

Chapter I

Strengthening and restructuring of the United Nations system

In 2000, the United Nations introduced new measures to further the process of reform of the Organization, including the drafting of a human resources reform package, the elaboration of an information technology policy and the development of a capital master plan. In his report to the Millennium Summit of the General Assembly, the Secretary-General identified constraints preventing the Organization from being more modern and flexible. The Assembly, in the Summit Declaration, urged the Secretariat to make better use of its resources by adopting the best management practices and technology available.

The Secretary-General reported on the implementation of Assembly resolution 54/14 on measures adopted to improve procurement in the United Nations and in the field. He reviewed the work of the UN oversight bodies: the Office of Internal Oversight Services and the Joint Inspection Unit.

The Secretary-General reported some progress in the continuing discussions on increasing the membership of the Security Council within the Open-ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and Other Matters related to the Security Council. He made recommendations to further implement the resolutions of the Assembly and the Economic and Social Council on the restructuring and revitalization of the United Nations in the economic, social and related fields.

Programme of reform

General aspects

The Secretary-General continued to implement his programme for UN reform, first introduced in 1997 [YUN 1997, p. 1389]. In his annual report on the work of the Organization (see p. 3), he said that considerable progress had been made during 2000 towards achieving the goal of creating an organizational culture that was responsive and results-oriented. Important developments were the drafting of a human resources reform package, an information technology policy and a capital master plan.

The reform package in human resources proposed fundamental changes in accountability, mobility, recruitment, placement and promotion, and contractual mechanisms (see p. 1337). Other reforms called for improvements in human resource planning and performance management, the streamlining of rules and procedures, the enhancement of skills and competency development, better conditions of service and strengthening the administration of justice. The information technology policy addressed the introduction and management of new information technologies and their use as vehicles for the distribution and management of information. It would also allow for more effective dissemination of greater amounts of information within the United Nations. In that regard, the Department of Public Information implemented a range of innovations to increase the breadth and depth of communication about the United Nations and its work, especially the millennium promotional campaign under the theme "The United Nations Works", which explained how the Organization was addressing the main challenges of the twenty-first century (see p. 572). The long-term capital master plan advanced possible solutions and financing options for dealing with major repairs and refurbishment of the Headquarters complex (see p. 1405).

In other areas, efforts continued to improve the Organization's productivity in terms of the quality, impact and cost-effectiveness of UN programmes, central to which was efficient management. Efficiency and transparency in the procurement process increased. The process of simplifying and streamlining the rules and procedures of the Organization continued, as did preparations to shift to results-based budgeting (see p. 1295). However, the greatest challenge to improving management and productivity over the past three bienniums continued to be financial constraints.

In his March report to the Millennium Summit (see p. 55), entitled "We the peoples: the role of the United Nations in the twenty-first century" [A/54/2000], the Secretary-General said that, were the international community to create a new United Nations, its make-up would have to be different from the current one, whose structure reflected decades of mandates conferred by Member States and, in some cases, the legacy of

political disagreements. While there was widespread consensus on the need to make the United Nations more modern and flexible, unless Member States were willing to contemplate real structural reform, severe limits to what the Organization could achieve would continue. UN resources were not commensurate with its global tasks, given the continuing stagnant budgets, non-payment of dues and imposition of new mandates without additional resources for their execution. The United Nations could not do its job in many areas, because disagreements among Member States precluded the consensus needed for effective action. Moreover, the intrusive and detailed oversight that Member States exercised over programme activities made it difficult to maximize efficiency or effectiveness. To reduce the built-in bias towards institutional inertia afflicting the Organization's work and to facilitate the strategic redeployment of resources, the Secretary-General proposed time limits or "sunset provisions" for initiatives involving new organizational structures or major commitment of funds. A more people-oriented United Nations had to be more results-based, in both staffing and resource allocation.

The General Assembly, by **decision 54/489** of 5 September, included in the draft agenda of its fifty-fifth (2000) session the sub-item entitled "United Nations reform: measures and proposals".

The Assembly, in the Millennium Declaration adopted by **resolution 55/2** on 8 September (see p. 49), resolved to ensure that the Organization was provided on a timely and predictable basis with the resources needed to carry out its mandates. It urged the Secretariat to make the best use of those resources by adopting the best management practices and technologies available and by concentrating on those tasks reflecting the agreed priorities of Member States.

By **decision 55/458** of 23 December, the Assembly decided that the item on UN reform should remain for consideration during its resumed fifty-fifth (2001) session.

Managerial reform and oversight

Procurement

In response to General Assembly resolution 54/14 [YUN 1999, p. 1271], the Secretary-General in February reissued his 1999 report [ibid., p. 1273] to revise the definition of "exigency needs" as it pertained to procurement reform. As revised, the term meant "an exceptional compelling and emergent need, not resulting from poor planning or from concerns over the availability of

funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately" [A/54/650].

By **decision 54/468** of 7 April, the Assembly endorsed the revised definition, with the insertion of the words "or management" between the words "poor planning" and "or from concerns".

Also in response to resolution 54/14, the Secretary-General submitted a May report on measures to improve procurement in the field (see p. 111), consideration of which the Assembly, by **decision 54/462 B** of 15 June, deferred to its fifty-fifth (2000) session. He further submitted a July report on procurement reform [A/55/127], detailing Secretariat initiatives in response to the concerns expressed in the same resolution. Most of those initiatives, which had been implemented and had produced the desired results, were aimed mainly at increasing transparency and evaluation objectivity in the bidding process, encouraging greater vendor participation from developing countries and countries with economies in transition, and increasing the cost-effectiveness of the Secretariat's procurement activities. The Secretary-General remained committed to ensuring that those positive developments were sustained and advanced.

The Advisory Committee on Administrative and Budgetary Questions, in an October report [A/55/458], encouraged the Secretary-General to include information on such initiatives in subsequent reports, as well as an indication of areas where further improvements could be achieved. The Procurement Division should ensure that its human and financial resources were adequate to allow full compliance with resolution 54/14.

Oversight

Internal oversight

The Secretary-General, in transmitting a report on the activities of the Office of Internal Oversight Services (OIOS) (see p. 1288), concurred that OIOS was recognized as an objective source of reliable information and as an agent of change in the Organization, in particular with regard to strengthening internal controls and management performance. He noted the continuing efforts of OIOS to improve relationships with management and Member States and to coordinate its programme with other oversight bodies, including the Board of External Auditors and the Joint Inspection Unit (JIU).

By **decision 54/320** of 2 March, the General Assembly, on the proposal of the Secretary-General [A/54/109], appointed Dileep Nair (Singapore) Under-Secretary-General for Internal

Oversight Services for one five-year fixed term, effective 24 April 2000.

In April, during its resumed fifty-fourth session, the Assembly considered OIOS reports on the following: the review of the programme and administrative practices of the secretariat of the International Trade Centre UNCTAD/WTO (United Nations Conference on Trade and Development/World Trade Organization) [YUN 1997, p. 1400] and related JIU comments [YUN 1998, p. 1259]; investigation into the alleged conflict of interest in the United Nations Centre for Human Settlements (Habitat) [YUN 1997, p. 1099] and JIU's comments thereon [YUN 1998, p. 1259]; the audits of the regional commissions [*ibid.*, p. 918]; the review of programme management in the Crime Prevention and Criminal Justice Division [*ibid.*, p. 1035]; audit of the second United Nations Conference on Human Settlements [*ibid.*, p. 1022]; review of the procurement of Lysol by the Office of the United Nations High Commissioner for Refugees (UNHCR) [A/52/887]; inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions [YUN 1998, p. 59]; audit of the commercial insurance programmes [*ibid.*, p. 1363]; audit of the UN health insurance programme [*ibid.*]; investigation into allegations of theft of funds by a UNCTAD staff member (see p. 1318); review of common services in the United Nations [YUN 1999, p. 1376] and JIU's comments [*ibid.*, p. 1377]; review of the Office for the Coordination of Humanitarian Affairs (OCHA) and JIU's comments [*ibid.*, p. 828]; investigation into the field office in Lebanon of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (see p. 450); management audit of the conference centres at the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific [*ibid.*, p. 1380]; and investigation into allegations concerning an electronic commerce project at UNCTAD [*ibid.*, p. 911].

GENERAL ASSEMBLY ACTION

On 7 April [meeting 95], the General Assembly, on the recommendation of the Fifth (Administrative and Budgetary) Committee [A/54/511/Add.2], adopted **resolution 54/257** without vote [agenda item 118].

Reports of the Office of Internal Oversight Services

The General Assembly,
Recalling its resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999,

1. Takes note of the following reports:

(a) Report of the Office of Internal Oversight Services on the audit of the commercial insurance programmes;

(b) Report of the Office of Internal Oversight Services on the audits of the regional commissions;

(c) Report of the Office of Internal Oversight Services on the audit of the second United Nations Conference on Human Settlements;

(d) Report of the Office of Internal Oversight Services on the audit of the United Nations health insurance programme;

(e) Report of the Office of Internal Oversight Services on the investigation into allegations of theft of funds by a staff member of the United Nations Conference on Trade and Development;

(f) Report of the Office of Internal Oversight Services on the review of common services in the United Nations and the comments of the Joint Inspection Unit thereon;

(g) Report of the Office of Internal Oversight Services on the investigation into the field office in Lebanon of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;

(h) Report of the Office of Internal Oversight Services on the management audit of conference centres at the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific;

(i) Report of the Office of Internal Oversight Services on the investigation into allegations concerning an electronic commerce project at the United Nations Conference on Trade and Development;

(j) Report of the Office of Internal Oversight Services on the review of the procurement of Lysol by the Office of the United Nations High Commissioner for Refugees;

(k) Report of the Office of Internal Oversight Services on the inquiry into allegations of insufficient use of expertise in procurement planning of aviation services in peacekeeping missions;

2. Takes note also of the report of the Office of Internal Oversight Services on the review of the Office for the Coordination of Humanitarian Affairs and the comments of the Joint Inspection Unit thereon;

3. Requests that, in future, the appropriate legislative mandates relating to the work of the Office for the Coordination of Humanitarian Affairs be included in the reports of the Office of Internal Oversight Services, and also requests that the appropriate legislative mandates be included as well in other future published reports of the Office of Internal Oversight Services;

4. Takes note of the report of the Office of Internal Oversight Services on the review of the programme and administrative practices of the secretariat of the International Trade Centre UNCTAD/WTO and the comments of the Unit thereon, reaffirming that the merging of the United Nations Conference on Trade and Development and the International Trade Centre has not been approved by the pertinent legislative bodies;

5. Takes note also of the report of the Office of Internal Oversight Services on the review of programme management in the Crime Prevention and Criminal Justice Division, reaffirming that the discontinuation of mandates on crime prevention and criminal justice is within the prerogative of the pertinent legislative bodies;

6. Takes note further of the report of the Office of Internal Oversight Services on the investigation into the alleged conflict of interest in the United Nations Centre for Human Settlements (Habitat) and the comments of the Unit thereon, reaffirming that the ap-

proval of amendments to the Staff Regulations of the United Nations and the ratification of amendments to the Staff Rules are the prerogative of Member States.

By decision 54/478 of the same date, the Assembly deferred consideration of the item on the report of the Secretary-General on OIOS activities until its fifty-fifth (2000) session.

Report of Secretary-General. In October, the Secretary-General transmitted the sixth annual report of OIOS covering its activities from 1 July 1999 to 30 June 2000 [A/55/436].

OIOS issued 16 reports to the General Assembly during the reporting period. Those transmitted in 2000 were on: follow-up review of the programme and administrative practices of Habitat [A/54/764]; audit of contingent-owned equipment procedures and payments to troop-contributing countries [A/54/765 & Corr.1]; follow-up to the 1996 review of the programme and administrative practices of the United Nations Environment Programme (UNEP) [A/54/817]; audit of the Human Rights Field Operation in Rwanda [A/54/836]; strengthening the role of evaluation findings in programme design, delivery and policy directives [A/55/63]; programme performance of the United Nations for the 1998-1999 biennium [A/55/73]; and ways in which the full implementation and quality of mandated programmes and activities could be ensured and could be better assessed by and reported to Member States [A/55/85].

A continuing focus of OIOS was the full implementation of its recommendations. It thus maintained consultations with clients before finalizing its recommendations to ensure their usefulness and during implementation. During the reporting period, the Audit and Management Consulting Division issued 825 recommendations, of which 50 per cent were implemented; the Investigations Section had a 50 per cent implementation rate for its 106 recommendations; and, of the 37 recommendations of the Central Monitoring and Inspections Unit, 24 per cent were implemented. The Central Evaluation Unit issued 37 recommendations.

OIOS identified and recommended \$17 million in cost savings and recoveries, and realized savings and recoveries amounting to \$5.3 million, compared to \$37.8 million and \$23.5 million, respectively, in the previous reporting period. The decline was due to a heavier audit focus on policy and programmatic issues, compared to the previous reporting period, when a large portion of the savings and recoveries resulted from audits of the liquidation of large peacekeeping missions in Angola and the former Yugoslavia.

The report gave an overview of activities of the oversight priority areas for the reporting period: peacekeeping, humanitarian and related activities, human resources management and procurement. Besides expanding the audit coverage of the Department of Peacekeeping Operations, OIOS conducted audits at 11 field missions and of contingent-owned equipment procedures and payments to troop-contributing countries, of the global vehicle procurement project and of mission liquidations. The audit of the liquidation of peacekeeping operations revealed that the Department's field asset control system had not been fully implemented, leaving no common recording system for assets. It also needed to improve inventory controls, reassess policy for asset transfer to other missions or to the United Nations Logistics Base in Brindisi, Italy, and standardize procedures for the commercial disposal of assets.

The audits of UNHCR centred on programme management by UNHCR and its implementing partners, as well as its field office administration and finance. OIOS noted that the delayed closure of the previous year's projects remained an issue of concern. It found that, while some level of assurance could be obtained as to the completeness and accuracy of financial reports submitted to UNCHR by its implementing partners, that was not always the case. In many instances, the partners realized significant exchange-rate gains not properly reported in UNHCR project accounts or disclosed in financial reports. The lack of pertinent documentation in the field relating to the programme activities of international non-governmental organizations (NGOs) was a continuing problem for the auditors. The triennial review of OCHA showed that progress had been made in addressing gaps in the response to emergencies and in the advocacy of humanitarian concerns. However, rapid response to emergencies was still hindered by the absence of special UN administrative and financial rules and procedures suited to emergency situations. Audits of the Office of the Iraq Programme included those of the financial and administrative procedures and operational arrangements of the Office of the Humanitarian Coordinator in Iraq. Through a market survey of vendors in northern Iraq, OIOS found that the amounts paid by the Office were on average 61 per cent higher than the quotes obtained by OIOS. It further found only limited coordination of programme planning, and insufficient review and independent assessment of project implementation activities. As to its review of the Office of the United Nations High Commissioner for Human Rights, OIOS noted not only the need to improve administra-

tive support services, but also the lack of criteria for determining the number of security staff, for hiring such staff or for monitoring their performance.

A follow-up audit of the recruitment process indicated that the Office of Human Resources Management had made progress towards reducing the recruitment timeline by one third, improving the management of the national competitive examination programme and updating the roster of candidates, introducing an electronic recruitment tracking system, and including core values and competencies in the vacancy announcement and interview process. Key recommendations for further improvement included establishing overall recruitment goals and strategies, provision of guidance to programme managers regarding gender balance and geographical distribution, and further refinement of benchmarks for monitoring recruitment activities.

Given the significance of procurement expenditures, a separate unit was established within the OIOS Audit and Management Consulting Division as the focal point for procurement audits. A second follow-up audit of procurement reform was carried out to verify that the recommendations of the group of high-level experts on procurement reform [YUN 1995, p. 1457] had been satisfactorily implemented.

As part of its oversight function, the Audit and Management Consulting Division started 148 audit assignments, issued 82 audit reports to senior management and provided five reports for the General Assembly. In addition, it issued 453 audit observations. Key audit recommendations related to programme/project management, cash management, personnel, payroll and travel, financial accounting/reporting, procurement, property management, information technology systems, and general administration and management.

The Investigations Section received 287 cases, compared to 247 in the previous reporting period, a 16 per cent increase. Thirty-eight cases were presented for administrative or disciplinary action, 22 of which were recommended for criminal prosecution by national law enforcement authorities. Of the 194 open cases as at 30 June, 25 per cent were located at UN Headquarters, 27 per cent in Africa, 28 per cent in Europe, 8 per cent in the Middle East and Asia and 4 per cent in the United States outside UN Headquarters. New inspections were carried out at OCHA, Habitat and UNEP, as well as an inspectoral visit to ECA.

In-depth evaluations were undertaken of global development trends, issues and policies, and

global approaches to social and microeconomic issues and policies, and the corresponding subprogrammes in the regional commissions [E/AC.51/2000/2], and of the advancement of women programme [E/AC.51/2000/3]. Triennial reviews were conducted on the implementation of the recommendations of the Committee for Programme and Coordination at its thirty-seventh session [YUN 1997, p. 1487] on the evaluations of the Department of Humanitarian Affairs [E/AC.51/2000/5] and the statistics programme [E/AC.51/2000/4].

OIOS investigation rules and procedures

Responding to General Assembly resolution 54/244 [YUN 1999, p. 1274], the Secretary-General submitted an October report on rules and procedures to be applied for the investigation functions performed by OIOS [A/55/469]. The Secretary-General said that the OIOS Investigations Section operated in conformity with the United Nations Staff Rules and Regulations, as well as the provisions of Assembly resolutions 48/218 B [YUN 1994, p. 1362] and 54/244 and the provisions of the Secretary-General's bulletin of 7 September 1994 [ST/SGB/273] and the OIOS Manual, which together constituted the OIOS mandate. The Section adhered to that mandate with due regard for fairness and objectivity and commitment to the concept of accountability. If evidence showed that a staff member had violated laws or standards of ethical behaviour or was culpable of misconduct, waste, abuse or mismanagement, the Section would make recommendations to the concerned programme manager, which might include referral to a national jurisdiction for criminal prosecution and/or to the Office of Human Resources Management for disciplinary action. The Section would also work to exonerate staff wrongly or incorrectly accused. Investigative activities were conducted in such a way as to ensure the confidentiality of those making reports, the rights of staff members involved, protection from reprisals of those who contacted the Section and the interests of the Organization. Direction and supervision by the OIOS Under-Secretary-General also ensured the accountability of the Section's work.

On 23 December, the General Assembly decided that the item on the report of OIOS remained for consideration at its resumed fifty-fifth (2001) session (**decision 55/458**) and that the Fifth Committee should continue consideration of the item at that session (**decision 55/455**).

External oversight

Strengthening external oversight mechanisms

By **decision 54/469** of 7 April, the General Assembly took note of the Secretary-General's report on the views of the Board of Auditors on improvement of oversight functions of the United Nations [YUN 1994, p. 1365], and a JIU note containing its updated and additional views on the strengthening of external oversight mechanisms [YUN 1996, p. 1265].

Joint Inspection Unit

On 7 April, the General Assembly, in **resolution 54/255**, stressed the importance for the Joint Inspection Unit to use the most recent data available in its reports and called on the Secretary-General and the executive heads of UN system organizations to provide timely data to JIU. The Secretary-General should ensure the timely issuance of JIU reports and his related comments and those of the Administrative Committee on Coordination (ACC) to enable the Assembly and all the governing bodies to take prompt action thereon. The Assembly asked JIU to continue to improve its reports consistent with the requirements of its follow-up system.

In its thirty-second report to the General Assembly [A/56/34 & Corr.1], JIU gave an overview of its activities in 2000, during which it issued reports on: the administration of justice at the United Nations [A/55/57]; the use of consultants in the United Nations [A/55/59]; senior-level appointments in the United Nations, its programmes and funds [A/55/423]; review of management and administration in the United Nations Educational, Scientific and Cultural Organization [JIU/REP/2000/4]; UN system common services at Geneva, part II, case studies (International Criminal Court, Joint Medical Service, Training and Examination Section, Diplomatic Pouch Service, Joint Purchase Service) [A/55/856]; delegation of authority for management of human and financial resources in the UN Secretariat [A/55/857]; young Professionals in selected organizations of the UN system: recruitment, management and retention [A/55/798]; review of management and administration in the Registry of the International Court of Justice [A/55/834]; and strengthening the investigative function in the UN system organizations [JIU/REP/2000/9].

JIU continued to enhance further its functioning and impact. It established internal measures to expedite the preparation of its reports for issuance in advance of meetings of the legislative organs of participating bodies. That goal, however, was often hindered by, among other reasons, the

tardiness of some of those bodies in providing JIU with requested information and/or comments. In its proposed 2002-2003 biennium programme budget, JIU introduced a new approach aimed at improving its research capacity by reallocating its professional post resources and by allowing more flexibility in the use of required expertise under short-term contracts.

The Secretary-General, in an August note [A/54/960], transmitted to the Assembly JIU's 2000 work programme and preliminary list of potential reports for 2001 and beyond.

GENERAL ASSEMBLY ACTION

On 23 December [meeting 89], the General Assembly, on the recommendation of the Fifth Committee [A/55/532], adopted **resolution 55/230** without vote [agenda item 116].

Reports of the Joint Inspection Unit

The General Assembly,

Recalling its resolution 54/16 of 29 October 1999,

1. Takes note of the annual report of the Joint Inspection Unit for 1999;
2. Also takes note of the programme of work of the Unit for 2000 and the preliminary list of potential reports for 2001 and beyond;
3. Stresses the importance of timely consideration of the reports of the Unit by all participating organizations;
4. Looks forward to the report requested in paragraph 6 of its resolution 54/16 concerning progress made in the implementation of the system of follow-up to the recommendations of the Unit;
5. Recognizes the critical role of legislative bodies, their secretariats and the Unit in the success of the implementation of the system;
6. Takes note of paragraphs 19 and 20 of the report of the Joint Inspection Unit for 1998 and reaffirms article 20 of the statute of the Unit and paragraph 182 of General Assembly resolution 54/249 of 23 December 1999, and in this regard requests the Secretary-General to submit the report of the Administrative Committee on Coordination on the budget proposals made by the Unit as required by the statute;
7. Invites the Unit to continue to develop interaction with other United Nations oversight bodies and to intensify relations with the oversight bodies of other participating organizations with a view to achieving better coordination and sharing best practices;
8. Decides to consider the annual reports of the Unit on an annual basis.

Intergovernmental machinery

Strengthening of the UN system

By **decision 54/490** of 5 September, the General Assembly included in the draft agenda of its fifty-fifth (2000) session the item entitled

"Strengthening of the United Nations system". By **decision 55/458** of 23 December, the Assembly decided that the item should remain for consideration during its resumed fifty-fifth (2001) session.

Revitalization of the work of the General Assembly

By **decision 54/491** of 5 September, the General Assembly included in the draft agenda of its fifty-fifth session the item entitled "Revitalization of the work of the General Assembly". By **decision 55/458** of 23 December, the Assembly decided that the item should remain for consideration during its resumed fifty-fifth (2001) session.

United Nations/private sector partnership

The Secretary-General, in a January note [A/54/700], transmitted to the General Assembly a JIU report analysing the lines along which a new partnership between the UN system and the private sector could be developed and how areas of mutual interest and benefit could translate into actions to improve understanding so as to better serve the goals of the Organization.

According to the report, the increasing interest by the two parties in each other was based on the recognition by the business community of the Organization's significant contribution to the creation of a favourable environment for private sector activities and UN acceptance of that sector's role as an essential partner in supporting economic growth and sustainable development. The private sector was already actively engaged in many UN activities. UN agencies, funds and programmes were trying to maximize the benefits from that engagement, while protecting themselves from its inherent risks. Those precautions, however, were not uniform throughout the system, and inconsistencies in their nature and application could undermine the image, credibility, integrity and legal immunity of the UN system. While the specificity of each agency, fund and programme might not allow for the establishment of system-wide guidelines, JIU believed that an increased information exchange and harmonization of procedures were required.

To that end, JIU recommended that participating organizations set realistic objectives and expectations for their partnership with the private sector, which their governing bodies should clearly enunciate, publicize and endorse. Their secretariats should carry out outreach programmes targeting the private sector, and designate a focal point or identify accessible units to serve the business community's information and

assistance needs. Organizations should also ensure a UN presence at relevant business events, organize joint encounters and encourage wide private sector participation in their relevant activities, with special attention to enterprises in developing countries and/or those in transition.

The working group established by the Secretary-General's Senior Management Group to develop policy proposals should draft guidelines governing relations with the private sector, drawing on work already undertaken by some funds and programmes. UN agencies that had not done so should also adopt guidelines, taking account of the working group's activities; they should include a statement of principles and procedures for dealing with the private sector.

The United Nations should ensure the implementation of staff rule 101.6 relating to outside activities and interests of staff members, including the feasibility of extending rules for financial disclosures. Other participating organizations should examine whether their respective staff rules and regulations guaranteed that staff members did not hold a financial interest in commercial enterprises with which a partnership was envisaged. They should also ensure that bureaucratic procedures and lengthy response time did not discourage private sector initiatives. Mechanisms for sharing information and best practices with regard to relations with the private sector should be established to ensure consistency of policy and harmonization of relevant procedures throughout the UN system.

In June [A/54/700/Add. 1], the Secretary-General transmitted to the Assembly ACC's comments on the JIU report.

The Assembly, in **resolution 55/215** of 21 December, invited the Secretary-General to seek the views of relevant partners, in particular the private sector, on how to enhance their cooperation with the United Nations.

Review of Security Council membership and related matters

The Open-ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and Other Matters related to the Security Council submitted a report on its work during five substantive sessions held between 6 March and 21 July [A/54/47]. At those sessions, discussion continued on the items under cluster I: decision-making, including the veto, the Council's expansion and periodic review of the enlarged Council; and those under cluster II: the Council's working methods and transparency of its work. Before the

Group were conference room papers on each cluster, prepared by its Bureau.

The Working Group adopted its work programme and completed a reading of the paper on cluster II at the first session (6-15 March). At the second (3-5 April), it continued consideration of that cluster on the basis of a revised consolidated paper incorporating paragraphs provisionally agreed and proposals made on the paper's 1999 version; it began reading the paper on cluster I, which, owing to that paper's inadequacies, was subsequently revised and considered at the third session (2-12 May). At the fourth session (12-14 June), the Group completed a reading of the revised cluster II paper; it was briefed by Secretariat officials regarding the time required for the preparation and processing of the Council's annual report to the General Assembly. At the fifth session (10-21 July), Italy submitted legal observations on the notion of permanent membership on the Council. The Group further revised the papers on clusters I and II. It also considered its report to the Assembly.

The Assembly, by **decision 54/488** of 5 September, took note of the Working Group's report. It welcomed progress so far achieved, as provisional agreement had been recorded on a large number of issues, and urged the Working Group to continue efforts during its fifty-fifth (2000) session to achieve progress on all aspects of equitable representation on and increase in the membership of the Security Council and other related matters.

The Assembly also decided to continue consideration of the subject during its fifty-fifth session and that the Working Group should continue its work, taking into account the progress achieved during the Assembly's forty-eighth (1993) to fifty-fourth (1999) sessions, as well as the views to be expressed at the fifty-fifth session, and report before the end of that session, including any agreed recommendations.

By **decision 55/458** of 23 December, the Assembly decided that the item should remain for consideration during its resumed fifty-fifth (2001) session.

Revitalization of the United Nations in the economic, social and related fields

The Secretary-General submitted a report, in June [A/55/180-E/2000/67 & Corr.1], on restructuring and revitalization of the United Nations in the economic, social and related fields and co-operation between the United Nations and the Bretton Woods institutions (the World Bank Group and the International Monetary Fund). It described progress in the implementation of

General Assembly resolutions 50/227 [YUN 1996, p. 1249] and 52/12 B [YUN 1997, p. 1392] and Economic and Social Council resolutions 1998/46 [YUN 1998, p. 1262] and 1999/51 [YUN 1999, p. 1281].

To promote further implementation of the Assembly resolutions, the Secretary-General recommended that the Assembly's Second (Economic and Financial) and Third (Social, Humanitarian and Cultural) Committees extend the practice of organizing a dialogue, when starting to consider an agenda item, with the heads of substantive departments, offices or agencies responsible for reporting requirements under that item; that ways of strengthening cooperation between those two Committees should continue to be explored, including the holding of joint panels on common issues and more frequent meetings of their two bureaux; that the Assembly discuss the Economic and Social Council report in plenary; and that the Second Committee's Bureau review the provisional agenda and further rationalize the methods of work of the Committee, including further clustering of agenda items, reducing the number of meetings, and adopting more omnibus or integrated resolutions.

The Secretary-General also recommended that the Council, in implementation of its resolutions, should further reflect on how it could better organize its debate on the functional commissions' reports and make its own report to the Assembly more amenable to review. It should request the commission bureaux to ensure the sharing of reports and documents among the commissions. The Council's Bureau might, when opportune, convene meetings of the functional commission chairpersons to exchange views on the direction of the commissions' work programmes and on issues of common interest. The Council might reiterate its request that the commissions ensure complementarity among their work programmes, which should take account of major UN events. To that end, the Secretary-General should submit to the commissions' next sessions background notes on those programmes, including proposals for possible linkages among them.

Other suggestions were for the Council to: hold informal dialogue on cross-cutting themes in order to benefit from the expertise of delegates attending a commission session and to broaden that commission's perspective on inter-related issues; examine ways to facilitate the participation of specialized NGOs not in consultative status with the Council in commission sessions of direct interest to their work; invite the functional commission bureaux to propose ways on how the commissions could contribute to efforts to assist

African countries and the least developed countries, particularly in the framework of the Third United Nations Conference on the Least Developed Countries in 2001 (see p. 808) and the review of the United Nations New Agenda for the Development of Africa in the 1990s in 2002; and reiterate its call to the functional commissions to report to it on the follow-up.

On cooperation between the United Nations and the Bretton Woods institutions, the Council should involve in its future joint meetings the chairpersons of the relevant functional commis-

sions and of the Executive Boards of UN funds and programmes. It might extend similar partnership with the World Trade Organization and discuss the modalities for such cooperation and closely involve UNCTAD in that process.

By **decision** 54/492 of 5 September, the Assembly decided to include in the draft agenda of its fifty-fifth (2000) session the item entitled "Restructuring and revitalization of the United Nations in the economic, social and related fields". By **decision** 55/458 of 23 December, it decided that the item would remain for consideration at its resumed fifty-fifth (2001) session.