and approval of posts and financial resources as well as human resources policies with a view to ensuring the full implementation of all mandated programmes and activities and the implementation of all policies in this regard,

Reaffirming further that the Fifth Committee is the appropriate Main Committee of the General Assembly responsible for administrative and budgetary matters,

1. Takes note of the report of the Secretary-General;

2. Reaffirms the importance of ensuring the safety and security of United Nations staff, operations and premises;

3. Emphasizes that the primary responsibility for ensuring the safety and security of United Nations staff, operations and premises rests with the host country, and also emphasizes the role of the relevant host country agreements in defining this responsibility;

4. Recognizes the need for the urgent implementation of a unified and strengthened security management system in order to ensure the safety and security of United Nations staff, operations and premises at United Nations Headquarters and main duty stations, as well as in the field;

5. Stresses that the effective functioning at the country level of security operations on a decentralized basis as proposed by the Secretary-General requires a unified capacity for policy, standards, coordination, communication, compliance and threat and risk assessment;

6. Endorses the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions, subject to the provisions of the present resolution;

7. Decides, bearing in mind the observations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 64 of its report and General Assembly resolution 52/204 of 21 December 1997 on organizational nomenclature in the Secretariat, to establish a Department of Safety and Security;

8. Requests the report of the Office of Internal Oversight Services on the utilization and management of funds appropriated by the General Assembly in its resolution 56/286 in response to concerns about delays and cost escalation, notes the progress made more recently in the implementation of these projects, and urges the Secretary-General to complete their implementation expeditiously;

9. Notes with concern the delays, cost escalation and deficiencies in planning and administering security strengthening projects, particularly at Headquarters and at the United Nations Office at Geneva, in relation to funds appropriated by the General Assembly in its resolution 56/286, as set out by the Office of Internal Oversight Services in its report, and requests the Secretary-General to ensure that in the implementation of Assembly resolution 58/295, as well as the present resolution, funds appropriated for security strengthening projects are managed and disbursed with great oversight, efficiency and effectiveness and in a timely manner;

10. Requests the Secretary-General to report on the implementation of recommendations contained in the report of the Office of Internal Oversight Services and also to entrust the Office of Internal Oversight Services to report on the utilization and management of funds approved by the General Assembly in its resolution 58/295 and in the present resolution for security strengthening projects for submission to the Assembly at its sixty-sixth session;

11. Emphasizes the need for an enhanced culture of security awareness on the part of all staff and compliance with safety and security rules and procedures throughout the United Nations system, as well as clear lines of authority and accountability;

12. Affirms that United Nations security management requires clear lines of authority and accountability at all managerial levels at Headquarters and in the field for the implementation of safety and security rules and procedures;

13. Requests the Secretary-General to submit to the General Assembly at its sixty-sixth session an accountability framework for the United Nations security management system as a whole, which would, inter alia:

(a) Update the report on field security;

(b) Make clear the role of each responsible official;

(c) Provide information on how non-military lines of security-related authority lead to the head of the Department of Safety and Security;

14. Also requests the Secretary-General, in consultation with the executive heads of United Nations funds and programmes that maintain their own security personnel in the field, to elaborate in the updated accountability framework on how such security staff are integrated into the unified security management structure at the country level under the authority of
the designated official and to clarify the authority of the designated official over such staff.

15. Further requests the Secretary-General, in order to strengthen security compliance, to apply available measures for disciplinary action to be taken at all levels, especially at the managerial level, in all departments for non-compliance with security standards, norms and procedures, and to report thereon to the General Assembly at its sixtieth session;

16. Requests the Secretary-General, in order to strengthen security compliance, as Chairman of the United Nations System Chief Executives Board for Co-ordination, to propose to the executive heads of agencies, funds and programmes that participate in the United Nations security management system that they apply available measures for disciplinary action to be taken at all levels for non-compliance with security standards, norms and procedures;

17. Reaffirms Article 101 of the Charter of the United Nations;

18. Urges the Secretary-General to preserve the international character of the Organization in the recruitment of relevant categories of safety and security staff;

19. Recognizes that the Professional posts created by the present resolution under the regular budget would be added to the pool of posts subject to the system of geographical distribution in accordance with established procedures;

20. Urges the Secretary-General to ensure that recruitment to Professional and higher categories is made on a wide geographical basis;

21. Requests the Secretary-General to elaborate further on his proposals concerning career development, a new profile for security officers and the further professionalization of security personnel referred to in paragraphs 25 and 31 of his report, to submit detailed proposals on retirement policy given the special requirements for security staff and to report thereon to the General Assembly at its sixtieth session;

22. Decides, on an exceptional basis and without setting any precedent, that the Under-Secretary-General for Safety and Security shall serve for one non-renewable term not exceeding five years;

23. Also decides that the Under-Secretary-General for Safety and Security shall be appointed with full repect for the principle of equitable geographical representation and guided by its resolution 46/232 of 2 March 1992, whereby the General Assembly decided, inter alia, that as a general rule no national of a Member State should succeed a national of that State in that post and that there should be no monopoly on senior posts by nationals of any State or group of States;

24. Further decides to establish a D-2 post of deputy to the Under-Secretary-General and to review the post in the context of the implementation report to be submitted by the Secretary-General to the General Assembly at its sixtieth session;

25. Decides to establish the post of the head of the Division of Safety and Security Services at the D-2 level and to review the post in the context of the implementation report to be submitted by the Secretary-General to the General Assembly at its sixtieth session;

26. Also decides to establish 383 new security and safety officer posts within the General Service and related categories, of which 289 are established posts and 134 are on a temporary post basis;

27. Further decides to review the newly approved posts referred to in paragraph 26 above in the light of a comprehensive report to be submitted by the Secretary-General to the General Assembly at its sixtieth session addressing all elements contributing to the security planning of the Organization, including the updating and revision of host country agreements as well as the different capacities of host countries to provide security to the United Nations, as outlined in paragraphs 19 and 20 of the report of the Advisory Committee on Administrative and Budgetary Questions;

28. Decides to establish an Executive Office in the Department of Safety and Security consisting of 17 posts to handle its administrative support functions;

29. Also decides to appropriate 500,000 dollars under general temporary assistance to provide surge capacity for the Department of Safety and Security;

30. Further decides to approve the creation of the posts proposed by the Secretary-General in field locations;

31. Recognizes the need for the security and safety sections at the eight headquarters and main duty stations of the United Nations to convey threat and risk assessments through the appropriate regional desks;

32. Notes that threat and risk assessments will be conducted primarily by the field offices and reviewed by the regional desks;

33. Decides to enhance the capacity for threat and risk assessment by establishing one P-4, two P-3 and one General Service post in addition to the existing P-5 post, and further decides that this capacity will be located in the Office of the Director of Regional Operations;

34. Reaffirms paragraph 2 of its resolution 58/295;

35. Notes that in paragraph 54 of his report, the Secretary-General proposed getting input on threats and risks from sources other than international organizations and Governments, and emphasizes that it is incumbent on the Department of Safety and Security, in making its objective judgement, to weigh the reliability and responsibility of the source as well as the reliability and validity of the information being used in order to produce threat and risk assessments;

36. Decides, in this context, that threat and risk assessments to be provided to Headquarters should be prepared by country offices and other components of the United Nations system, on an objective basis and in full cooperation with the national authorities of host countries;

37. Reaffirms, in this context, Article 100 of the Charter of the United Nations;

38. Requests the Secretary-General to strengthen the process for the continuous review of threat and risk assessment so as to enable timely, systematic and periodic review of the phases, and requests the Secretary-General to keep the respective national Governments apprised in a timely manner of any changes resulting from such review;

39. Also requests the Secretary-General to provide information, upon request by Member States, about the methodology used for determining phases of threat and risk assessment;
40. Further requests the Secretary-General to provide, in the context of the implementation report, information on strengthening the cooperation between the Department of Safety and Security and the Department of Peacekeeping Operations with respect to security decisions that may affect the conduct of peacekeeping operations, in the framework of the unified security management system, which would be led by the Department of Safety and Security under the provisions of the present resolution.

41. Notes that the malicious acts insurance policy has a worldwide coverage except in headquarters countries, namely, Austria, Canada, France, Germany, Italy, Japan, the Netherlands, Switzerland, the United Kingdom and the United States of America.

42. Notes with concern that there are some staff in the United Nations system who are working in the field and are not covered by the malicious acts insurance policy or a comparable scheme.

43. Requests the Secretary-General, as Chairman of the United Nations System Chief Executives Board for Coordination, to address this matter in the context of the Board and to report to the General Assembly thereon at its sixtieth session with a view to ensuring that all staff are covered.

44. Decides to defer until the second part of the resumed fifty-ninth session of the General Assembly consideration of the proposal of the Secretary-General on the global access control system, pending the receipt of a detailed report by the Secretary-General, which will include the following:

(a) Integration with projects approved by the General Assembly in previous resolutions, including those in the context of the overall information technology strategy.

(b) The impact of implementing the global access control system on human resources requirements in the area of security and safety.

(c) The individual characteristics of each United Nations headquarters and main duty station.

(d) The implications of the global access control system for the capital master plan.

(e) Detailed information regarding the global identity management system, including the principles and guidelines for sharing the information obtained through the system, the level of centralization needed for managing this information and who would have access to the information.

(f) The time frame for implementation of the system.

45. Decides also to defer consideration of the expansion of the security service fitness facility and to revert to this issue in the context of its consideration of the scope of work of the capital master plan.

46. Requests the Secretary-General to ensure that infrastructure projects approved for Headquarters under the present resolution should not, pending a decision on the capital master plan, incur additional unnecessary costs at a later date under the capital master plan.

47. Also requests the Secretary-General to submit to the General Assembly at its sixtieth session the results of the technical study on information and communications technology security, business continuity and disaster recovery, with detailed costing and a timetable.

48. Decides to maintain existing arrangements with regard to cost-sharing for safety and security.

49. Requests the Secretary-General, in his capacity as the Chairman of the United Nations System Chief Executives Board for Coordination, while fully implementing the decision of the General Assembly to maintain the current cost-sharing arrangements, to submit a report to the General Assembly at its sixty-first session on measures taken to improve the operational administration of existing cost-sharing arrangements.

50. Stresses the importance that all entities participating in specific arrangements in place at headquarters duty stations for sharing the costs of the central security and safety services should provide prompt and secure funding for such arrangements.

51. Decides that the present cost-sharing arrangements relating to field security for those organizations which are not part of the United Nations system should be retained.

52. Invites those organizations of the United Nations system which are currently in arrears with their contributions to the United Nations under the present cost-sharing arrangements to take steps to ensure prompt payment of the outstanding sums.

53. Decides to approve an additional appropriation under the regular budget in the amount of 55,633,300 dollars, as detailed in the annex to the present session.

54. Also decides to approve an additional appropriation in the amount of 6,099,700 dollars under section 34, Staff assessment, of the programme budget for the biennium 2004-2005, to be offset by an equivalent amount of income under income section 1, Income from staff assessment.

55. Recognizes the need for a clearer presentation of security spending by each organization of the United Nations system, and requests the Secretary-General, as Chairman of the United Nations System Chief Executives Board for Coordination, to inform the General Assembly at its sixty-sixth session on this issue.

56. Requests the Secretary-General to examine the possibility for further integration and rationalization of the security management system and to report thereon to the General Assembly at its sixty-first session.

57. Also requests the Secretary-General to submit to the General Assembly at its sixtieth session a report on the implementation of the present resolution.

Annex

Additional appropriations for the strengthened and unified security management system for the United Nations, at revised 2004-2005 rates, by section of the programme budget for the biennium 2004-2005

(Thousands of United States dollars)

<table>
<thead>
<tr>
<th>Budget section</th>
<th>Additional</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Political affairs</td>
<td>147.2</td>
</tr>
<tr>
<td>4. Disarmament</td>
<td>50.5</td>
</tr>
<tr>
<td>5. Peacekeeping operations</td>
<td>1,612.6</td>
</tr>
<tr>
<td>13. International Trade Centre UNCTAD/WTO</td>
<td>669.4</td>
</tr>
<tr>
<td>18. Economic and social development in Africa</td>
<td>(2,383.0)</td>
</tr>
<tr>
<td>19. Economic and social development in Asia and the Pacific</td>
<td>(4,775.9)</td>
</tr>
<tr>
<td>21. Economic and social development in Latin America and the Caribbean</td>
<td>(2,960.3)</td>
</tr>
<tr>
<td>22. Economic and social development in Western Asia</td>
<td>(3,833.7)</td>
</tr>
<tr>
<td>24. Human rights</td>
<td>45.4</td>
</tr>
</tbody>
</table>
Budget section

25. Protection of and assistance to refugees 5,103.2
26. Palestine refugees 708.4
28. Public information 223.1
29D. Office of Central Support Services (36,240.0)
29E. Administration, Geneva (19,601.5)
29F. Administration, Vienna (5,609.8)
29G. Administration, Nairobi (5,835.0)
31. Jointly financed administrative activities (17,796.1)
33. Construction, alteration, improvement and major maintenance 4,903.4
36. Safety and security 140,105.4
Total 53,633.3
34. Staff assessment 6,069.7
Income section 1. Income from staff assessment (6,069.7)

XII

Administrative and financial implications of decisions and recommendations of the International Civil Service Commission for 2004

Recalling its resolution 59/268 of 23 December 2004 on the United Nations common system,

Takes note of the statement submitted by the Secretary-General on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for 2004 and the related report of the Advisory Committee on Administrative and Budgetary Questions:

Contingency fund: consolidated statement of programme budget implications and revised estimates

Decides to appropriate the required amounts, as contained in the report of the Secretary-General;

Notes that a balance of 7,854,800 dollars remains in the contingency fund.

On 23 December, the Assembly decided that the item on the programme budget for the 2004-2005 biennium would remain for consideration at its resumed fifty-ninth (2005) session (decision 59/552).

Revised estimates resulting from Economic and Social Council action

In a September report [A/59/395], the Secretary-General submitted expenditure requirements resulting from resolutions and decisions adopted by the Economic and Social Council at its 2004 substantive and first resumed substantive sessions relating to activities in the areas of indigenous issues, ad hoc advisory groups of the Council on African countries emerging from conflict, and human rights.

Those requirements were estimated at $1,537,600, of which $964,000 could be absorbed within resources approved for the 2004-2005 biennium.

ACABQ, in its October report [A/59/542], recommended that the Fifth Committee take note of the estimate of $573,600, on the understanding that the Secretary-General would request any required appropriations in the context of the consolidated statement of programme budget implications and revised estimates to be submitted to the General Assembly.

In a later addendum [A/59/395/Add.1], the Secretary-General presented details of additional expenditure requirements arising from the Council’s adoption of resolution 2004/69, relating to activities in the area of international cooperation in tax matters (see p. 985), estimated at $294,900 for 2005, which could be absorbed within approved 2004-2005 resources. The related requirements of $589,800 for the 2006-2007 biennium would be included in the proposed programme budget for that biennium and subsequent bienniums.

In December [A/59/597], ACABQ recommended approval of the Secretary-General’s proposals.

Inflation and currency fluctuations

In December [A/C.5/59/24], the Secretary-General submitted adjustments to the revised estimates and programme budget implications that were subject to recosting, as indicated in the first performance report for the 2004-2005 biennium (see p. 1380). The adjustments, which were the result of the application of the new costing parameters approved by the General Assembly in the context of its consideration of the first performance report, showed an overall increase of $2,951,600, reflecting net increased requirements of $2,047,900 due to exchange rate fluctuation, with inflation and other standards adjustments amounting to $903,700, and an increase in staff assessment requirements of $159,300, to be offset by a corresponding increase under the income section.

The ACABQ Chairman, in an oral report to the Fifth Committee on 31 December [A/C.5/59/SR.31], recommended approval of the revised estimates submitted by the Secretary-General.

By decision 59/550 of 23 December, the Assembly approved the adjustments, subject to the approval of related amounts for individual revised estimates and statements of programme budget implications.

Unforeseen and extraordinary expenses

Under the terms of resolution 58/273 [YUN 2003, p. H22], the Secretary-General was authorized by the General Assembly to enter into commitments to meet unforeseen and extraordinary expenses arising either during or subsequent to the 2004-2005 biennium without prior ACABQ concurrence for certain specific commitments,
including for expenses certified by the President of the International Court of Justice (ICJ). In a May report [A/59/90], the Secretary-General reviewed the adequacy of the provisions of the resolution as they related to ICJ and recommended that the Assembly approve his proposal to change the ceiling for expenses that might be certified by the ICJ President without prior ACABQ concurrence, with effect from the 2006-2007 biennium, and to maintain an amount of $400,000 in the regular ICJ budget to accommodate the recurring got; and the president of the special court, with effect from the same biennium, while adjusting the ceiling under that component of the resolution on unforeseen and extraordinary expenses from $330,000 to $200,000. No change was proposed for the 2004-2005 biennium.

ACABQ recommended in November [A/59/534] that the Assembly take note of the Secretary-General’s report and approve his proposal.

Revised estimates in respect of matters of which the Security Council was seized

The Secretary-General, in November [A/59/534/Add.1], submitted proposed additional requirements for the period until 31 December 2005 for 25 political missions authorized by the Security Council and/or the General Assembly estimated at $162,404,700 net ($174,747,200 gross), after taking account of the balances expected to remain unencumbered for those missions at the end of their mandate periods, totalling an estimated $14,922,900.

In an interim progress report of 7 December [A/59/534/Add.2] on the implementation of Assembly resolution 58/284 (see p. 222), the Secretary-General recommended that the Assembly take note that the commitment authority valid through 31 December to support a subvention for the Special Court for Sierra Leone had been unused and was being surrendered in lieu of a revised budget implications of the resolution as they related to ICJ and recommended that the Assembly approve his proposal to change the ceiling for expenses that might be certified by the ICJ President without prior ACABQ concurrence, with effect from the 2006-2007 biennium, and to maintain an amount of $400,000 in the regular ICJ budget to accommodate the recurring got; and the president of the special court, with effect from the same biennium, while adjusting the ceiling under that component of the resolution on unforeseen and extraordinary expenses from $330,000 to $200,000. No change was proposed for the 2004-2005 biennium.

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In an interim progress report of 7 December [A/59/534/Add.2] on the implementation of Assembly resolution 58/284 (see p. 222), the Secretary-General recommended that the Assembly take note that the commitment authority valid through 31 December to support a subvention for the Special Court for Sierra Leone had been unused and was being surrendered in lieu of a request for an appropriation in 2005; it might also wish to decide to appropriate $20 million, with effect from 1 January through 30 June 2005, under special political missions of section 3, Political affairs, of the 2004-2005 programme budget, and revert to this matter at its resumed (2005) fifty-ninth session.

ACABQ pointed out that it could not make a detailed recommendation as to the level of financial assistance for the Special Court, since a fully justified presentation of its 2004-2005 budget would not be submitted to the Assembly until its resumed fifty-ninth (2005) session. In the meantime, and despite the perceived difficulty of fund-raising, ACABQ urged renewed and continued effort to mobilize voluntary resources. Should the Assembly agree to another subvention, ACABQ recommended that a commitment authority be granted in an amount not to exceed $20 million to allow the Court to continue its operations to 30 June 2005 [A/59/569/Add.2].

In other related action, the Assembly authorized the Secretary-General to enter into commitments in the amount of $6 million to support the Cameroon-Nigeria Mixed Commission until 30 November (resolution 58/294) (see p. 231). Based on revised requirements of $5,419,300 for the period 1 June to 31 December submitted by the Secretary-General [A/59/886] and on the recommendation of ACABQ [A/59/411& Corr.1], the Assembly approved that amount, to be charged against the unallocated balance under section 3, Political affairs, of the 2004-2005 programme budget, for special political missions (resolution 59/12) (see p. 232).

Following the Council’s establishment in June of an advance team to the Sudan, the Secretary-General, in October [A/59/534], proposed resource requirements for the 90-day extension of the team in the amount of $21,789,400 gross ($21,008,100 net), which the Assembly approved, to be charged against the balance for special political missions under section 3, Political affairs, of the 2004-2005 programme budget (resolution 59/58) (see p. 248).

Contingency fund

The contingency fund, established by General Assembly resolution 41/213 [YUN 1986, p. 1024], accommodated additional expenditures relating to each biennium that derived from legislative mandates not provided for in the proposed programme budget or from revised estimates. Guidelines for its use were annexed to Assembly resolution 42/211 [YUN 1987, p. 1098].

The Fifth Committee considered the Secretary-General’s December report [A/C.5/59/27] containing a consolidated statement of all programme budget implications and revised estimates falling under the guidelines for the use of the fund. The consolidated amount of new and potential charges of $3,888,200 at revised 2004-2005 rates were within the available balance of the fund.

Programme budget implications of CPC recommendations

The Secretary-General submitted to the Fifth Committee in November [A/C.5/59/15] a statement of programme budget implications of the recommendations contained in the report of the Committee for Programme and Coordination (CPC) on its forty-fourth session (New York, 7 June–2 July) [A/59/16], concerning programme 24, as follows: Management and support services,
of the proposed 2006-2007 strategic framework; Management and central support services, of the revised 2002-2005 medium-term plan; and section 29, Management and central support services, of the 2004-2005 programme budget.

The CPC recommendation for a biennial report on the improvement of management practices and for a time-bound plan for the reduction of duplication, complexity and bureaucracy in UN administrative processes and procedures could be prepared from existing resources of the 2004-2005 programme budget; the recommendation for a feasibility study to analyse available cost-accounting techniques and their applicability for identifying and analysing the costs of UN activities and outputs, drawing on best international practices, required an estimated $500,000 in additional appropriation under section 29B, Office of Programme Planning, of the 2004-2005 budget, representing a charge against the contingency fund. To reflect those recommendations, the programme of work under section 29 (see above) would have to be modified accordingly.

ACABQ in November [A/59/415] recommended that the Fifth Committee inform the General Assembly that its endorsement of the CPC recommendations would entail the additional appropriation and modification mentioned above.

The Assembly, by decision 59/549 of 23 December, endorsed ACABQ’s observations and recommendations. It noted that, should it adopt the draft resolution on programme planning [A/C.5/59/L.20], the programme of work under section 29 would be modified as indicated in the Secretary-General’s statement, and an additional amount of $500,000 at initial 2004-2005 rates would be required under section 29B, subject to the procedures for the use of the contingency fund. The Assembly also noted the possible substantial financial costs related to the implementation of a cost accounting system and requested of the Secretary-General a full presentation, at its sixty-eighth (2005) session, of the financial implications of options for the possible implementation of such a system.

Programme budget outline for 2006-2007

Report of Secretary-General. In October [A/59/415], the Secretary-General presented the proposed programme budget outline for 2006-2007, describing preliminary estimate of resources, priorities reflecting trends of a broad sectoral nature, real growth compared with the previous budget, and the size of the contingency fund as a percentage of the overall level of resources. The preliminary estimate for the 2006-2007 biennium, expressed in 2004-2005 prices, amounted to $3,359.2 million.

Recasted for inflation but not for exchange rates, the total requirements for 2006-2007 would amount to $3,556.9 million. The programme budget for 2006-2007 would reflect the priorities proposed in the strategic framework for that biennium (see p. 1400).

The preliminary estimate before the inclusion of special political missions maintained the level of 2004-2005 regular budget activities, which was equivalent to zero real growth. Once account was taken of the full inclusion of required provisions for those missions, the total preliminary estimate of $3,359.2 million would represent an increase of $180 million, or 5.7 per cent, compared with existing 2004-2005 provisions.

Noting that the size of the contingency fund was set at 0.75 per cent of the overall resource level, the Secretary-General recommended that the fund again be set at the same rate, or at $25.2 million, for the 2006-2007 biennium.

ACABQ report. ACABQ, in its December report [A/59/600], recommended that the General Assembly adopt a preliminary estimate of $3,760 million for the 2006-2007 biennium at revised 2004-2005 rates. That figure took into account adjustments consequential to the first performance report for the 2004-2005 biennium (see p. 1381), and requirement proposals for security, special political missions and other revised estimates and programme budget implications currently before the Fifth Committee, totalling $261.9 million as at 6 December. The total figure amounted to $3,745.6 million, rounded up to $3,760 million.

GENERAL ASSEMBLY ACTION

On 23 December [meeting 76], the General Assembly, on the recommendation of the Fifth Committee [A/59/652], adopted resolution 59/278 without vote [agenda item 107].

Proposed programme budget outline for the biennium 2006-2007

The General Assembly,
Reaffirming its resolution 41/213 of 19 December 1986, in which it requested the Secretary-General to submit in off-budget years an outline of the proposed programme budget for the following biennium,
Reaffirming also section VI of its resolution 45/248 B of 21 December 1990,
Reaffirming further rule 153 of its rules of procedure,
Recalling its resolution 58/269 of 23 December 2003,
Having considered the report of the Secretary-General on the proposed programme budget outline for the biennium 2006-2007 and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions,
1. **Endorses** the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions;

2. **Reaffirms** that the proposed programme budget outline shall contain an indication of the following:
   
   (a) A preliminary estimate of resources needed to accommodate the proposed programme of activities during the biennium;
   
   (b) Priorities, reflecting general trends of a broad sectoral nature;
   
   (c) Real growth, positive or negative, compared with the previous budget;
   
   (d) Size of the contingency fund expressed as a percentage of the overall level of resources;

3. **Also reaffirms** that the budget outline should provide a greater level of predictability of resources required for the following biennium and promote greater involvement of Member States in the budgetary process, thereby facilitating the broadest possible agreement on the programme budget;

4. **Further reaffirms** that the budget proposals of the Secretary-General should reflect resource levels commensurate with mandates for their full, efficient and effective implementation;

5. **Notes** that the budget outline is a preliminary estimate of resources;

6. **Invites** the Secretary-General to prepare his proposed programme budget for the biennium 2006-2007 on the basis of a preliminary estimate of $3,621,900,000 United States dollars at revised 2004-2005 rates;

7. **Decides** that the proposed programme budget for the biennium 2006-2007 shall contain provisions for recosting on the basis of the existing methodology;

8. **Decides also** that the priorities for the biennium 2006-2007 shall be the following:
   
   (a) Maintenance of international peace and security;
   
   (b) Promotion of sustained economic growth and sustainable development, in accordance with the relevant resolutions of the General Assembly and recent United Nations conferences;
   
   (c) Development of Africa;
   
   (d) Promotion of human rights;
   
   (e) Effective coordination of humanitarian assistance efforts;
   
   (f) Promotion of justice and international law;
   
   (g) Disarmament;
   
   (h) Drug control, crime prevention and combating international terrorism in all its forms and manifestations;

9. **Requests** the Secretary-General, in view of his preliminary indicative estimates contained in the proposed budget outline, to reflect the priorities outlined in paragraph 8 above when presenting the proposed programme budget for the biennium 2006-2007;

10. **Decides** that the contingency fund shall be set at the level of 0.75 per cent of the preliminary estimate, namely, at $27.2 million dollars, that this amount shall be in addition to the overall level of the preliminary estimate and that it shall be used in accordance with the procedures for the use and operation of the contingency fund.

**Contributions**

According to the Secretary-General’s report on improving the financial situation of the United Nations [A/59/524/Add.1], unpaid assessed contributions to the UN budget at the end of 2004 totalled $2,887 million (compared to $1,603 million in 2003); outstanding peace-keeping arrears totalled $2,500 million (compared to $1,066 million in 2003); and total unpaid assessments to the international tribunals were reduced to $30 million (compared to $88 million in 2003).

The number of Member States paying their regular budget assessments in full decreased to 124 (compared to 131 at the end of 2003).

**Assessments**

**Application of Article 19**

**Committee on Contributions.** The Committee on Contributions, at its sixty-fourth session (New York, 7-25 June) [A/59/11], reviewed requests from 10 Member States for exemption under Article 19 of the United Nations Charter, whereby a Member would lose its vote in the General Assembly if the amount of its arrears should equal or exceed the amount of contributions due from it for the preceding two full years. The Committee duly noted the Members’ written and oral representations and evaluated them against their payment records and economic and political circumstances.

The Committee noted that Burundi’s request stemmed from its expectation that it would be unable to pay, before 2005, the necessary $14,100 to avoid application of the Article. It further noted that the Central African Republic had still not submitted its promised multi-year payment plan, nor had it made payments against its unpaid assessed contributions since 1994, apart from the $512,567 paid in 1998. In the light of the information that the newly elected parliament of the Comoros was considering the question of its arrears with the expectation that the current exemption request would be the last, the Committee understood that the Comoros would not be able to pay before 31 December the amount necessary to avoid application of the Article. It encouraged Guinea-Bissau, whose outstanding assessments had steadily increased since 1997, to resume reducing them and promptly to submit its intended multi-year payment plan. It encouraged Iraq, which faced exceptional problems, to do likewise.
Niger had submitted a payment plan under which it had already made the first payment. The Republic of Moldova, despite its continuing problems, had more than met its scheduled payments for 2001-2003 and had made an initial payment in 2004. Somalia’s inability to meet its assessments was due principally to the devastating impact of civil war raging in the country since 1991 and of the current drought. Tajikistan, which faced severe economic and social problems, had fulfilled its commitments under its payment plan, exceeding those scheduled for 2000-2004.

The Committee concluded that, since Burundi did not fall under the provisions of Article 19 in 2004, no Assembly action was required in its case. It recalled the Article’s provision that a Member might be permitted to vote if the Assembly was satisfied that its failure to pay the full minimum amount of arrears to avoid application of the Article was due to conditions beyond its control. In that context, it determined that that was true in the cases of the Central African Republic, the Comoros, Guinea-Bissau, Iraq, Niger, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan; it therefore recommended that those nine Members be allowed to vote until 30 June 2005.

At the end of the Committee’s session on 25 June 2004, seven Member States—Benin, Cape Verde, Chad, Iraq, Liberia, Malawi and Mauritania—were in arrears in the payment of their assessed contributions under the terms of Article 19 and had no vote in the Assembly. In addition, nine Members—the Central African Republic, the Comoros, Georgia, Guinea-Bissau, the Niger, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan—were similarly in arrears but had been permitted to vote until 30 June 2004 pursuant to Assembly resolution 58/1 A [YUN 2003, p. 124].

The Committee noted that Cyprus, Morocco, Pakistan and Trinidad and Tobago, availing themselves of the opportunity afforded by Assembly resolution 55/5 B [YUN 2000, p. 131], had paid the equivalent of $2,069,770.03 in non-United States dollar currencies.

**Report of Secretary-General.** During the year, the Secretary-General reported on payments made by certain Member States to reduce the level of their arrears below that specified in Article 19, so that they could vote in the Assembly. As at 19 January [A/58/688], 26 Member States were below the gross amount assessed for the preceding two full years (2002-2003). That number was reduced to 16 by 29 June [A/58/855] and to 13 by 10 September [A/59/350], remaining at that number by 11 October [A/59/430].

**Communications.** On 6 January [A/58/674], Azerbaijan requested, in the light of its continued good payment record, that it be included in the list posted on the website of the Office of the Spokesperson for the Secretary-General of countries that had paid their contributions in full and on time to the UN budget for 2004.

On 1 July [A/C.5/58/40], the Assembly President transmitted to the Fifth Committee a 28 June letter from the Chairman of the Committee on Contributions regarding its report on the requests from Member States concerned for exception under Article 19.

**Statements by Georgia and Liberia.** During the Fifth Committee’s consideration of the item on the scale of assessment for the apportionment of the expenses of the United Nations on 4 October [A/C.5/59/SR.2], Georgia expressed surprise that it should be deprived of its right to vote in the Assembly since, for the first time, it had discharged its obligation in full under its multi-year payment plan but, for reasons beyond its control resulting from the political upheaval in the country in 2003, it had been unable to meet the deadline for submitting the necessary information to the Committee on Contributions. Georgia thus hoped that the Fifth Committee would again authorize its full participation in the work of the United Nations.

At the Committee’s 7 October meeting [A/C.5/59/SR.4], Liberia requested that it be exempted from the application of Article 19 and its right to vote restored for the current Assembly session. It had not been able to pay its assessed contributions owing to the protracted conflict in the country, but would draw up a repayment plan as soon as possible, of which it would inform the Committee on Contributions.

**GENERAL ASSEMBLY ACTION**

On 11 October [meeting 24], the General Assembly, on the recommendation of the Fifth Committee [A/59/421], adopted resolution 59/1 A without vote [agenda item 13].

**Scale of assessments for the apportionment of the expenses of the United Nations: request under Article 19 of the Charter**

**The General Assembly,**

Having considered the letter dated 1 July 2004 from the President of the General Assembly to the Chairman of the Fifth Committee transmitting a letter dated 28 June 2004 from the Chairman of the Committee on Contributions regarding the recommendations of the Committee on Contributions on requests for exemption under Article 19 of the Charter of the United Nations and the statements by the representatives of Georgia and Liberia,

Reaffirming the obligation of Member States under Article 17 of the Charter to bear the expenses of the Organization as apportioned by the General Assembly,
1. **Reaffirms** its role in accordance with the provisions of Article 19 of the Charter of the United Nations and the advisory role of the Committee on Contributions in accordance with rule 160 of the rules of procedure of the General Assembly;

2. **Also reaffirms** its resolution 54/237 C of 23 December 1999;

3. **Agrees** that the failure of the Central African Republic, the Comoros, Guinea-Bissau, Iraq, the Niger, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan to pay the full minimum amount necessary to avoid the application of Article 19 of the Charter was due to conditions beyond their control;

4. **Decides** that the Central African Republic, the Comoros, Guinea-Bissau, Iraq, the Niger, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan should be permitted to vote in the General Assembly until 30 June 2005;

5. **Takes note** of the information provided by Georgia and Liberia;

6. **Concludes** that the failure of Georgia and Liberia to pay the full minimum amount necessary to avoid the application of Article 19 of the Charter was due to conditions beyond their control, and invites Georgia and Liberia to submit appropriate information to the Committee on Contributions if similar circumstances prevail in the future;

7. **Decides** that Georgia and Liberia should be permitted to vote in the General Assembly until 30 June 2005.

**Other matters related to payment of assessed contributions**

The General Assembly also considered the recommendations of the Committee on Contributions on the methodology for future scale of assessments, the criteria for ad hoc adjustments of the rates of assessments and multi-year payment plans, and the treatment of the outstanding assessed contributions of the former Yugoslavia [YUN 2003, p. 1428] (see sections below).

**GENERAL ASSEMBLY ACTION**

On 23 December [meeting 76], the General Assembly, on the recommendation of the Fifth Committee [A/59/421/Add.1], adopted **resolution 59/1 B** without vote [agenda item 113].

**Scale of assessments for the apportionment of the expenses of the United Nations**

The General Assembly,


Recalling also rule 160 of the rules of procedure of the General Assembly,

Having considered the report of the Committee on Contributions on the work of its sixty-fourth session,

Having also considered the report of the Secretary-General on multi-year payment plans, the letter dated 27 December 2001 from the Secretary-General addressed to the President of the General Assembly and the related note by the Secretary-General,

1. **Takes note** of the report of the Committee on Contributions;

2. **Takes note also** of the report of the Secretary-General on multi-year payment plans;

3. **Urges** all Member States to pay their assessed contributions in full, on time and without imposing conditions;

4. **Reaffirms** paragraph 1 of its resolution 57/4 B;

5. **Decides** to defer until the first part of its resumed fifty-ninth (2005) session consideration of the question of the outstanding assessed contributions of the former Yugoslavia.

On 23 December, the Assembly decided that the item on the scale of assessments for the apportionment of the expenses of the United Nations would remain for consideration during its resumed fifty-ninth (2005) session (**decision 59/552**).

**Scale Methodology**

Committee on Contributions. Pursuant to General Assembly resolution 58/1 B [YUN 2003, p. 1421], the Committee on Contributions continued to review the methodology for future scales of assessments in respect of its different elements, as well as the pattern of major scale-to-scale changes in Member States’ rates of assessments in recent scales. In concluding that changes in scale methodology were a significant factor in many cases, it recalled that, while the scale methodology should not be so rigid as to fail to accommodate changes in economic and technical circumstances, part of the Committee’s mandate was to promote stability in the scale methodology, and any proposals for changes in it should be seen in that light.

The Committee undertook an initial review of the criteria for deciding when to replace market exchange rates (MERs) with price-adjusted rates of exchange (PAREs) or other appropriate conversion rates for purposes of preparing the scale of assessment; it would consider the matter further at its 2005 session on the basis of additional information from the UN Statistics Division. Based on its finding that the revised method of calculating PAREs had serious shortcomings as a tool for adjusting exchange rates, the Committee decided not to consider that method further; instead, it would consider, at its session in 2005, the concept of relative PARE, a comparatively simple method reflecting the movement of domestic prices relative to those of the United States, rather than their absolute movement. It decided to review, also in 2005, other elements of the scale methodology so as to reach agreement on the scale of assessments for the 2007-2009 period, to assist the Assembly in considering the question.
Criteria for ad hoc adjustments

The Committee on Contributions [A/59/11], in considering the question of criteria for ad hoc adjustments of the rates of assessment, focused on two recent, distinct requests for such adjustment: one called for a correction stemming from problems with data used in preparing the assessment scale; the other called for an adjustment to reflect substantive changes in relative capacity to pay since the adoption of the scale. The Committee concluded that, because of their exceptional and extraordinary nature, such cases should be considered on a case-by-case basis. It was therefore not feasible to elaborate more specific standard criteria for determining future ad hoc adjustments.

Measures to encourage payment of arrears

Committee on Contributions. The Committee on Contributions [A/59/11], in considering the question of measures to encourage the payment of arrears, had before it updated information on measures used by the UN system to encourage the payment of assessed contributions, which was annexed to its report, and a case study on the impact of incentive measures on the timely payment of assessed contributions in the World Health Organization. The Committee reaffirmed its earlier conclusion that it might be prudent to fix the deadline for timely payment from the date of issuance of the assessments, rather than from the date of their receipt, and to extend the deadline from 30 to 35 days. The Committee decided not to consider further the proposals for incentive payments based on the payment status of Member States, and for priority reimbursements of troop and equipment costs to Member States that were current in their payments to the United Nations, pending more specific guidance from the General Assembly. On the question of interest on or indexation of arrears, the Committee agreed that interest applied to arrears arising after the adoption of the related Assembly decision should also apply to any similar measures that the Assembly might adopt. It decided to consider further, based on information from the Secretariat, the suggestion of a composite approach, whereby payments received within a specified period after the issuance of the assessment would attract a rebate or share of interest income, while payment received after such period would attract a penalty. The Committee recommended that the Assembly encourage Member States with outstanding assessed contributions and credit balances to authorize the Secretariat to apply such credits towards reducing their outstanding assessed contributions.

The Committee also had before it the Secretary-General’s March report [A/59/67] on multi-year payment plans prepared in response to Assembly resolutions 57/4 B [YUN 2002, p. 1385] and 58/1 B [YUN 2003, p. 1424]. Information was provided on the payment plans/schedules submitted by Georgia, the Niger, the Republic of Moldova, Sao Tome and Principe and Tajikistan and on the status of their implementation as at 31 December 2003. During the 2001-2003 period, Tajikistan, the Republic of Moldova, and Sao Tome and Principe had made payments exceeding that foreseen in their schedules. The schedule submitted by Niger and the most recent revision of Georgia’s payment plan only began in 2004. The Committee took note of the payment plan submitted by the Niger in March; of a long-term calendar of debt payments under preparation by the Central African Republic and soon to be announced; and that Guinea-Bissau, which had the issue of multi-year payment plans under continuous consideration, would, as the country’s situation normalized, establish such a plan as a matter of priority. No further plans had been submitted.

The Committee also noted the considerable effort made by those Member States that had honoured their payment plan commitments and urged those that had not yet done so to do likewise so as to reduce their outstanding assessed contributions.

Accounts and auditing

The General Assembly, at its resumed fifty-eighth (2004) session, considered the report of the Board of Auditors on UN peacekeeping operations for the period 1 July 2002 to 30 June 2003 [A/58/5, vol. II], together with the Secretary-General’s report on the implementation of the Board’s recommendation thereon [A/58/737], and ACABQ’s related comments and recommendations [A/58/739]. On 18 June, the Assembly, in resolution 58/249 B, endorsed the Board’s report (see p. 97).

the United Nations Relief and Works Agency for Palestine Refugees in the Near East [A/59/5/Add.3], the United Nations Institute for Training and Research [A/59/5/Add.4], the voluntary funds administered by the Office of the United Nations High Commissioner for Refugees [A/59/5/Add.5], the Fund of the United Nations Environment Programme (UNEP) [A/59/5/Add.6], the United Nations Population Fund (UNFPA) [A/59/5/Add.7], the United Nations Human Settlements Programme (UN-Habitat) [A/59/5/Add.8], the United Nations Drug Control Programme (UNDCP) [A/59/5/Add.9], the United Nations Office for Project Services (UNOPS) [A/59/5/Add.10], the United Nations Commission for Human Settlements [A/59/5/Add.11], the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (ICTR) [A/59/5/Add.12]. The Board also submitted, through the Secretary-General, its report on the financial statements of the United Nations Compensation Commission for the biennium ended 31 December 2003 [S/2004/789].

Introducing the reports in the Fifth Committee [A/C.5/59/SR.10], the Chairman of the Board drew attention to the progress made by the United Nations and its funds and programmes in the implementation of previous Board recommendations, of which 40 per cent had been fully implemented for the 2000-2001 biennium. At the same time, he underscored the principal shortcomings revealed by the audit. According to the Chairman, the Board had modified its audit report on the financial statements of UNDP, UNDCP, UNFPA and UNOPS. It did not express an opinion on the UNOPS statement as it was unable to obtain adequate assurances regarding a number of issues; it was concerned that UNFPA’s guidelines or reporting procedures for their respective shares were non-existent; the former Director of the Investment Management Service of the United Nations and by several of its funds and programmes had been generally close to benchmark, and, in the case of UNICEF, the Board’s previous recommendations on funds management had been implemented. In other instances, however, it had found a number of problems relating to guidelines and management: the United Nations Office at Geneva managed an investment portfolio of $375 million (as at 31 December 2003) without an investment policy or committee, and, over 75 per cent of that portfolio came from Geneva-based funds and programmes, formal guidelines or reporting procedures for their respective shares were non-existent; the former Director of the Investment Management Service of the United Nations Joint Staff Pension Fund had not provided a proper audit trail for the real es-

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The Board had made various recommendations for improving the presentation and disclosure of financial statements and reports, but noted that none of the organizations had addressed the General Assembly’s request in its resolution 57/278 A [YUN 2002, p. 1389] that they examine UN system governance structures, principles and accountability throughout the UN system and make proposals for a future report format. Unfunded end-of-service and post-retirement benefits were also a cause for concern, given that, at 31 December 2003, an aggregate amount of over $3 billion remained unfunded, as did non-expendable equipment of some $1.1 billion. The Board had again noted weaknesses at the United Nations, UNDP, UNFPA, UN-Habitat and UNOPS relating to inadequate physical inventory counts and inaccurate and unreliable inventory records.

Monitoring and control of programme expenditure for several funds and programmes had improved, including efforts to simplify and harmonize resource transfer modalities. As to project management, it had been difficult to compare financial versus technical implementation, with the resultant risk that financial resources could be depleted before projects were completed or that excess resources might not be reprogrammed appropriately. Some projects that were operationally closed remained open in financial terms for long periods. The Board was concerned that 63 UN trust funds, with combined reserves and fund balances of $54 million as at 31 December 2003, did not show any expenditures for the 2002-2003 biennium, except for transactions pertaining to the investment and other related accounts.

The Board noted that the return on the significant funds in short- or medium-term financial assets or investments managed by the United Nations and by several of its funds and programmes had been generally close to benchmark, and, in the case of UNICEF, the Board’s previous recommendations on funds management had been implemented. In other instances, however, it had found a number of problems relating to guidelines and management: the United Nations Office at Geneva managed an investment portfolio of $375 million (as at 31 December 2003) without an investment policy or committee, and, while over 75 per cent of that portfolio came from Geneva-based funds and programmes, formal guidelines or reporting procedures for their respective shares were non-existent; the former Director of the Investment Management Service of the United Nations Joint Staff Pension Fund had not provided a proper audit trail for the real es-

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While some organizations had instituted mechanisms to establish a comprehensive fraud prevention policy, the United Nations system maintained a large number of bank accounts that had encountered problems of disclosure and reconciliation. Further steps had also to be taken to improve the efficiency of inter-agency transactions, since the Board had found a difference of some $22 million between the accounting records of Headquarters and of UNDP.

While recognizing the recent initiatives to improve coordination in information and communication technology, the Board was of the view that a comprehensive, system-wide initiative needed to be implemented. It recognized the need for the United Nations and its funds and programmes to establish a comprehensive fraud prevention policy. While some organizations had instituted measures in that regard, they seldom included formal corruption and fraud risk assessment mechanisms or a fraud prevention committee. Mechanisms for resolving incidents and allegations of corruption and fraud were not always designed or implemented efficiently.

The level of unpaid contributions to ICTR and ICTY, amounting to $34.8 million and $33 million, respectively, had significantly worsened their financial positions, leading to cross-borrowing from peacekeeping operations. The Board remained concerned that those tribunals might not be able to complete their work by the 2010 deadline.

By a July note [A/59/162], the Secretary-General transmitted to the Assembly a summary of the Board’s principal findings, conclusions and recommendations, classified by audit area. He also submitted his first report [A/59/318 & Add.1] on measures taken to implement the Board’s recommendations on the accounts for the biennium ended 31 December 2003. The related comments and observations of ACABQ were contained in its 1 October report [A/59/400].

**GENERAL ASSEMBLY ACTION**

On 23 December [meeting 76], the General Assembly, on the recommendation of the Fifth Committee [A/59/5], adopted resolution 59/264 without vote [agenda item 106].

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,


Having considered, for the period ended 31 December 2003, the financial reports and audited financial statements and the reports and audit opinions of the Board of Auditors on the United Nations, the International Trade Centre UNCTAD/WTO, the United Nations University, the United Nations Development Programme, the United Nations Children’s Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the voluntary funds administered by the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the Fund of the United Nations International Drug Control Programme, the United Nations Office for Project Services, the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Commited in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991; the concise summary of principal findings, conclusions and recommendations contained in the reports prepared by the Board of Auditors, the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors by the United Nations and its funds and programmes and the report of the Advisory Committee on Administrative and Budgetary Questions,

1. **Accepts** the financial reports and audited financial statements and the reports and audit opinions of the Board of Auditors for the above-mentioned organizations, with the exception of the financial statements of the United Nations Office for Project Services;

2. **Notes with concern** that the Board of Auditors was unable to express an opinion on the financial statements of the United Nations Office for Project Services, and acknowledges the comprehensive steps taken by the Office to address the issues raised by the Board;

3. **Notes** the view of the Board of Auditors that it would be premature to conduct an audit in 2005 of the financial statements of the United Nations Office for Project Services for 2004 owing to the time needed to address the critical issues raised in the Board’s report, and decides to revert to the issue, at its sixtieth session, in the context of the report of the Board of Auditors on the implementation of its recommendations relating to the biennium 2002-2003;

4. **Approves** the recommendations and conclusions contained in the reports of the Board of Auditors and endorses the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions, with the proviso that, should the need arise, the recommendations and conclusions of the Board of Auditors and the comments thereon by the Advisory Committee, including those on the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia, the capital master plan and the United Nations Relief and Works Agency for Palestine Refugees in the Near East, and the United Nations Institute for Training and Research, the voluntary funds administered by the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the Fund of the United Nations International Drug Control Programme, the United Nations Office for Project Services, the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991; the concise summary of principal findings, conclusions and recommendations contained in the reports prepared by the Board of Auditors, the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors by the United Nations and its funds and programmes and the report of the Advisory Committee on Administrative and Budgetary Questions,
Nations Joint Staff Pension Fund, will be considered under the respective agenda items;

5. **Commends** the Board of Auditors for the superior quality of its reports, in particular with respect to its comments on the management of resources and improving the presentation of financial statements;

6. **Notes with concern** the late issuance of the reports of the Board of Auditors despite the timely submission of these reports to the Secretariat, and requests the Secretary-General to ensure sufficient priority in completing their editing and translation in order that they may be submitted to the General Assembly in accordance with the six-week rule;

7. **Takes note** of the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors by the United Nations and its funds and programmes, and invites the Board of Auditors, in consultation with the Secretary-General and the executive heads of the funds and programmes, to categorize the recommendations according to their priority for implementation;

8. **Requests** the Secretary-General and the executive heads of the funds and programmes of the United Nations to indicate an expected time frame for the implementation of the recommendations of the Board of Auditors, including the office holders to be held accountable;

9. **Reiterates its request** to the Secretary-General and the executive heads of the funds and programmes of the United Nations to examine governance principles and to report thereon to the General Assembly at its sixty-first session, through the respective governing bodies of the funds and programmes of the United Nations;

10. **Requests** the Secretary-General and the executive heads of the funds and programmes of the United Nations also to consider strengthening the internal control framework, harmonizing the administrative mechanisms that would systematically act upon the findings and recommendations of oversight bodies and improving financial reporting, as well as the proper forums for the consideration of the reports of the Board of Auditors by the respective executive boards and the General Assembly, and to report thereon to the General Assembly at its sixty-first session;

11. **Notes** that the Secretariat has been collecting information on the experiences of audit committees within the United Nations system and other international organizations, and requests the Secretary-General to report on and provide an assessment of its findings to the General Assembly at its sixtieth session.

On 23 December, the Assembly decided that the item on the financial reports and audited financial statements, and the Board of Auditors would remain for consideration at its resumed fifty-ninth (2005) session (decision 59/552).

**Administrative and budgetary coordination**

The General Assembly, at its resumed fifty-eighth session had before it the Secretary-General’s note transmitting the report of the Joint Inspection Unit (JIU) on support costs related to the extrabudgetary activities in UN system organizations [YUN 2002, p. 1391], the comments of ACABQ [A/57/434] and those of the Secretary-General and the United Nations System Chief Executives Board for Coordination (CEB) [YUN 2003, p. 1429] on the recommendations contained in the report, and a note by JIU [A/59/714] containing further clarifications on its recommendations 1, 4, 6, 8 and 9 as requested by the Assembly in decision 58/560 [YUN 2003, p. 1429].

**GENERAL ASSEMBLY ACTION**

On 8 April [meeting 83], the General Assembly, on the recommendation of the Fifth Committee [A/58/572/Add.2], adopted resolution 58/283 without vote (agenda item 120).

**Report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system**

**The General Assembly,**

Recalling its decision 58/560 of 23 December 2003,

Having considered the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system, the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon and the related report of the Advisory Committee on Administrative and Budgetary Questions, as well as the note by the Joint Inspection Unit submitted in response to General Assembly decision 58/560, clarifying further some of the recommendations contained in its report,

1. **Concurs** with the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report, subject to the provisions of the present resolution;

2. **Takes note** of the comments of the Secretary-General and those of the United Nations System Chief Executives Board for Coordination;

3. **Endorses** the recommendations contained in the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system to the extent that they apply to the United Nations, subject to the provisions of the present resolution;

4. **Recognizes** that recommendations 2, 3, 5, 6, 8 and 10 are directed to executive heads, and invites executive heads to consider those recommendations;

5. **Takes note** of recommendation 1, and agrees with the Joint Inspection Unit that governing bodies should take the steps they consider necessary to ensure that extrabudgetary resources are accepted for purposes that are consistent with programme priorities and approved mandates;

6. **Also takes note** of recommendation 4, and draws the attention of legislative organs to the practice of the United Nations Children’s Fund under which interest earned on some extrabudgetary contributions is retained by the organization, and invites legislative organs to consider the applicability or relevance of this practice to them.
7. Further takes note of recommendation 9, and agrees with the Joint Inspection Unit that legislative organs should enact support cost policies to ensure that extrabudgetary resources continue to be mobilized and deployed effectively so as to further the mandated activities in developmental, humanitarian and other substantive areas, and also agrees that those policies should be straightforward, transparent, easy to administer and must provide for a consistent and equitable approach to special arrangements.

CEB report. By a September note [A/59/315], the Secretary-General transmitted to the General Assembly the CEB statistical report on the budgetary and financial situation of the organizations of the UN system. The Assembly took note of the report on 23 December (decision 59/548).

Also on 23 December, the Assembly decided that the items on the review of the efficiency of the administrative and financial functioning of the United Nations, and on the administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency would remain for consideration at its resumed fifty-ninth (2005) session (decision 59/352).

Programme planning

Strategic framework for 2006-2007

In May, the Secretary-General submitted the proposed strategic framework for 2006-2007 [A/59/6 (Part One) & Corr.1], which represented a translation of legislative mandates into programmes and subprogrammes. As affirmed by the General Assembly in its resolution 58/269 [YUN 2003, p. 1395], the strategic framework, to replace the four-year medium-term plan, constituted the principal policy directive of the United Nations and served as the basis for programme planning, budgeting, monitoring and evaluation.

The framework comprised two parts. Part one was a plan outline reflecting the longer-term objectives of the internationally agreed development goals, including those contained in the United Nations Millennium Declaration [YUN 2000, p. 49] and the outcomes of major UN conferences and international agreements since 1992. It also included the priorities for the 2006-2007 biennium, proposed for reaffirmation by the Assembly: maintenance of international peace and security; promotion of sustained economic growth and development; development of Africa; promotion of human rights; coordination of humanitarian assistance; promotion of justice and international law; disarmament; and drug control, crime prevention and combating international terrorism.

Part two was the biennial programme plan, covering 26 programmes structured as in the current (2002-2005) medium-term plan, each corresponding to the work to be carried out by an organizational entity, usually at the departmental level, and subdivided into subprogrammes, each corresponding to an organizational entity, generally at the division level. The international drug control programme and the crime prevention and criminal justice programme were combined into the international drug control, crime prevention and criminal justice programme (new programme 11). The Management and support services programme (programme 24) was modified to include in greater depth the work of UN offices away from Headquarters: Geneva, Vienna and Nairobi. A new programme (programme 26) was included to reflect the work of the International Civil Service Commission, JIU and the Office of the United Nations Security Coordinator.

CPC [A/59/16], having examined the Secretary-General’s proposed 2006-2007 strategic framework, recommended that the Assembly review part one at its fifty-ninth (2004) session and approve the programme narrative of 21 of the 26 programmes in part two, with certain modifications. It further recommended that the Assembly allocate, for consideration and action prior to submission to the Fifth Committee, programme 3, Disarmament, to the First (Disarmament and International Security) Committee; programme 10, Trade and development, to the Second (Economic and Financial) Committee, following its consideration in the light of the recommendations of the Working Party on the Medium-term Plan and the Programme Budget of UNCTAD made at its resumed forty-second session; programme 19, Human rights, to the Third (Social, Humanitarian and Cultural) Committee; programme 23, Public information, to the Fourth (Special Political and Decolonization) Committee; and review programme 25, Internal oversight, at its fifty-ninth session.

On 4 [A/C.5/59/14], 9 [A/C.5/59/15] and 16 November [A/C.5/59/17], and 20 December [A/C.5/59/26], the Assembly President submitted to the Chairman of the Fifth Committee the revised versions of programmes 23, 10, and 3 and 19 of the 2006-2007 strategic framework as approved by the respective Assembly Committee.

On 22 December, the Assembly took note of the report of the Second Committee [A/59/601] (decision 59/542), and on 23 December, the reports of the First Committee [A/59/68] (decision 59/544), the Fourth Committee [A/59/621] (dec-
sion 59/545) and the Third Committee [A/59/609] (decision 59/546).

GENERAL ASSEMBLY ACTION

On 23 December [meeting 76], the General Assembly, on the recommendation of the Fifth Committee [A/59/601], adopted resolution 59/275 without vote [agenda item 109].

Programme planning

The General Assembly,


Having considered the report of the Committee for Programme and Coordination on the work of its forty-fourth session, the proposed strategic framework for the period 2006-2007: part one: plan outline and part two: biennial programme plan and the reports of the Secretary-General on the programme performance of the United Nations for the biennium 2002-2003 and on priority-setting, as well as the report of the Office of Internal Oversight Services on strengthening the role of evaluation findings in programme design, delivery and policy directives,

Appreciating the letters from the President of the General Assembly transmitting the recommendations of the First Committee concerning programme 3, Disarmament, the Second Committee concerning programme 10, Trade and development and the Special Political and Decolonization Committee (Fourth Committee) concerning programme 23, Public information, and concerning programme 19, Human rights,

Emphasizes the role of the plenary and the Main Committees in reviewing and taking action on the appropriate recommendations of the Committee for Programme and Coordination relevant to their work, in accordance with regulation 4.10 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation;

Strategic framework for the period 2006-2007

Recalling paragraph 5 of its resolution 58/269, in which it requested the Secretary-General to prepare, on a trial basis, a strategic framework, which would comprise in one document a plan outline, reflecting the longer-term objectives of the Organization, and a biennial programme plan, to cover two years,

1. Notes that the proposed strategic framework for the period 2006-2007 constitutes the first proposal submitted since the adoption of its resolution 58/269;

2. Also notes that the Committee for Programme and Coordination at its forty-fourth session recommended that the General Assembly review part one, plan outline, of the proposed strategic framework for the period 2006-2007;

3. Recalls its decision in resolution 58/269 to review, with a view to taking a final decision at its sixty-second session, the format, content and duration of the strategic framework, including the necessity of maintaining part one;

4. Decides, in view of the differences between Member States on the content of part one: plan outline of the proposed strategic framework for the period 2006-2007, to take no decision on part one;

5. Requests the Secretary-General to prepare and propose a plan outline, reflecting the longer-term objectives of the Organization, and a biennial programme plan in the context of the strategic framework for the biennium 2006-2007, based, inter alia, on the following principal criteria:

(a) The longer-term objectives consistent with all the relevant legislative mandates in all areas of the activities of the United Nations;
(b) Outcomes of the intergovernmental conferences and summits;
(c) Inputs from relevant programme managers;
(d) Use of intergovernmentally agreed terms and expressions;
6. Invites the Committee for Programme and Coordination to consider at its forty-fifth session additional guidelines, if any, for the preparation of the plan outline;

7. Decides that the priorities for the period 2006-2007 shall be the following:

(a) Maintenance of international peace and security;
(b) Promotion of sustained economic growth and sustainable development in accordance with the relevant resolutions of the General Assembly and recent United Nations conferences;
(c) Development of Africa;
(d) Promotion of human rights;
(e) Effective coordination of humanitarian assistance efforts;
(f) Promotion of justice and international law;
(g) Disarmament;
(h) Drug control, crime prevention and combating international terrorism in all its forms and manifestations;

8. Requests the Secretary-General to prepare the proposed programme budget for the biennium 2006-2007 based, on the above priorities and the biennial programme plan as adopted in the present resolution;

9. Also requests the Secretary-General to issue in one document, before the forty-fifth session of the Committee for Programme and Coordination, only the priorities and the biennial programme plan, as adopted in the present resolution;

10. Endorses the conclusions and recommendations of the Committee for Programme and Coordination on the proposed biennial programme plan for the period 2006-2007 contained in the report of the Committee on the work of its forty-fourth session, those of the First Committee regarding programme 3, Disarmament, those of the Second Committee regarding programme 19, Human rights and those of the Special Political and Decolonization Committee (Fourth Committee) regarding programme 23, Public information, subject to the provisions of the present resolution and the additional modifications contained in the annex hereto;

II. Requests the Secretary-General to propose a relevant indicator of achievement for programme 1, General Assembly and Economic and Social Council affairs and conference management, section A, Conference management, New York, subprogramme 4, Meetings
and publishing services, in the context of the proposed programme budget for the biennium 2006-2007;

12. Notes that the overall system of the administration of justice in the Secretariat will be considered by the General Assembly at its fifty-ninth session;

13. Requests the Secretary-General to make recommendations to the General Assembly by the end of its fifty-ninth session on how to ensure the ongoing discharge of key functions of the Office for the Coordination of Humanitarian Affairs of the Secretariat at Headquarters as defined by the Committee for Programme and Coordination;

Programme performance report


15. Endorses the conclusions and recommendations of the Committee for Programme and Coordination regarding the report of the Secretary-General;

16. Stresses that, while future reports on programme performance will be more aligned with the objectives, expected accomplishments and indicators of achievement, information on the outputs shall continue to be provided in the reports;

17. Requests the Secretary-General to ensure that future programme performance reports provide more detailed information on the reasons for less-than-full implementation of programmed outputs, or the postponement and termination thereof;

Evaluation

18. Recalls paragraph 19 of its resolution 58/299, in which it emphasized the need to strengthen the monitoring and evaluation system;

19. Reemphasizes the importance of the contribution of the relevant intergovernmental bodies, in particular the Main Committees of the General Assembly, in reviewing the relevant recommendations on evaluation;

20. Reiterates section III of its resolution 57/282 on evaluation;

21. Requests the General Committee to take fully into account the above-mentioned resolutions in the allocation of agenda items to the Main Committees;

22. Endorses the conclusions and recommendations of the Committee for Programme and Coordination on strengthening the role of evaluation findings in programme design, delivery and policy directives, on in-depth evaluation of the programme on public administration, finance and development, on the triennial review of the implementation of the recommendations made by the Committee on the in-depth evaluation of sustainable development and on the triennial evaluation of the recommendations made by the Committee on the in-depth evaluation of the population programme, and on the further development of topics for a pilot thematic evaluation;

Improving the working methods and procedures of the Committee for Programme and Coordination within the framework of its mandate

23. Requests the Secretary-General to schedule the organizational session of the forty-fifth session of the Committee for Programme and Coordination as soon as possible at the resumed session of the Fifth Committee at the fifty-ninth session;

24. Recalls paragraph 18 of its resolution 58/299, in which it invited the Committee for Programme and Coordination to submit, at its forty-fourth session, recommendations on improving its working methods;

25. Welcomes the decision of the Committee for Programme and Coordination to revert to the agenda item entitled “Improving the working methods and procedures of the Committee for Programme and Coordination within the framework of its mandate”, as a matter of priority, at the beginning of its forty-fifth session;

Other conclusions and recommendations of the Committee for Programme and Coordination

26. Endorses the conclusions and recommendations of the Committee for Programme and Coordination regarding the annual overview report of the United Nations System Chief Executives Board for Coordination for 2005, and its conclusions and recommendations regarding the report of the Secretary-General on United Nations system support for the New Partnership for Africa’s Development;

27. Also endorses the recommendation of the Committee for Programme and Coordination on the report of the Secretary-General on priority-setting;

Other matters

28. Invites the Committee for Programme and Coordination to take appropriate measures to ensure that the discussion sections of the report of the Committee are drafted so as to reflect fully the opinions expressed by delegations.

Annex

Additional modifications to the proposed biennial programme plan for the period 2006-2007

Programme 1

General Assembly and Economic and Social Council affairs and conference management

Overall orientation

In the second sentence of paragraph 1.3, after “the control and limitation of documents,” add “in accordance with legislative mandates.”.

A. Conference management, New York

Subprogramme 4

Meetings and publishing services

Delete indicator of achievement (b) (ii) and delete “(i)” in indicator of achievement (b) (i).

A, B, C and D. Conference management, New York, Geneva, Vienna and Nairobi

Subprogramme 2

Planning, development and coordination of conference services

Under Strategy, replace the text of paragraphs 1.5 (c), 17 (c), 1.10 (c) and 1.15 (c) of sections A, B, C and D, respectively, with the following: “Upgrading, pursuant to the managerial responsibilities of the Secretary-General, the technological capacity in conference services in line with new developments in technology, in accordance with legislative mandates, while keeping the General Assembly aware of new technologies that can be issued in the Organization to achieve timeliness and better quality of services provided.”
At the end of expected accomplishment (b), add “where feasible and more cost-effective, without adversely affecting the quality of services provided”.

Subprogramme 4
Meetings and publishing services

Under Strategy, in paragraphs 1.9 (b), 1.12 (b) and 1.15 (b) of sections A, B, C and D, respectively, after “documentation publishing”, add “to achieve better quality, and timeliness”.

Programme 21
Palestine refugees

Overall orientation

After the first sentence of paragraph 21.2, add the following sentence: “In its resolution 3331 (XXIX) of 17 December 1974, the General Assembly decided that, with effect from 1 January 1975, the expenses relating to the emoluments of international staff in the service of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, which would otherwise have been charged to voluntary contributions, should be financed by the regular budget of the United Nations for the duration of the Agency’s mandate.”

Subprogramme 1
Internal audit

The objective of the Organization should read as follows: “To ensure efficient and effective implementation and management of programmes, activities and operations by programme managers, in accordance with the relevant legislative mandates, regulations and rules.”

Expected accomplishment (c) should read as follows: “Improved levels of efficiency and effectiveness in the implementation of programmes, and enhanced accountability by programme managers.”

Subprogramme 2
Monitoring, evaluation and consulting

The objective of the Organization should read as follows: “To strengthen programme implementation by monitoring the delivery of the programmes using results-based management methods as well as their outputs and to determine whether they are adequate, timely and in accordance with the mandates, whether they address effectively the objectives of the programmes and whether the resources are used efficiently.”

Subprogramme 3
Investigations

The objective of the Organization should read as follows: “To ensure compliance with regulations and rules of the United Nations and to minimize the occurrence of fraud, violations of regulations and rules of the United Nations, mismanagement, misconduct, waste of resources and abuse of authority.”

Expected accomplishment (a) should read as follows: “Better protection of the Organization’s assets and resources and greater compliance with the Organization’s rules and regulations.”

Also on 23 December, the Assembly decided that the item on programme planning would remain for consideration at its resumed fifty-ninth (2005) session (decision 59/552).

Priority-setting

The Secretary-General submitted a May report [A/59/87], prepared in response to General Assembly resolution 58/268 [YUN 2003, p. 1450], which described the experience with priority-setting since the introduction of programme planning and budgeting in 1974, gave a brief historical background of matters related to its implementation and discussed a number of related issues. Annexed to the report were: a list of the designated priorities for the medium-term plan and related parts of the programme budget for 1998-2001 and 2002-2005; and a series of extracts on priority-setting from the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation [ST/SG/R/2000/8].

According to the report, the system of priority-setting as a guide for focusing on issues consid-
eready by Member States as requiring specific attention and for allocating resources had encountered difficulties related to the structure of planning and budget documents as well as to questions of definition, criteria for designating priorities, political considerations, governance mechanisms, level of activity, unforeseen events and limited resources. While different criteria had been applied over the years, the problem was not how to implement the designated priorities but how to identify, agree upon and designate them, which was usually a political process. Moreover, the link between the designation of priorities and the level of resources was not always obvious, and technical budgetary issues unrelated to priority-setting for programmes could affect relative resource allocations. At the level of the programme budget, therefore, the determination of whether or not priorities established by Member States had been adequately reflected required careful scrutiny and analysis.

The Secretary-General recommended that the Assembly, taking into account the recommendations in resolution 58/269 [YUN 2003, p. 1395] and bearing in mind the most recent changes to the planning and budgeting process (see above), might wish to decide that priorities reflecting general trends of a broad sectoral nature would continue to be established for the strategic framework, on the recommendation of CPC, that the priorities in the budget outline would be in conformity with those contained in the strategic framework; and that both strategic framework and budget outline, once approved, would serve as the basis for the Secretary-General’s proposed programme budget.

CPC [A/59/16] decided to continue consideration of the Secretary-General’s report at its 2005 session and recommended that the Assembly defer its consideration of the report also to 2005.

Programme performance

In an April report [A/59/69] on the programme performance of the United Nations for the 2002-2003 biennium, the Secretary-General gave an overview of key results achieved, delivery of outputs, and resource utilization and proposals for strengthening results-based monitoring and reporting. Under the 2002-2003 programme budget, a total of 33,131 outputs had been committed for implementation, including 27,681 programmed outputs, 2,957 added by legislative bodies and 1,937 by the Secretariat. Of the total, 22,706 were implemented, 643 were postponed to the next biennium and 4,324 were terminated. The implementation rate for mandated outputs was 84 per cent, while the total rate was 85 per cent. Of the 27 budget sections, 17 achieved implementation rates of 90 per cent or higher; only two sections registered markedly below-average rates. The most important factor affecting implementation rates was the number of outputs terminated, with the Department of General Assembly and Conference Management and the Department of Disarmament Affairs having the largest absolute and relative number of terminations, namely, 1,139 and 1,051, respectively, accounting for 30.6 per cent of all outputs terminated by the Secretariat. Implementation utilized 590,693 work-months.

The Secretary-General said that, during the 2002-2003 biennium, results of the Organization’s activities were demonstrated in areas that ranged from facilitating new international agreements in all priority areas, setting up reliable mechanisms for monitoring their implementation and assisting in enhancing national and regional capacities to translate them into reality, to developing stronger peacemaking, peacekeeping and peace-building capacity, providing humanitarian assistance, assisting in the development of economic and social policies and building capacity, and advising on policy choices in support of sustainable development and environmental protection. Furthermore, the robust and extensive use of information technology during the biennium had greatly improved programme performance.

The distinguishing feature of the overview of achievements was that, for the first time, the programme performance report followed the results-based-budgeting approach. Efforts to create a results-based culture resulted in greater awareness of the importance of tracking the progress of results as they materialized and in more streamlined monitoring and reporting procedures. However, the degree of acceptance and ownership of the results-based concept and of its mastery varied significantly between departments and offices.

One of the main challenges in preparing the report was finding an effective means of tackling deficiencies and weaknesses in expected accomplishments and achievement indicators formulated more than two years ago. That was achieved by invoking relevant supplementary evidence and encouraging departments and offices to factor in the results of relevant evaluations into their performance reporting. The lessons from that experience led to the establishment of performance measures for the indicators of achievement in the proposed 2004-2005 programme budget and were taken into account in the development of the 2006-2007 strategic framework (see p. 1400).
The experience during the biennium highlighted the crucial importance of programme managers taking ownership of the objectives, expected accomplishments and indicators of achievement, and motivating their staff to focus on results. It had become clear that multifaceted efforts to strengthen results-based performance management, monitoring and reporting were not resource-neutral. Conceptual development, improvement of methods, strengthening of data collection and continuous and thorough training in all aspects of that enterprise required investment at the level of departments and offices and at the central monitoring and reporting point.

CPC consideration. CPC [A/59/16] took note of the performance report, particularly its improved format and sharper focus on results. It recommended that the Assembly request the Secretary-General to continue to explore ways to streamline and modernize future performance reports, including through greater use of electronic documentation and support materials; improve the implementation of results-based budgeting and management of programmes, with increased emphasis on results; and provide support and guidance to all departments in managing for results, including the issuance of guidelines, handbooks or manuals for the monitoring and evaluation of work undertaken so as to determine its continued relevance, usefulness, efficiency and effectiveness. CPC also recommended that future reporting on programme performance be more closely aligned with the objectives, expected accomplishments and indicators of achievement. Noting the inclusion in the report of a list of subprogrammes under each programme with highlights of programme results and subsections on subprogramme accomplishments, CPC requested that the 2004-2005 performance report include in each section a brief description of challenges, obstacles and unmet goals in order to facilitate the evaluation of issues affecting programme performance.

Evaluation

OIOS report. In May [A/59/79], the Secretary-General transmitted to the General Assembly, through CPC, the report of the Office of Internal Oversight Services (OIOS) presenting an overview for 2002-2003 of the Secretariat’s evaluation capacity and the application of evaluation findings in programme design and delivery and policy directives. It examined the progress in implementing action called for in the Secretary-General’s 2002 report [YUN02, p. 1368] that envisaged a strengthened results-oriented evaluation and monitoring system to better measure the impact of the Organization’s work. It described five specific actions under way in the Secretariat to define roles and responsibilities for monitoring and evaluation, and for developing a stronger evaluation capacity within its programmes. The review concluded that the Secretariat’s evaluation capacity was sustained by reasonably sound institutional arrangements and evaluation practices which could nevertheless be improved in the short term.

In its conclusions and recommendations, OIOS stated that the strengthening of monitoring and evaluation envisaged by the Secretary-General should include addressing the following key issues by programme managers: ensuring that the organizational placement and arrangements for the evaluation function were revisited in each programme; establishing the practice of reviewing evaluation results by senior management; identifying resources for carrying out monitoring and evaluation functions in all sections of the proposed 2006-2007 programme budget; and ensuring the preparation of evaluation plans for each programme along with the 2006-2007 budget proposals. OIOS would issue guidelines on evaluation planning in conjunction with the 2006-2007 budget instructions and would lead the production of a glossary of evaluation terms to be used uniformly in the Secretariat.

To help managers and Member States assess results and use lessons learned when making decisions on future plans, a revised time line of activities had been developed to enhance the availability and use of programme and performance evaluation for planning and budgeting, which involved the preparation of preliminary performance assessments by programme managers in the last quarter of the biennium prior to formulating strategic frameworks at the end of the biennium. Programme managers should emphasize reliance on baselines, benchmarks, performance measures and other qualitative indicators in carrying out evaluation; formulate lessons learned based on evaluation findings; draw up action plans for follow-up on lessons learned, with concrete responsibilities and deadlines; incorporate lessons learned into training activities; and monitor the implementation of evaluation recommendations and assign accountability for it.

CPC consideration. CPC [A/59/16] requested OIOS to include in future in-depth and thematic evaluations and triennial reviews, a section on questions regarding which intergovernmental guidance and follow-up would be useful, focusing on practical and policy issues, the solution of which required cooperation between the Secretariat and intergovernmental bodies. It took note of actions identified in the report to define roles and responsibilities for monitoring and eval-
uation, and recommended that the action calling for the recruitment, selection and assessment of programme managers with monitoring and evaluation skills and for the development of a suitable training programme be considered at the Assembly’s fifty-ninth (2004) session in the context of the agenda item on human resources management. It endorsed the suggestion on support from intergovernmental bodies.

CPC also recommended that the relevant programme of the proposed strategic framework be considered in conjunction with the corresponding section of the programme performance report; since that report covered a period of two bienniums prior to the biennium covered by the proposed strategic framework, the Secretariat should present updated information on the relevant parts of the performance report.

Other OIOS reports submitted to CPC by the Secretary-General included reports on: further development of topics for a pilot thematic evaluation [E/AC.5/2004/2]; in-depth evaluation of the programme on public administration, finance and development [E/AC.5/2004/3] (see p. 852); triennial review of the implementation of the recommendations made by CPC at its forty-first (2001) session on the in-depth evaluation of sustainable development [E/AC.5/2004/4] (see p. 835); and the triennial review of the implementation of CPC recommendations made at the same session on the in-depth evaluation of the population programme [E/AC.5/2004/5 & Corr.1] (see p. 1087).

CPC selected the theme “Political affairs” for its in-depth evaluation in 2006, and agreed that OIOS should undertake a thematic evaluation on the theme “Linkages between headquarters and field activities: a review of best practices for poverty eradication in the framework of the United Nations Millennium Declaration” [YUN 2000, p. 49].