UN Financial Situation

At his semi-annual briefing in October 2005 to the Fifth (Administrative and Budgetary) Committee regarding the UN’s financial situation, the UN Controller, Warren Sach, provided a cautious outlook on the state of the UN’s finances for the remainder of the year. With major payments anticipated from the United States by the end of the year, the UN’s cash on hand for all assessment accounts would be similar to last year’s level of $2.9 billion. One concern was the increase in the amounts owed to UN troop contributors, which was expected to increase to $779 million by the end of the year, as compared to $549 million at the end of 2004. Another concern related to the financial situation of the international war crime tribunals in former Yugoslavia and Rwanda, which had $74 million in unpaid assessments as of October 7, 2005. The amount was reduced to $17 million by the end of the year, following payments by the U.S. and other UN members. In closing his presentation, Mr. Sach noted the limited ability of the United Nations to weather shortfalls in the payment of assessed contributions and urged all UN members to make such payments in “a fuller and more timely fashion.”

The United Nations ended 2005 with members’ arrears totaling $3.310 billion for assessments relating to the UN regular budget, the international war crimes tribunals in the former Yugoslavia and Rwanda, UN peacekeeping operations, and the UN Capital Master Plan. This figure was approximately $1 billion higher than at the end of 2004 when $2.332 billion was outstanding. The higher figure reflected primarily amounts owed for the UN peacekeeping operations, which accounted for $2.969 billion of the total owed at the end 2005. The total owed for the UN regular budget was $314 million, and the amounts owed for the international war crimes tribunals and the UN Capital Master Plan were $17 million and $9 million, respectively.

The United States accounted for $1.1 billion, or one-third, of the total amount owed by all UN members at the end of 2005. Most of the U.S. amount, $833 million, related to UN peacekeeping operations. As in past years, the U.S. payment pattern was affected by the delay in enactment of the funding appropriation for the current fiscal year. Enactment of the fiscal year 2006 appropriation occurred in late November 2005, or nearly two months after the start of the fiscal year on October 1. Only partial payments could be made up to that point from funds made available under various continuing resolutions. With respect to the UN regular budget, the United States was able to pay $355 million toward its annual assessment of $439 million before the end of the year. The remainder of the assessment, $84 million, would be paid in calendar year 2006. With enactment of the fiscal year 2006 appropriation, the United States also was able to pay by December 31, 2005, the full amount, $78 million, of its current year assessments for the two international war
crimes tribunals. The total U.S. payments in the course of calendar year 2005 for all UN assessments amounted to $1.614 billion, or 25.48 percent of the $6.334 billion in total payments made by all UN members during 2005. Most of the U.S. payments, approximately $1.1 billion, related to assessments for peacekeeping.

**UN Budget**

At its regular 60th session in autumn 2005, the UN General Assembly adopted resolutions approving the final budget for the biennium 2004–2005 and the initial budget for the biennium 2006–2007. All resolutions were adopted by consensus.

On December 23, 2005, the General Assembly adopted Resolution 60/245, which approved the final level of the UN program budget for the biennium 2004–2005. The approved amount of $3,655,800,600 represented a reduction of $81,708,200 from the previous level of $3,737,508,800, and was based on the Secretary-General’s second budget performance report for the biennium. The reduction resulted primarily from exchange rate gains owing to a stronger U.S. dollar, lower than estimated inflation costs, and a higher than estimated staff vacancy rate, which reduced the overall costs for staff remuneration. The United States joined consensus in the adoption of Resolution 60/245. Prior to approval of the final budget level, the Fifth Committee (Administrative and Budgetary) on December 16, 2005, took the unusual action of voting for a measure proposed by the G-77 that would provide additional conference services for informal consultations of the Committee beyond 6 p.m. and on weekends until the end of the main part of the 60th session. The United States and other like-minded members opposed the measure, which would result in additional costs of $257,200 and would represent a departure from the concept of UN budget discipline. By a recorded vote of 80 to 34 (U.S.), with 4 abstentions, the measure was adopted as General Assembly Decision 60/539.

In the late hours of December 23, 2005, the General Assembly adopted by consensus Resolutions 60/246, 60/247 A-C, and 60/248, which approved the initial 2006–2007 UN budget at a level of $3,798,912,500. The key element of the budget decision was contained in paragraph 3 of Resolution 60/247A, which limited UN expenditures to $950 million, or approximately six months, in the course of which “...the General Assembly, in order to ensure the availability of resources for program delivery, will act in response to a request from the Secretary-General, at an appropriate time, for expenditure of the remaining funds.” The paragraph reflected the efforts of the United States, Japan, and other like-minded members to maintain the momentum of management and related reforms, as approved by heads of state in the Outcome Document from the September World Summit. The G-77 did not at the time accept a direct linkage between implementing reforms and eventual lifting of the cap. While some reform measures were endorsed by the General Assembly in the course of its autumn session, including the establishment of a UN Ethics Office, provision for an independent external evaluation of
oversight and audit in the UN system, and the creation of an Independent Audit Advisory Committee in the United Nations, the majority of the management reforms approved in the Outcome Document were not acted upon prior to the adoption of the 2006–2007 UN budget in late December.

In his statement to the General Assembly following adoption of the 2006–2007 UN budget, the U.S. Deputy Permanent Representative to the United Nations, Ambassador Alejandro Wolff, outlined U.S. expectations in the coming months with regard to the implementation of further reforms and the lifting of the $950 million spending cap:

“The United States welcomes today’s General Assembly decision to approve budgetary arrangements that will permit ongoing UN operations and activities while member states continue discussions on implementing the reforms they agreed to during the September 2005 World Summit... It is clear that in six months we can assess progress on management reform issues and then decide how to address resource questions for the remainder of 2006. We have the ability, which the negotiators of the resolution have acknowledged, to refrain from joining consensus on the next budget decision.”

The major reform initiatives to be addressed by the General Assembly in early 2006 included the review of UN mandates that were more than five years old, the Secretary-General’s proposals regarding management reforms, and the recommendations contained in the report of the independent external evaluation of oversight and audit in the UN system. A decision on the lifting of the $950 million spending cap was expected to occur in June, following a request from the Secretary-General.

**Scale of Assessments**

On December 23, 2005, the General Assembly adopted by consensus Resolution 60/237, which granted temporary exemption from loss of voting rights to nine UN member states in accordance with Article 19 of the UN Charter. Article 19 prescribes that a member of the United Nations, which is in arrears to the organization, shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount due from it for the two preceding years. The General Assembly may, nevertheless, permit such a member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the member.

The General Assembly granted temporary exemption from loss of vote through the end of its 60th session to the following members: Central African Republic, Comoros, Georgia, Guinea-Bissau, Liberia, Niger, Sao Tome and Principe, Somalia, and Tajikistan. The United States joined consensus in the adoption of Resolution 60/237.

The General Assembly also decided to defer until its resumed 60th session in 2006 consideration of the methodology to be used in the preparation of the scale of assessments for the period 2007–2009, with a view to giving
guidance to the Committee on Contributions on the matter. Japan sought the deferral, indicating that it was not yet ready to submit a proposal for the next scale, but intended to do so at the resumed 60th session. Other members, including the United States, also indicated that they would be submitting proposals at the resumed session, which would convene in March 2006.

**Committee for Program and Coordination (CPC)**

The Committee for Program and Coordination (CPC) is comprised of 34 members elected by the General Assembly on the basis of equitable geographic distribution among regions. The United States is one of the longest serving members of the CPC, participating every year since 1974. CPC members serve for periods of three years, and may serve multiple successive terms. The CPC is the main subsidiary organ of the Economic and Social Council (ECOSOC) and the General Assembly for planning, programming, and coordination. The CPC is charged with reviewing and recommending priorities among UN programs, guiding the Secretariat on translating legislation into programs, developing evaluation procedures, and making recommendations on where duplication could be avoided. The CPC considers the activities of UN agencies on a sectoral basis in order to recommend guidelines that take into account the need for system-wide coherence and coordination.

The CPC held its 45th session from June 6 to July 1, 2005, in New York. Although its agenda was light compared to past sessions, the poor leadership by the chairs, delaying tactics employed by the Group of 77 (G-77), and divergent interpretations of the budget reform resolution adopted in 2003 weakened the effectiveness of the Committee and minimized its utility. The United States and other like-minded members, in particular the United Kingdom, were disappointed by the Committee’s failure to reach consensus on proposals to improve CPC’s working methods. The United States believed that the CPC’s dysfunctional nature and failure to accomplish its mandate prompted the United Kingdom to withdraw its membership from CPC following the session.

As a result of concerns that the G-77 were trying to weaken the budget reform resolution, the United States sought to block the G-77’s attempts to formally introduce the budget and thereby impede the G-77’s attempt to ensure that the CPC would have the ability to review whether the program mandates in the biennial program plan, a component of the Strategic Framework, were identical to the program mandates in the budget. In a compromise, the UN Controller made a statement explaining the new mandate changes since the adoption of the Strategic Framework and delegations were allowed to comment on differences they perceived between the budget and biennial program plan. After much debate, the Committee recommended that the overview parts of the budget section addressing programmatic issues should be identical to the overall orientation section of the biennial program plan.
The CPC endorsed the benchmarking framework proposed by the Joint Inspection Unit in the report entitled “Overview of the series of reports on managing for results in the United Nations” as a helpful tool for the Secretary-General and the oversight bodies. The Committee also encouraged the Secretary-General to play a more active role in harmonizing the implementation of results-based management (RBM) throughout the UN system. During discussion of this item, the United States indicated a desire for the United Nations to implement RBM to the fullest extent possible and encouraged the sharing of best practices and harmonization of the implementation of RBM systems among UN agencies.

Under the agenda item on evaluation, the Committee reviewed and provided conclusions and recommendations on the following reports by the Office of Internal Oversight Services (OIOS): “Linkages between headquarters and field activities: a review of the best practices for poverty eradication in the framework of the United Nations Millennium Declaration”; “In-depth evaluation of human settlements”; “Triennial review of the implementation of recommendations made by the Committee at its forty-second session on the evaluation of the subprograms on General Assembly and Economic and Social Council affairs and Council support and coordination”; and “Triennial review of the implementation of recommendations made by the Committee at its forty-second session on the evaluation of legal affairs.” For the most part, the Committee’s conclusions and recommendations merely supported findings reached by the OIOS and offered little if any new insight.

The Committee selected “knowledge management networks in the pursuit of the goals of the Millennium Declaration” for the next OIOS thematic evaluation. The United States had expressed a preference for the selection of this topic, noting that it would be a relevant follow-up to the OIOS thematic evaluation on headquarters/field linkages.

Under its agenda item on coordination, the Committee considered the Secretary-General’s report on the UN system support for the New Partnership for Africa’s Development (NEPAD) and the report of the UN system Chief Executives Board for Coordination (CEB). With respect to the NEPAD report, the Committee welcomed improvements in coordination, reporting, and resource mobilization within the framework of NEPAD and encouraged continuing improvements in this regard.

The CEB report generated much discussion on the CEB’s role in implementing the goals of the Millennium Declaration, system-wide strategies for conflict prevention, the UN information and communication and technology strategy, trends in voluntary funding, and human resource issues related to the work of the International Civil Service Commission. However, despite numerous sessions, the recommendations approved by the Committee offered no strategic guidance to the CEB or ECOSOC on any of the issues raised in the report. For this reason, the United States supported efforts to eliminate this agenda item from the CPC’s consideration. The G-77 strongly resisted this attempt and in a compromise, the Committee agreed to
recommendations calling for a more strategic approach to the CEB report in future CPC sessions.

During the session, the CPC again failed to reach consensus on how to reform the Committee’s working methods, despite the fact that the General Assembly had welcomed the body’s decision during its 44th session to address this item as a matter of priority. The United States urged the Committee to adopt reforms that would, among other things, better organize the program of work, rationalize the agenda and meeting time, improve the format of the report, and limit the participation of observers in the Committee’s decision-making process. This failure of the Committee to agree on any improvements led the United States to dissociate from the report of the CPC.

The United States was frustrated and disappointed over the CPC’s continuously poor performance and marginal utility. This caused the United States to consider the utility of continued participation on the Committee. No decision was made in 2005.

Audit Reports

The Board of Auditors, based in New York, serves as the external auditor of UN accounts, its funds and programs, the International War Crimes Tribunals for Rwanda and the former Yugoslavia, and the International Court of Justice. The General Assembly elects members to serve six-year terms, which cannot be served consecutively. In 2005, the Board was composed of the Auditors-General of the Philippines, South Africa, and France. Additional information is available online at www.unsystem.org/auditors.

Since the Board of Auditors issues most of its reports in even-numbered years (in line with the financial periods of most of the organizations under its oversight, which are biennial ending in odd-numbered years), the Fifth Committee (Administrative and Budgetary) only had three reports to consider in 2005. During the regular session in fall 2005, the Fifth Committee discussed the Board’s report on the voluntary funds administered by the UN High Commissioner for Refugees (UNHCR) for the year ended December 31, 2004, and the report on the implementation of the Board’s recommendations from the biennium 2002–2003, as well as the report by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning both reports.

The U.S. delegate commended the Board for its report on the UNHCR and stated that the Board had provided a helpful assessment of the financial position of the UNHCR, as well as an overview of key financial and management issues faced by the Commission. The delegate noted some areas of concern in UNHCR, including the continuing depletion of financial reserves and the significant unfunded liabilities for end-of-service and post-retirement benefits. The U.S. delegate explained that the UNHCR’s $336 million in long-term liabilities was a serious matter and that the “UNHCR, in conjunction with member states, must address this issue or risk serious financial jeopardy.” The delegate also stressed that investment and cash-management duties
needed to be appropriately segregated between UNHCR’s Finance and Treasury sections and called upon UNHCR to address this matter immediately.

During the Fifth Committee’s consideration of the Board’s report on the implementation of its recommendations relating to the biennium 2002–2003, the U.S. delegate stated that the implementation rate of 46 percent was notable given that the overall number of recommendations has increased over the previous three biennia. However, the delegate also expressed concern regarding the increase in the percentage of recommendations that had yet to be implemented and called for intensified efforts to implement all recommendations fully.

On December 23, 2005, the General Assembly adopted Resolution 60/234 by consensus, which endorsed the recommendations of the Board of Auditors and the ACABQ concerning UNHCR and the implementation of the Board’s recommendations from the 2002–2003 biennium. The General Assembly took steps to improve the implementation rate for recommendations in the future by calling on the Secretary-General and the executive heads of the UN funds and programs to set timeframes and identify individuals with responsibility for implementation.

In December 2005, the Fifth Committee also began separate discussions of the Board’s report on the Capital Master Plan and the associated ACABQ report as part of the overall consideration of the Capital Master Plan. However, the Fifth Committee deferred action on the Capital Master Plan until 2006.

Joint Inspection Unit (JIU)

The Joint Inspection Unit (JIU), based in Geneva, Switzerland, is an external oversight body for the entire UN system, performing inspections, investigations, and evaluations. The JIU produces reports, notes, and confidential letters detailing its recommendations. It is accountable to member states through the General Assembly and through the governing bodies of UN specialized agencies. The JIU is funded from the UN regular budget and the budgets of specialized UN agencies.

The JIU is comprised of 11 inspectors as well as research and support personnel. According to the JIU statute, the inspectors should be “chosen from among members of national supervision or inspection bodies, or from among persons of a similar competence on the basis of their special experience in national or international administrative and financial matters, including management questions.” The inspectors are elected by the General Assembly and limited to serve two five-year terms. In 2005, Mr. Ion Gorita (Romania) was the Unit’s Chair, and Ms. M. Deborah Wynes (United States) was the Vice-Chair.

The JIU produced the following nine reports in 2005, in addition to a separate document entitled “Report of the Joint Inspection Unit for 2004 and program of work for 2005.” These reports and other information on the JIU are available at: http://www.unjiu.org/.
United States Participation in the United Nations—2005


- Some Measures to Improve Overall Performance of the United Nations System at the Country Level; Part I: A Short History of United Nations Reform in Development; and Part II (JIU/REP/2005/2 Parts I and II)

- Policies of United Nations System Organizations Towards the Use of Open Source Software (OSS) in the Secretariats (JIU/REP/2005/3)


- External Review of the Implementation of Strategic Budgeting Within a Results-based Management Framework in the International Labour Organization (ILO) (JIU/REP/2005/6)

- Policies of United Nations System Organizations Towards the Use of Open Source Software (OSS) for Development (JIU/REP/2005/7)


- Common services in Vienna: Buildings Management Services (JIU/REP/2005/9)

The General Assembly considered the “Report of the Joint Inspection Unit for 2004 and Program of Work for 2005” as well as the JIU report “Harmonization of the Conditions of Travel throughout the UN System” (JIU/REP/2004/10).

Under the agenda item pertaining to the JIU, the United States expressed concern regarding the JIU’s planned 2005 study on oversight gaps; welcomed the JIU’s efforts to improve the quality of its reports; sought the earlier release of the JIU’s program of work; and continued to push for further reform of the JIU, as requested in General Assembly Resolution 59/267. With respect to the travel report, the United States advocated for the General Assembly to adopt the JIU recommendation that only heads of organizations should be allowed to travel in first-class. However, no decisions were taken with respect to these items during the regular Assembly session. As a result of a crowded Fifth Committee (Administrative and Budgetary) agenda, consideration of the resolution was deferred to the March 2006 resumed session.

The Committee for Program and Coordination, in its 2005 session, endorsed the benchmarking framework proposed by the JIU in the report entitled “Overview of the series of reports on managing for results in the United Nations” (JIU/REP/2004/5) as a helpful tool for the Secretary-General and the oversight bodies. During discussion of this item, the United States
indicated a desire for the United Nations to implement results-based management (RBM) to the fullest extent possible and encouraged the sharing of best practices and harmonization of the implementation of RBM systems among UN agencies.

Office of Internal Oversight Services (OIOS)

The Office of Internal Oversight Services (OIOS) is based in New York. In July 2005, Inga-Britt Ahlenius (Sweden) was appointed by the Secretary-General, following consultation with the General Assembly, to a five-year non-renewable appointment as the Under Secretary-General for Internal Oversight Services. She succeeded Dileep Nair (Singapore), whose term expired in April. General Assembly Resolution 48/218B states that the “purpose of [OIOS] is to assist the Secretary-General in fulfilling his internal oversight responsibilities in respect of the resources and staff of the organization through the exercise of the following functions:” which are listed as monitoring, internal audit, inspection, evaluation, investigation, and “implementation of recommendations and reporting procedures.” In addition to these mandated responsibilities, OIOS provides some management consulting services.

In 2005, OIOS continued to work as an effective oversight body. The Fifth Committee (Administrative and Budgetary) considered several OIOS reports including the annual report for the year ending June 30, 2005. According to the annual report, OIOS made 2,167 recommendations. OIOS classified 35.9 percent of these recommendations as critical because they addressed issues such as “improvements in productivity, savings, and recovery of resources and accountability for fraud, waste, and abuse.” Of all the recommendations OIOS issued during the reporting period, 50.3 percent had already been fully implemented as of June 30, 2005. OIOS recommendations identified approximately $35.1 million in potential cost savings and recoveries in the current reporting period. Total actual savings and recoveries for the period of July 1, 2004–June 30, 2005, was $18 million, which included recommendations from this and previous reporting periods.

OIOS uses a risk-management framework to determine its annual work program. In the 2005 annual report, OIOS explained that it used this framework to “focus resources to those areas that have the greatest exposure to fraud, waste, abuse, inefficiencies and mismanagement.” OIOS outlined the criteria used in determining its annual work program as follows: “risks to the organization’s resources and reputation; mandates of the General Assembly; requests from departments and offices for oversight coverage; large budget items; new activities with no previous oversight coverage; and priority areas for the Secretary-General.” Many of OIOS’ reports to the General Assembly are available on its website www.un.org/depts/oios. Examples of specific audits and investigations performed by OIOS in the period covered by the annual report included the following:

- Investigations by OIOS uncovered serious cases of sexual abuse and misconduct by UN peacekeepers at the UN Organization Mission in the
Democratic Republic of the Congo and elsewhere and made recommendations to help detect and prevent future cases of misconduct. To address this matter, the U.S. delegate pressed other members to send a “strong political signal” that sexual abuse or other misconduct would not be tolerated. In June 2005, the General Assembly adopted by consensus Resolutions 59/296 and 59/300 that provided additional authority and resources for OIOS’ Investigations Division to handle cases of sexual exploitation and abuse.

- OIOS characterized procurement as “one of the most significant risks to the organization in terms of the potential for inefficiency, uneconomical contracting, fraud, corruption, and abuse.” Consequently, OIOS activities focused on procurement, both at headquarters and in the field, including investigations into allegations of corrupt behavior by UN staff; audits of the Committees on Contracts at the UN High Commissioner for Refugees and the UN offices in Geneva, Nairobi, and Vienna; audits of several UN peacekeeping missions; and a report on the Capital Master Plan.

- A comprehensive risk assessment of the Tsunami relief operations in South Asia, which identified ways to improve the coordination and management of the efforts of multiple UN organizations. Investigators also recommended enhancing field security, addressing weaknesses in the procurement process, and establishing a regional oversight office for all involved agencies.

The annual report also informed member states that OIOS did not have sufficient resources to carry out its mandated activities, particularly in the area of extrabudgetary activities. The report further noted the findings of the Independent Inquiry Committee into the Oil-for-Food program that recommended strengthening OIOS’ budgetary independence. The United States agreed with the Committee that OIOS should have greater financial independence. To address this recommendation, the OIOS annual report proposed that the budgets of UN funds and programs should include an allocation for OIOS to ensure adequate oversight coverage.

During UN Fifth Committee discussions in October concerning the annual OIOS report, the United States pressed for the implementation of all of OIOS’ recommendations. In her statement to the Fifth Committee, Ambassador Anne W. Patterson noted a relative decline in the implementation rate compared with previous annual reports and called upon OIOS to create an automated system that would track the implementation of recommendations. Consideration of a resolution on the annual report was deferred until March 2006. However, the General Assembly did approve by consensus additional resources for OIOS’ investigations and auditing division (see Resolution 60/247 A-C), as well as an external review of OIOS (see Resolution 60/248).

In 2005, OIOS had 194 staff, and a budget of $32.2 million.
Human Resources Management

In 2005, the UN General Assembly’s Fifth Committee (Administrative and Budgetary) considered and reached consensus on a limited number human resource management issues. At its resumed 59th session, in June 2005, the General Assembly decided to defer to its 60th session consideration of the Secretary-General report on the list of staff of the UN Secretariat; the biennial report of the Secretary-General on the use of gratis personnel, indicating nationality and summarizing duration of service and function performed; the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) regarding gratis personnel; and the Secretary-General report on a comprehensive assessment of the system of geographical distribution and assessment of the issues relating to possible changes in the number of posts subject to the system of geographical distribution.

In the Fifth Committee, the United States expressed concern about the continuing occurrence of over-represented, under-represented, and un-represented states, as well as the apparent lack of inclination of the Secretariat to limit the hiring of nationals from over-represented states. Additionally, the United States noted that senior management at the highest levels should expect and demand timely results on the issue of adequate representation from department heads and not accept the status quo.

The Secretary-General proposed amendments to the Staff Regulations to enhance the financial accountability of UN staff involved in the management of the organization’s resources and zero tolerance for UN staff who commit sexual exploitation and sexual abuse. The United States pushed for and supported these overdue changes.

Although the United States supported increasing the financial disclosure requirements, the proposal did not go far enough. The United States raised a concern that the strengthened requirements meant to enhance financial accountability of UN staff did not cover all officials serving on intergovernmental bodies, such as the ACABQ, the International Civil Service Commission, the Joint Inspection Unit, and others. While consensus could not be reached on this point, the General Assembly adopted by consensus a resolution that increased the breadth of financial disclosure reporting, including by senior officials and those with fiduciary responsibilities. Due to the attention given to this matter by the United States and like-minded member states, the Secretariat clarified its interpretation of the existing rules and actual practices to mean that the Secretary-General can require these experts and other staff officials to submit these forms.

On December 23, 2005, the General Assembly adopted by consensus Resolution 60/238, the Fifth Committee’s recommended resolution on human resources management, which, among other things:

- Requested the Secretary-General to ensure that the highest standards of efficiency, competence and integrity serve as the paramount consideration
in the employment of staff, with due regard for the principle of equitable geographical distribution;

- Requested the Secretary-General to submit to the General Assembly a report on the activities of the Management Performance Board, including how the internal system of accountability has been improved to hold program managers accountable for achieving the objectives contained in human resources action plans;

- Requested the Secretary-General to provide an assessment of recruitment to certain entry-level posts, including the effect of the national competitive examinations and, if relevant, recommendations on how to improve this method of recruitment; and,

- Approved an amendment to staff regulations that would require all staff members at the D-1 or L-6 level and above to file financial disclosure statements on appointment and at intervals thereafter as prescribed by the Secretary-General, in respect of themselves, their spouses, and their dependent children, and to assist the Secretary-General in verifying the accuracy of the information submitted when so requested.

**International Civil Service Commission (ICSC)**

The International Civil Service Commission (ICSC), a 15-member body of recognized experts, is responsible for making recommendations on salaries, allowances, benefits, and other conditions of service (the “common system”) for employees of the United Nations and its specialized agencies. Lucretia Myers, a U.S. citizen, served the final year of her four-year term that expired December 31, 2005, and was re-elected during the 60th General Assembly. Ms. Myers’ new term as the U.S. member on the Commission will expire December 31, 2009.

In 2005, the Commission met in Bangkok and New York for its 60th and 61st sessions, respectively. At the two sessions, the Commissioners focused on expanding the definition and changing the rate of hazard pay, increasing by 2.49 percent the base/floor salary scale in 2006 for professional staff via a consolidation of post adjustment, modernizing and simplifying allowances, and the pilot study for broad-banding/ pay-for-performance.

The ICSC revised the conditions for awarding hazard pay to include the risk from life threatening diseases. The Commission also decided to set the level of hazard pay at $1,300 per month, an increase from $1,000.

The Commission found that because of the increase in the U.S. federal civil service salaries (the UN’s comparator), the UN common system’s base/floor salary scale should be increased by 2.49 percent in 2006 by consolidating post adjustment on a no loss/no-gain basis. This is done to ensure that staff will neither benefit nor gain from the changes in the post adjustment.

The Fifth Committee (Administrative and Budgetary) of the General Assembly discussed the 2005 report of the ICSC during its 60th session. The United States raised concerns that UN organizations may be deviating from
the parameters set by the ICSC for the pilot study for broad-banding and pay-
for-performance systems. The United States stressed that General Assembly
Resolution 59/268 stated that no new strategy on these issues should be
pursued until the General Assembly had had time to review the results of the
initial pilot study.

The Fifth Committee welcomed, but deemed too costly, the
Commission’s recommendation to comprehensively review the current scheme
of mobility, hardship, and benefit paid when household goods are not shipped
to the new duty assignment. The review was aimed at updating these benefits
so that the ICSC might better address these the current conditions of service,
compensate staff for hardship service, and encourage mobility.

The United States was encouraged by the ICSC’s adoption of a new
framework of guidelines for determining the type and nature of employment
contracts. The United States will continue to push member states to act on this
long overdue simplification of the current overly complex contract system.

Efforts by the United States, Canada, Australia, and New Zealand to
reform the ICSC continued to be blocked by the G-77, China, and Russia,
which favored continuation of the status quo, opposed term limits, and
prevented application of any professional/experience/education criteria for
commissioner selection.

Due to the stalemate on ICSC reform, the Fifth Committee did not
approve a resolution on ICSC recommendations.

Employment of Americans

The U.S. Department of State assists qualified U.S. citizens in
competing for professional positions in the United Nations and other
international organizations. The Department’s UN Employment Information and
Assistance Unit, along with counterparts within numerous other federal
agencies, supports this effort by disseminating announcements of vacancies in
international organizations to Americans worldwide. In a typical year, the
Department provides direct assistance to hundreds of Americans and general
information about employment opportunities in international organizations to
thousands of others. U.S. missions to the United Nations and other
international organizations in New York, Geneva, Montreal, Nairobi, Paris,
Rome, and Vienna, as well as some embassies, also provide support for this
function through regular contacts with UN agency officials. While the U.S.
Government places special emphasis on recruiting and promoting Americans
for key, senior-level positions throughout the UN system, it supports recruitment
at all levels, including by sponsorship of the UN’s National Competitive
Recruitment Exam to identify Americans for entry-level positions.
**Total Employment Numbers**

The following chart shows the total number of Americans in professional and senior positions as of December 31, 2005, in the United Nations, its specialized agencies, and the International Atomic Energy Agency (IAEA). It does not include the international financial institutions or the World Tourism Organization.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Total</th>
<th>Americans</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN Secretariat</td>
<td>4,136</td>
<td>446</td>
<td>10.8%</td>
</tr>
<tr>
<td>UN Peacekeeping Operations</td>
<td>1,840</td>
<td>179</td>
<td>9.7%</td>
</tr>
<tr>
<td>UN Subsidiary Bodies</td>
<td>12,738</td>
<td>946</td>
<td>7.4%</td>
</tr>
<tr>
<td>UN Specialized Agencies and IAEA</td>
<td>9,388</td>
<td>773</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,102</td>
<td>2,344</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

**Agencies with Geographic Targets**

The UN Secretariat and several of the specialized agencies have established systems of “desirable ranges” reflecting each organization’s targeted geographic representation for member states. Generally, these ranges are driven by formulas that weight variables—typically membership, individual member country assessment level, and population. Each individual agency’s governing body establishes these formulas and the number and type of positions subject to geographic consideration. The following chart lists those UN agencies that had such ranges in 2005—the Food and Agriculture Organization (FAO), the International Civil Aviation Organization (ICAO), the International Labor Organization (ILO), the UN Educational, Scientific, and Cultural Organization (UNESCO), and the World Health Organization (WHO)—and the number and status of Americans on board as of December 31, 2005. (Note: These figures represent only those professional posts “subject to geographic distribution” that were funded from the UN agencies’ assessed budgets.)
Table 2
UN-Related Agencies with Geographic Ranges for Employment

<table>
<thead>
<tr>
<th>UN Agency</th>
<th>U.S. 2005 Assessment</th>
<th>Total Filled</th>
<th>Desirable Range</th>
<th>Filled by Americans</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN</td>
<td>22%</td>
<td>2,606</td>
<td>298-404</td>
<td>307</td>
</tr>
<tr>
<td>FAO</td>
<td>22%</td>
<td>1,100</td>
<td>138-187</td>
<td>141</td>
</tr>
<tr>
<td>ICAO</td>
<td>25%</td>
<td>201</td>
<td>26</td>
<td>13</td>
</tr>
<tr>
<td>ILO</td>
<td>22%</td>
<td>643</td>
<td>86-115</td>
<td>86</td>
</tr>
<tr>
<td>UNESCO</td>
<td>22%</td>
<td>732</td>
<td>46-76</td>
<td>30</td>
</tr>
<tr>
<td>WHO</td>
<td>22%</td>
<td>1,571</td>
<td>142-193</td>
<td>176</td>
</tr>
</tbody>
</table>

In 2005, the percentage of U.S. citizens in posts subject to geographic distribution in the United Nations, FAO, ILO, and WHO declined from the previous year, while the percentage increased in ICAO and UNESCO.

Agencies Seeking Geographic Balance

Other UN specialized agencies do not have official geographic ranges but are required to give due consideration to geographic balance when making appointments. The following chart lists those UN agencies, the level of the U.S. regular budget contribution, total professional posts filled that are subject to geographic consideration (i.e., not necessarily all professional posts), or if the agency doesn’t make such a distinction, the number and percent of total filled professional posts, and the number and percent of Americans in such posts as of December 31, 2005. These agencies are the IAEA, the International Maritime Organization (IMO), the International Telecommunication Union (ITU), the Universal Postal Union (UPU), the World Intellectual Property Organization (WIPO), and the World Meteorological Organization (WMO).

Table 3
UN-Related Agencies without Geographic Ranges for Employment

<table>
<thead>
<tr>
<th>UN Agency</th>
<th>U.S. 2005 Assessment</th>
<th>Professional Posts Filled</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAEA</td>
<td>25.9%</td>
<td>766</td>
</tr>
<tr>
<td>IMO</td>
<td>3.5%</td>
<td>97</td>
</tr>
<tr>
<td>ITU</td>
<td>8.9%</td>
<td>282</td>
</tr>
<tr>
<td>UPU</td>
<td>5.7%</td>
<td>97</td>
</tr>
<tr>
<td>WIPO</td>
<td>6.6%</td>
<td>357</td>
</tr>
<tr>
<td>WMO</td>
<td>21.6%</td>
<td>124</td>
</tr>
</tbody>
</table>
Following is a chart of staffing levels in other major UN bodies funded through voluntary contributions to which official geographic ranges do not apply. These bodies include the Joint UN Program on HIV/AIDS (UNAIDS), the UN Development Program (UNDP), the UN High Commissioner for Refugees (UNHCR), the UN Children’s Fund (UNICEF), the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), and the World Food Program (WFP).

Table 4
UN Programs and Funds Receiving Voluntary Contributions with No Geographic Employment Ranges

<table>
<thead>
<tr>
<th>UN Agency</th>
<th>Total</th>
<th>U.S. Number</th>
<th>U.S. Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNAIDS</td>
<td>179</td>
<td>13</td>
<td>7.3%</td>
</tr>
<tr>
<td>UNDP</td>
<td>3,040</td>
<td>189</td>
<td>6.2%</td>
</tr>
<tr>
<td>UNHCR</td>
<td>1,877</td>
<td>136</td>
<td>7.2%</td>
</tr>
<tr>
<td>UNICEF</td>
<td>3,684</td>
<td>260</td>
<td>7.1%</td>
</tr>
<tr>
<td>UNRWA</td>
<td>132</td>
<td>21</td>
<td>15.9%</td>
</tr>
<tr>
<td>WFP</td>
<td>1,193</td>
<td>116</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

In 2005, for at least part of the year, Americans held the top position in three UN agencies: UNICEF (Ann Veneman, Executive Director), WFP (James Morris, Executive Director), and UNRWA (Karen Koning AbuZayd, Commissioner-General). Americans also held one of the second-most senior posts in FAO (Deputy Director-General), IAEA (Deputy Director-General), ILO (Executive Director, Social Dialogue Sector), Office of the UNHCR (Deputy High Commissioner), WHO (Under Secretary-General), and WIPO (Deputy Director-General). Three Americans held the rank of Under Secretary-General (USG) at the UN Secretariat, including the USG for Management, the Special Representative of the Secretary-General for the UN Mission in the Republic of Congo, and the Special Representative of the Secretary-General and Coordinator of UN Operations in Liberia. Four other Americans held UN Secretariat positions at the Assistant Secretary-General level.

Representation of U.S. Women

Throughout the year, UN agencies continued to give special attention to recruiting qualified women. In 2005, American women represented about 49 percent of all Americans in professional and senior positions in the UN Secretariat, and about 46 percent of Americans in such positions in the United Nations, its subsidiary bodies and specialized agencies, and the IAEA.

U.S. Government Secondments

The United States has a long-standing policy of supporting UN agencies by seconding federal employees to them either on “transfer” (in
which the employee is paid by the UN agency but retains reemployment rights with the U.S. agency), or on “detail” (in which the employee typically remains on the U.S. payroll, but serves at the UN agency). These assignments may last as long as eight years. During 2005, a total of 115 federal employees from 14 federal agencies were on detail or transfer to UN system agencies (the UN Secretariat, UN subsidiary bodies, UN specialized agencies, and the IAEA), representing about 4.9 percent of the Americans who worked in professional positions. Of the 57 employees on “detail” to UN agencies, the vast majority came from the Department of Health and Human Services—primarily from the Centers for Disease Control and Prevention—on assignment to WHO. Of the 58 employees on “transfer” to UN agencies, the largest number (14) were from the Department of Transportation who worked for ICAO. [Note: This reflects a decrease from previous years’ reports which included information on secondments to non UN organizations.]

**Junior Professional Officers**

The United States also continued to fund a number of Junior Professional Officer positions at the UNHCR (14), FAO (1), and WFP (1). Such positions allow officers to develop experience to make them competitive for future positions.

**Capital Master Plan**

The UN Capital Master Plan (CMP) consists of full renovation of the UN headquarters complex in New York. The UN facilities, the majority of which are 55 years old, are not compliant with building codes for fire and life safety; they also are energy inefficient and do not meet modern security requirements. The proposal for the CMP was first introduced by the UN Secretary-General in 2000 and endorsed, in principle, by the General Assembly in 2002 by Resolution 57/292.

In 2005, the UN re-assessed options for executing the CMP due to the loss of their planned swing space. At the same time, other changes were presented to member states, including updated construction-cost inflation data and a revised construction start date. All of these changes resulted in an increase in the project cost estimate. The United Nations presented three viable strategies for implementing the project. The full-scope strategy was expected to cost approximately $1.8 billion and take seven years to complete construction. It also presented a new option for financing the project, using direct assessments instead of a U.S. loan.

In June, the General Assembly adopted Resolution 59/295 providing the UN funding to proceed with design and pre-construction work on the CMP, and requesting that the Secretary-General report back at its 60th session on a wide range of questions on the CMP. The CMP was taken up during the 60th session in fall 2005; however, further decision on both project implementation strategy and the method of financing was deferred by the General Assembly until its next resumed session in 2006. However, an
additional $26 million in funding was provided in 2005 in order for design and pre-construction work to continue.

This new information presented by the United Nations generated a great deal of discussion among members on how best to proceed with the CMP. The United States sought to ensure that the project management processes put in place were sound and that rigorous oversight was being applied to the project as it progressed. While the United States continued to support the CMP overall, it urged diligence in containing costs and advocated that a prudent approach be taken in moving forward on the CMP.