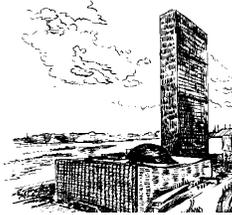


Part 7



Administration and Budget

Current Financial Situation of the United Nations

The United Nations ended 1998 with member contributions outstanding totalling \$2.031 billion for the UN regular budget, the international war crimes tribunals in the former Yugoslavia and Rwanda, and UN peacekeeping operations. The U.S. share of this amount was \$1.294 billion, or 64 percent of the total. Per UN records, most of the U.S. share related to UN peacekeeping operations, where over \$975 million remained outstanding. The U.S. amount outstanding for the UN regular budget was \$315.7 million. This included \$100 million in funds that had been appropriated for fiscal year 1999, but were being withheld pending semi-annual certification by the Secretary of State that no action had been taken by the United Nations to cause the 1998-1999 UN budget to exceed \$2.533 billion. It was expected that the certifications and payments would be made in the spring and summer of 1999.

UN records indicate that 117 of the total 185 UN member states had paid their regular budget assessments in full by the end of 1998. This compares to 100 UN member states at the end of 1997 and 98 member states at the end of 1996. The improved payment record of UN member states was among the factors that helped reduce the UN's reliance on internal borrowing from peacekeeping operations to make up deficits in the UN regular budget. The 1998 deficit was \$40 million, as compared to \$122 million in 1997.

A major concern in 1998 for the United States was the possible loss of vote in January 1999, as prescribed by Article 19 of the UN Charter. Under Article 19, a UN member state automatically loses its vote in the General Assembly if its arrears equal or exceed its total assessments for the two previous years. The United States was able to avoid the Article 19 sanction through a combination of unforeseen credits accrued from UN peacekeeping operations (\$42.5 million) and significant payments made in the final quarter of 1998 (\$360.5 million). Both actions helped reduce the U.S. balances outstanding below the two-year assessment threshold, as prescribed in Article 19. The U.S. payments were \$247.1 million for the UN regular budget and \$113.4 million for UN peacekeeping operations.

Most of the regular budget payments (\$177.5 million) pertained to funds appropriated for fiscal year 1999. All of the peacekeeping payments pertained to funds appropriated for fiscal year 1998.

The possible imposition of the Article 19 sanction will continue to be a major difficulty for the United States unless action is taken to reduce substantially the level of the U.S. arrears.

UN Budget

The UN General Assembly, based on the recommendations of the Fifth Committee (Administrative and Budgetary), adopted, without a vote, two resolutions dealing with the UN budget: revised estimates for the 1998-1999 UN program budget and the proposed program budget outline for the biennium 2000-2001.

On December 18, 1998, the General Assembly adopted, by consensus, Resolution 53/215, the revised UN program budget for the biennium 1998-1999. The revised budget of \$2,526,703,500 reflects a decrease of \$5,627,700 from the initial 1998-1999 UN budget of \$2,532,331,200, as approved one year earlier in December 1997. The revised budget also is within the ceiling level of \$2,533,000,000 as initially established by U.S. legislation for fiscal year 1998 and continued for fiscal year 1999. The legislation requires the United States to withhold \$100 million from its assessed contribution to the UN regular budget, pending semi-annual certification by the Secretary of State that the United Nations has taken no action to cause the 1998-1999 UN budget to exceed \$2.533 billion.

As revised, the lower 1998-1999 UN budget reflects primarily the impact of favorable rates of inflation and exchange, as well as lower costs for UN staff. The lower staff costs are attributable mainly to higher-than-budgeted vacancy rates for professional staff as a result of delays in recruitment. The 1998 vacancy rate of over 10 percent for professional staff was well in excess of the 5 percent rate approved by the General Assembly for the 1998-1999 biennium. The combination of the above savings was more than sufficient to offset additional costs for special political missions, extraordinary and unforeseen activities, and expenses relating to decisions of UN policy-making organs, including the Security Council. The net effect of the savings was a reduction of \$5,627,700 in the revised 1998-1999 UN program budget.

On December 18, 1998, the General Assembly also adopted Resolution 53/206, the UN program budget outline for the biennium 2000-2001. The outline level of \$2.545 billion was approved by the General Assembly without a vote. For the first time, the UN budget outline includes provision for special political missions in the next biennium (\$86.2 million). However, the outline fails to take into account \$20 million in efficiency savings (subsequently recosted to \$19.8 million) that the Secretary General had identified to offset the cost of major conferences and special missions for which mandates already exist. Most member states indicated

that such savings cannot be predicted in advance and, thus, should be handled in the context of the UN budget performance report. In the same resolution, the General Assembly also decided that the Contingency Fund should be set at 0.75 percent of the preliminary estimate for 2000-2001, or \$19.1 million.

Both the United States and Japan indicated the outline level to be excessive and, thus, reserved on the decision of the General Assembly. The United States called for an outline level that was at or below the initial 1998-1999 UN budget of \$2.532 billion. This level was more than sufficient to ensure full implementation of mandated activities and provide resources for special political missions that may be undertaken in the course of the next biennium. The level also would reflect the likelihood of at least \$20 million in efficiency savings in the next biennium as a result of improvements in UN operations. Japan also called for a lower outline level, but could have accepted a somewhat higher figure than the United States.

As approved, the UN budget outline forms the basis for the Secretary General's preparation of his detailed budget estimates for the 2000-2001 biennium. The estimates will be issued in late spring 1999 and considered by the General Assembly at its 54th session in autumn 1999. The General Assembly will approve the budget in December 1999.

Audit Reports

On December 18, 1998, the General Assembly adopted, without a vote, Resolution 53/204, Financial Reports and Audited Financial Statements, and Reports of the Board of Auditors. The resolution accepts the financial reports and audited financial statements of the following entities whose accounts were examined during the current audit cycle: the United Nations, UN Peacekeeping Operations, the International Trade Center, UN University, UN Development Program (UNDP), UN Children's Fund, UN Relief and Works Agency for Palestine Refugees in the Near East, voluntary funds administered by the UN High Commissioner for Refugees, the Fund of the UN Environment Program, UN Population Fund, UN Habitat and Settlements Foundation, the Fund of the UN International Drug Control Program, and the UN Office for Project Services. The audited accounts and financial statements for the entities relate primarily to the biennium 1996-1997.

The Board of Auditors qualified its audit opinion on the financial statements of UNDP, the UN Population Fund, and the UN International Drug Control Program primarily as a result of the lack of audit certificates for expenditures incurred by the agencies during the 1996-1997 financial period. For UNDP, audit certificates were unavailable for the expenditure of \$520 million out of a total reported expenditure on nationally executed programs of \$1,936 million. A similar qualification had been rendered for the previous audit of UNDP covering the biennium 1994-1995. In Reso-

lution 53/204, the General Assembly notes its serious concern about the qualified audit opinions and asks the UN Secretary General and the executive heads of the UN funds and programs to ensure timely implementation of the recommendations of the Board of Auditors and take necessary steps to avoid another qualification during the next audit.

Resolution 53/204 also calls on the General Assembly to consider, as appropriate, specific issues regarding this agenda item at its resumed 53rd session in 1999. While the resolution does not specify the issues, the frequency of audits of the Office of the UN High Commissioner for Refugees is one area that might be discussed at the resumed session. The UN's Advisory Committee on Administrative and Budgetary Questions (ACABQ) recommends that such audits be changed from the current annual cycle to a biennial cycle. Major donor countries, including the United States, have indicated their strong preference for retaining the annual audits.

The workload of the Board of Auditors has increased substantially in recent years. In its report to the 53rd session of the General Assembly (document A/53/513), the ACABQ notes that total audit reports submitted to the General Assembly and other bodies has increased from 16 in 1994-1995 to 34 in 1996-1997. In addition, since 1994, 27 requests for special audits have been made by the General Assembly and the ACABQ. It is the Board's intention to request additional resources in the UN program budget for the 2000-2001 biennium.

At the 53rd session of the General Assembly, the Auditor-General of the Philippines was elected to a three-year term on the Board of Auditors, defeating the incumbent from India, whose term expires on June 30, 1999, and the candidate from Pakistan. Beginning in July 1999, the UN Board of Auditors will be composed of the Auditors-General (or their equivalent) from Ghana, the Philippines, and the United Kingdom.

Financing Peacekeeping Operations

The year 1998 reflected a continued decline in the scale and costs of UN peacekeeping. The largest grouping of operations continued to be related to the implementation of the Dayton Accords with the North Atlantic Treaty Organization continuing to assume responsibility for the military aspects of Bosnia. The operation in Eastern Slavonia in Croatia was completed. New operations were started in the Central African Republic (MINURCA) and in Sierra Leone (UNOMSIL). The United States continued to press for reform of UN peacekeeping administration and financing in several related resolutions, and for a reduction of the U.S. peacekeeping assessment rate to 25 percent.

The majority of the resolutions provided funding for operations approved in previous years. These were for the UN Disengagement Observer Force (UNDOF) on the Golan Heights (Resolution 52/236); UN Interim Force in Lebanon (UNIFIL) (Resolution 52/237); UN Observer

Mission in Georgia (UNOMIG) (Resolution 52/242); UN Mission of Observers in Tajikistan (UNMOT) (Resolutions 53/19 and 52/229B); UN Iraq/Kuwait Observer Mission (UNIKOM) (Resolution 52/238); UN Peacekeeping Force in Cyprus (UNFICYP) (Resolution 52/241); the UN Preventive Deployment Force (UNPREDEP) (Resolutions 52/245 and 53/20); the UN Transitional Administration in Eastern Slavonia (UNTAES) and the UN Police Support Group (UNPSG) (Resolution 52/244); the UN Mission for the Referendum in Western Sahara (MINURSO) (Resolutions 52/228B and 53/18); and UN Mission in Bosnia and Herzegovina (UNMIBH) (Resolution 52/243), which funds the UN Mission of Observers in Prevlaka (UNMOP) and the International Police Task Force (IPTF). New operations approved for funding in 1998 include MINURCA (Resolution 52/249) and UNOMSIL (Resolution 53/29). Funding for the War Crimes Tribunals was approved as follows: for Rwanda, Resolution 53/213; for the former Yugoslavia, Resolution 53/212. In the case of the Iraq/Kuwait border and Cyprus operations, the relevant resolutions continued the provisions established in 1993 for significant voluntary funding by the locally interested parties, i.e., Kuwait for UNIKOM and Greece and Cyprus for UNFICYP.

Scale of Assessments

The General Assembly, at its regular 53rd session, took two actions under this agenda item, both of which related to requests by UN member states for exemption from the loss of vote provision under Article 19 of the UN Charter. The General Assembly did not consider any changes to the current UN scale of assessments, as approved in 1997 under General Assembly Resolution 52/215. The current scale is in effect for the three-year period covering 1998-2000.

On October 7, 1998, the General Assembly adopted without a vote Decision 53/406 B, which granted Georgia and Guinea-Bissau a temporary waiver from the Article 19 sanction for a period of three months. The waiver was granted without reference to the UN's Committee on Contributions, which normally reviews all requests for exemption and makes recommendations regarding them to the Fifth (Administrative and Budgetary) Committee. Subsequent to adoption of Decision 53/406 B, three more countries—Bosnia and Herzegovina, the Democratic Republic of the Congo, and Iraq—also submitted requests for exemption directly to the Fifth Committee without prior review by the Committee on Contributions.

On November 30, 1999, the General Assembly approved without a vote Resolution 53/36, which decided that all requests by UN member states for exemption from loss of vote under Article 19 must be considered first by the Committee on Contributions in accordance with Rule 160 of the Rules of Procedure of the General Assembly. The resolution also included a request to the Committee on Contributions to hold a special session as early as possible in 1999 to consider representations from mem-

ber states and to report thereon to the General Assembly at its resumed 53rd session. The special session was later scheduled to take place on February 8-12, 1999.

Committee for Program and Coordination

The Committee for Program and Coordination (CPC) held its 38th session June 1-26 and August 17-26. The CPC, with 34 members elected to regional seats, is the main subsidiary organ of the Economic and Social Council (ECOSOC) and the General Assembly for planning, programming, and coordination. Its terms of reference are: to review and recommend priorities among UN programs as defined in the Medium-Term Plan, give guidance on translating legislation into programs, develop evaluation procedures, assess the results of current activities and the continuing validity of legislation, and make recommendations on the Secretary General's program budget outline. It also considers programs and activities of the UN system on a sector-by-sector basis to enable ECOSOC to ensure their compatibility and complementarity.

Recommendations made: The CPC recommended changes in the rules and regulations for Program Planning, Budgeting, Monitoring, and Evaluation (PPBME) which would require: that each subprogram of the Medium-Term Plan identify accomplishments to be achieved during the plan period and that the proposed budget indicate, for each subprogram, accomplishments in addition to outputs. It also approved a statement that stressed the importance of better implementation of the rules and regulations in the PPBME to enable the CPC to carry out its mandate more effectively. The United States, which pressed for the changes and compliance with the PPBME, viewed these actions as small but important steps toward achievement of U.S. policy goals of results-based budgeting and time limits for programs. These recommendations were later approved by the General Assembly (Resolution 53/207), which "stressed" that more emphasis should be placed on analysis to reflect "achievements" in implementing program activities and that the PPBME "...provides a sound basis for effective monitoring and evaluation if implemented." The United States found no support for language relating to performance indicators.

Action on budget outline: The CPC passed the 2000-2001 biennium budget outline to the Fifth Committee without specific recommendations.

Other actions: The CPC debated non-substantive changes in the Medium-Term Plan and program budget occasioned by transfers of function and name changes brought about by the Secretary General's reform plan. It endorsed several Joint Inspection Unit (JIU) recommendations for improvements in the publications program but did not reach consensus on endorsing a sunset rule for publications. It endorsed all of the Office of Internal Oversight Services' (OIOS) recommendations regarding peacekeeping start-up, for example, creating an analytical budgeting system for peacekeeping and an archive of standard operating procedures. In its

review of the 1996-1997 Program Performance Report, the CPC could not agree on what to do with 57 “outputs” of the 1994-1995 budget, primarily publications, that program managers and OIOS had recommended be terminated. The United States supported termination of those outputs. The matter was referred to the Fifth Committee.

The Fifth Committee was to have reviewed the function and work methods of the CPC, along with those of the Advisory Committee on Administrative and Budgetary Questions, the Board of Auditors, and the JIU, in connection with a draft resolution on “strengthening external oversight mechanisms.” Action was deferred for the third consecutive year.

Joint Inspection Unit

The Joint Inspection Unit (JIU), an external oversight body accountable to member states, conducts inspections related to efficient and effective operations in the UN system. Eleven inspectors serve in their personal capacity as experts on the UN system. John D. Fox, of the United States, began a five-year term of office January 1, 1996.

The JIU issued five reports dated in 1998: (1) Fellowships in the UN System; (2) More Coherence for Enhanced Oversight in the UN System; (3) The UN University - Enhancing its Relevance and Effectiveness; (4) UN System Common Services at Geneva; and (5) UN Office for Project Services (UNOPS): Broader Engagement with UN System Organizations.

The Fifth Committee was scheduled to review the function and work methods of the JIU, along with those of the Advisory Committee on Administrative and Budgetary Questions, the Board of Auditors, and the Office of Internal Oversight Services (OIOS), in connection with a draft resolution on strengthening external oversight mechanisms. The U.S. and U.K. delegations attempted to resolve disagreements prior to the session but failed. The Committee—for the third consecutive year—was unable to agree on the authority and functions of OIOS and the means of identifying and implementing improvements to the JIU. Therefore, action was deferred to the March 1999 resumed session. As a result of these deferrals, the Committee has not taken action on the JIU’s proposed work programs for 1996, 1997, and 1998.

Office of Internal Oversight Services

The Office of Internal Oversight Services (OIOS) is an independent oversight mechanism that provides assistance to the Secretary General in fulfilling his oversight responsibilities regarding resources and staff. OIOS’s fourth annual report, covering the period July 1, 1997 through June 30, 1998, which was transmitted to the General Assembly in September 1998, summarized the significant findings, recommendations, and actions taken in regard to 80 audits, inspections, investigations, and evaluations. Peacekeeping, humanitarian and related activities, procurement, and new UN bodies received priority attention.

OIOS reports biannually to the Secretary General on the status of implementation of recommendations. Summary data in the annual report showed a steadily rising rate of managers' implementation of recommendations. As of June 1998, 73 percent of the 4,042 recommendations issued from October 1994 through June 1996 and 72.5 percent of the 811 recommendations issued from July 1996 through June 1998 had been implemented. In the area of investigations, the implementation rate was particularly high: for the period 1994 through 1998, the rate was 89 percent.

Improvement of management is a major OIOS objective. The head of OIOS is a member of the Senior Management Group established by the Secretary General as a reform initiative. OIOS' latest annual report, for the period July 1997 through June 1998, showed that over 75 percent of OIOS recommendations concerned improved efficiency or effectiveness and management controls or structure. The report also listed, as a result of OIOS actions, actual cost-savings and recoveries amounting to \$10.3 million. In introducing the OIOS report, the Secretary General stated that OIOS was "...part of the management culture of the UN and a valuable source of reference and guidance in the continuing process of institutional reform." In the opening session of the 53rd General Assembly, the U.S. delegation expressed pleasure at OIOS's progress and, in the Fifth Committee, called attention to its contribution to the "...new management culture of efficiency, effectiveness, and accountability." In meetings with UN officials, the U.S. Mission emphasized that OIOS reports should be used as a tool to correct management deficiencies and prevent their recurrence.

The resolution that established OIOS, 48/218B, mandated an evaluation and review of the functions and reporting procedures of OIOS in the 53rd session of the General Assembly. The Fifth Committee was unable to reach agreement and deferred action to the resumed session of the 53rd General Assembly in March 1999.

International Civil Service Commission

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 for employees of the United Nations and its specialized agencies. Lucretia Myers, retired Senior Advisor, Retirement and Insurance Service, at the Office of Personnel Management, continued to be the U.S. member, beginning a new four-year term on January 1, 1998. The Commission met in Rome and New York for its 47th and 48th sessions, respectively. The Fifth Committee considered the ICSC's annual report in November and December.

At the two ICSC sessions, the Commissioners discussed, debated, took decisions, and developed recommendations regarding a wide variety of

topics. Based on these recommendations, the General Assembly took the following key actions:

- Approved, for Professional staff, a 2.48 percent increase in the base/floor salary scale by consolidating post adjustment into base on a “no gain-no loss” basis (i.e., with a commensurate reduction in post adjustment), effective March 1, 1999.
- Granted a 14.6 percent increase in the children’s and secondary dependent’s allowances effective January 1, 1999, and asked the Commission to review the methodology, rationale, and scope of the allowances in 2000.
- Approved varying increases, effective January 1, 1999, in seven currency areas, in maximum admissible expenditures allowed under the education grant system; also, approved increases in the flat rates and additional amounts for reimbursement of boarding costs in excess of the maximum grant at designated duty stations.
- Reconfirmed the continued use of the Noblemaire principle (use of the highest-paid civil service) for establishing salary levels for Professional staff.
- Requested that the Commission, in conjunction with its next round of place-to-place surveys, ensure that post adjustments are representative of the cost of living of all staff members in the Professional categories working at each duty station.
- Requested that the Commission submit to the 55th General Assembly a report providing additional information on such things as the rationale and impact of the ICSC’s proposals to replace the current language incentive scheme for Professional staff with a non-pensionable bonus, and to align the language incentives for General Services staff with those of Professional staff.

The General Assembly adopted Resolution 53/209 on the Report of the International Civil Service Commission, without a vote, on December 18, 1998.

Human Resources Management

At resumed sessions of the 52nd UN General Assembly, the Fifth Committee considered an issue of particular importance to the United States—a code of conduct for UN staff.

At the resumed session in March, the UN General Assembly decided to ask the International Civil Service Commission (ICSC) to examine the Secretary General’s proposed code of conduct because of possible implications it might have on the UN common system (Decision 52/461). The ICSC’s review resulted in a recommendation that the United Nations could proceed with implementing the code, which would involve amending staff regulations and rules, on the understanding that such revisions

were applicable to the United Nations only and not to other organizations. The Fifth Committee continued considering this issue in August and September, and, based on its recommendation, the UN General Assembly adopted a resolution without a vote on September 8, 1998 (Resolution 52/252), which approved implementation of the new code of conduct.

The new code of conduct is important because it updates and clarifies existing rules regarding standards of conduct and performance, provides a framework for accountability, and establishes standards to prevent conflicts of interest, including financial disclosure provisions.

Due to time limitations, the 53rd UN General Assembly deferred to a resumed session consideration of human resources management issues, including such matters as delegation of authority and accountability, recruitment and placement, employment of retirees, consultants and contractors, and the status of women in the Secretariat.

Employment of Americans

The 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 numerous Executive Branch agencies, supports these organizations by disseminating international vacancy information to Americans across the country. In a typical year, the Department provides direct assistance to hundreds of Americans and provides 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, Rome, and Vienna, as well as some embassies, also provide direct support for this function through regular contacts with agency officials.

The following chart shows the total number of Americans in professional and senior positions in all UN agencies* as of December 31, 1998.

Professional and Senior Staff

	Total	U.S.	U.S. Percent
UN Secretariat	5,060	620	12.3
UN Subsidiary Bodies	7,408	640	8.6
UN Specialized Agencies and the International Atomic Energy Agency	6,781	650	9.6

*Excluding peacekeeping missions.

The UN Secretariat and some of the specialized agencies have established a system of “desirable ranges,” or quotas, to estimate member states’ desired geographic representation. The following chart lists those UN agencies which have such ranges—the United Nations Secretariat (UN), the Food and Agriculture Organization (FAO), the International Civil Aviation Organization (ICAO), the International Labor Organization (ILO), and the World Health Organization (WHO)—and the number and status of Americans on board as of December 1998. (These figures represent only that portion of the agencies’ total professional posts which were funded from the assessed budgets and “subject to geographic distribution.”)

UN Agency	Filled	U.S. Desirable Range or Quota	Americans on Board		Current Status
		Range	Number	Percent	
UN	2,401	326-441	355	14.8	In range
FAO	970	182-243	125	12.9	Underrepresented
ICAO	206	26	13	6.3	Underrepresented
ILO	612	95-127	73	11.9	Underrepresented
WHO	1,036	174-237	139	13.4	Underrepresented

We recognize that during 1998, as in other recent years, the failure of the United States and other member states to meet their financial obligations to the United Nations Secretariat, its subsidiary agencies, and the specialized agencies, has affected the staffing decisions of these organizations.

In 1998, Americans continued to hold the top position in several UN agencies: UN Children’s Fund (Carol Bellamy, Executive Director); UN Development Program (Gus Speth, Administrator); Universal Postal Union (Tom Leavey, Director General); World Food Program (Catherine Bertini, Executive Director); and Intergovernmental Organization for Migration (Brunson McKinley, Director General).

Throughout the year, the U.S. Government continued to give special attention to recruiting qualified women for UN positions and encouraged UN agencies to hire and promote more women. At present, American women represent almost 50 percent of all Americans in professional and

senior positions in the UN Secretariat, and 34 percent of Americans in all UN agencies.

In addition to helping recruit for permanent, career positions throughout the UN system, the Department of State also provided candidates for UN peacekeeping and other special operations.

The United States has a long-standing policy of lending professional staff to international organizations either by detail (in which the employee remains on the U.S. payroll, but serves at the international organization) or by direct transfer (in which the employee is paid by the organization but retains reemployment rights with the U.S. agency). These arrangements usually last fewer than five years but may last as long as eight years if it is considered to be in the national interest. The United States also continued to support a limited number of Junior Professional Officer positions at the Office of the UN High Commissioner for Refugees and the FAO.

UN Joint Staff Pension Board

The UN Joint Staff Pension Fund (UNJSPF) was established in 1949 to provide retirement, death, disability, and related benefits for employees of the United Nations and other organizations participating in the common system. During 1998, there were 20 international organizations in the Fund and about 68,000 participants. The fund has assets of approximately \$22 billion. The UNJSPF is administered through the UN Joint Staff Pension Board, consisting of 33 representatives of member states, member organizations, and Fund participants. The Board held its 48th session in Vienna in July 1998.

The key items discussed by the Board were the 24th actuarial valuation of the Fund as of December 31, 1997, the pension adjustment system, management of the Fund's investments, future administrative arrangements between the Fund and member organizations, the status of the issues related to pension claims of former Fund participants from the former Union of Soviet Socialist Republics (USSR), survivor's benefits for spouses and former spouses, and the request by the Interim Commission for the International Trade Organization/General Agreement on Tariffs and Trade (ICITO/GATT) to withdraw from the Fund.

As a result of the Board's recommendations and decisions, the General Assembly took the following key actions:

- Expressed satisfaction that the actuarial situation of the Fund had improved so that it now reflected a surplus, but indicated that the current contribution rates should not be reduced until a pattern of such surpluses emerged.
- Noted the Board's decision to recommend that the threshold for implementing cost-of-living adjustments of pensions be reduced from three to two percent, effective April 1, 2001, if a favorable actuarial valuation is made as of December 31, 1999.

- Expressed appreciation for the investment performance that contributed to the actuarial surplus of the Fund as of December 31, 1997, and expressed support for the efforts being made to develop better indicators of investment performance of the Fund.
- Approved revised cost-sharing arrangements between the United Nations and the Pension Fund, which for a number of items (e.g., computer and rent costs) would be on the basis of a one-third (United Nations)/two-thirds (Fund) ratio.
- Encouraged all parties involved in the dispute regarding the transfer agreements between the Fund and the former USSR, Ukrainian SSR and Byelorussian SSR to continue to seek to resolve outstanding issues regarding payment of benefits.
- Welcomed the actions taken to address issues relating to pension entitlements for spouses and former spouses and encouraged the Board to continue its efforts in this regard; endorsed the Board's recommendation that the Fund provide for a payment facility to help staff meet court-ordered support obligations for former spouses and children, a divorced surviving spouse's benefit, optional purchase of surviving spouses' benefits in respect of marriages after separation, and elimination of the remarriage penalty.
- Decided to agree to the ICITO/GATT's request for withdrawal from membership in the Fund as of December 31, 1998, provided that certain administrative conditions could be met.

The actions taken by the UN General Assembly and Board regarding facilitation of court-ordered support payments were of particular importance to the U.S. Government, which has been actively urging international organizations to adopt such practices where they do not exist, as well as other appropriate practices to ensure that staff fulfill their court-ordered support obligations.

The Fifth Committee considered the report of the Pension Board in November and December and recommended a resolution that would implement the Board's recommendations and note or endorse the Board's decisions. The General Assembly adopted Resolution 53/210 on the Report of the UN Joint Staff Pension Board, without a vote, on December 18, 1998.