



Advisory Committee on Administrative and Budgetary Questions

**First report on the proposed programme
budget for the biennium 2006-2007**

**General Assembly
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Part XIII Development Account

Section 34 Development Account

Proposal submitted by the Secretary-General	\$13,065,000
Revised appropriation for 2004-2005	\$13,065,000

XIII.1 The proposal submitted by the Secretary-General would bring the amount placed in the Development Account since its creation to \$65.3 million. The Committee was informed that expenditure performance for 66 projects, since the inception of the Development Account, was as follows: in the first allocation, consisting of 7 projects, 98.3 per cent of the overall project resources were utilized and all projects were completed; in the second allocation, for 16 projects, 93.4 per cent of the resources were expended and 11 projects have been completed (the remaining 5 are close to completion or will close before the end of the year); in the third allocation, for 20 projects, 77.7 per cent of the overall resources were expended, 5 projects have been completed and 3 are close to completion; in the fourth allocation, for 23 projects, 19 per cent of the overall resources have been utilized but no projects have been completed as yet.

XIII.2 The fifth allocation of the Development Account, proposed for 2006-2007, is for 24 projects to be implemented, bringing the total number of projects financed by the Development Account to 90. The 24 projects were selected, on the basis of the criteria set out in General Assembly resolution 53/220 A (see A/60/6 (Sect. 34), para. 34.8), from a broader pool of 60 projects originating in the 10 entities of the Executive Committee on Economic and Social Affairs. The Advisory Committee notes that number of criteria used, initially 5, has increased to 10 (see A/59/397, para. 10). The Committee was informed this reflected experience gained from implementation.

XIII.3 For the projects proposed for 2006-2007, broader emphasis is placed on the enhancement of statistical capacity-building as the basis on which to follow the trends and needs of development. Moreover, the Advisory Committee notes that the number of projects to be executed jointly by the regional commissions has increased, reflecting effective utilization of resources, knowledge-sharing and experience accumulated as regards the benefits of horizontal collaboration as an important and productive element in operational projects. In this connection, information provided to the Committee showed that for the 23 projects approved for the fourth tranche (2004-2005), the regional commissions are involved in 13 of them, whereas for the fifth tranche, the regional commissions are involved in 20 of them. In addition, while the initial tranches allocated more resources for equipment, particularly information technology equipment, the fifth one reflects greater demand for advisory services and intellectual assistance, networking and partnerships.

XIII.4 Upon enquiry, the Advisory Committee was provided with a compilation of projected expenditures of the fifth tranche by budget line (see table below).

Projected expenditures, fifth tranche

<i>Budget line</i>	<i>Amount (thousands of United States dollars)</i>	<i>Percentage</i>
General temporary assistance	911.5	7
Consultants and experts	2 984.9	22.9
Expert group meetings	811.9	6.2
Travel	1 494.0	11.4
Contractual services	2 523.8	19.3
General operating expenses	456.5	3.5
Training	3 882.4	29.7
Total	13 065.0	100

XIII.5 The Advisory Committee was informed that expenditure under the first three items have decreased from the level of the first, second and third tranches. Moreover, as regards consultants and experts, local expertise is used in all regional commissions in order to build knowledge, ensure sustainability and strengthen national capacity. The support costs related to projects financed from the Development Account are absorbed within the administrative capacity of the Secretariat. As to monitoring and evaluation, the Committee notes that this is part of the project implementation costs, and that up to 2 per cent is allocated for project evaluation.

XIII.6 The Advisory Committee points out the need to improve the pace of implementation of Development Account projects. In this connection, the Committee was informed that the protracted and delayed pace of implementation, particularly in regard to the first two tranches of the Development Account, has improved because of a clearer understanding of the objectives and greater experience in implementing projects. **The Committee recommends that attention be paid to the need to execute projects within two bienniums, consistent with the decision of the General Assembly.**

XIII.7 In this connection, the Advisory Committee notes that extensive use of web-based technology assists in the management of the Development Account and that much of the programming and implementation cycle is developed and monitored by electronic means. The Committee was informed that the results-based budgeting framework provides a helpful tool to follow up on entities executing the projects. Moreover, through the systematic use of the log-frame approach in the fourth and the fifth tranches, the programme manager will be able to improve the reporting of results. **The Committee commends the information provided on the website, including detailed information on the Development Account and individual projects.**

XIII.8 The Advisory Committee requested additional information regarding lessons learned from the execution of Development Account projects under the first four tranches. The Committee was informed that, in line with the criteria established by the General Assembly for project implementation, which should demonstrably strengthen national development capacity, particular attention is given to project sustainability, the use of information and communication technology, networking of

expertise, utilization of partnerships and South-South cooperation, and an emphasis on multiplier effects. One important way of ensuring sustainability is to have the consistent and proactive involvement of stakeholders in project design and implementation, at both the conceptual and operational levels, which in many cases has led to a number of follow-up activities through voluntary initiatives and additional training events by stakeholders; another way is to promote the co-financing of pilot activities by partners, attracting financial and technical support from bilateral and/or multilateral donors, thereby enabling the continuation of activities after a project's completion.

XIII.9 The Advisory Committee notes that ICT is at the core of many Development Account projects because of its multiplier potential and adaptability to development activities beyond the project scope. The building of knowledge networks supported by ICT allows developing countries to have direct access to information on good practices. The Committee was further informed that the networking of local expertise offers collaborative opportunities, often beyond those originally envisioned by project designers, and creates additional regional and interregional links conducive to capacity-building in specific fields, leading to further networking, technical assistance and knowledge-sharing, as has been the case with distance-learning initiatives. In addition, a valuable lesson learned is that many project activities can be replicated by scaling up or down, depending on demand.

XIII.10 The Advisory Committee enquired as to its comments regarding the risk of undertaking too many small projects which are spread very thinly, making it difficult to measure impacts because of the small amount of resources involved for each project. The Committee was informed that the allocation of resources in the range of \$300,000 to \$600,000 per project, with the exception of joint ones where all regional commissions participate, has proved reasonable and efficient for the following reasons:

(a) Since most of the projects are of a pilot nature, once they are successfully completed a similar one may be implemented on a larger scale, including in other parts of the developing world. In addition, the focus of most projects is on the facilitation of networking of local expertise, which does not require expensive infrastructure-building activities. At the same time, knowledge management activities, while varying from case to case, may be implemented effectively, drawing upon the institutional knowledge of the Organization;

(b) Given that project budgets do not allow for creating substantial support structures and that project execution relies largely upon United Nations staff already available, smaller projects are easier to complete within the expected two bienniums. This approach has delivered immediate results for projects funded under the third and, most recently, the fourth tranche;

(c) Most members of the Executive Committee on Economic and Social Affairs are very keen to have an opportunity to test new approaches to capacity-building which draw on their work in support of normative processes and policy analysis.

XIII.11 As stated in paragraph V.84 above, the Secretary-General submitted a report entitled "Review of the regular programme of technical cooperation and the Development Account" (A/59/397) in response to the request in paragraphs 48 and 58 of General Assembly resolution 58/270. The comments of the Advisory

Committee on the regular programme of technical cooperation are contained in paragraphs V.84-V.91 above. The Committee notes that the report of the Secretary-General provides an analysis of the similarities and differences between the two programmes, including legislative histories and operating modalities. The operating modalities of the Development Account are set out in paragraphs 59 to 70 and its relevance is stated in paragraphs 72 and 73 of the report. In section VII of the report, the Secretary-General makes proposals for the approval of a statement of objective for the Development Account (para. 107) and for reconsidering its funding level, which was established in 1997 (para. 108-109); in section VIII, it is proposed to combine sections 23 and 35 into one budget section (para. 112). **The General Assembly may wish to take a policy decision regarding the first two proposals.**

XIII.12 As to the third proposal, the Advisory Committee recalls that, in paragraph XIII.11 of its first report on the proposed programme budget for the biennium 2004-2005,⁴ it recommended that the Development Account and the regular programme of technical cooperation sections of the budget be combined into one section with separate parts, not only to facilitate programme reporting, but to assist in the examination of the Development Account and the role of advisory services. The Committee notes that the report of the Secretary-General states that, besides the fact that the presentation would result in a slightly simplified overall structure, it is possible that “some savings in governance time and perhaps a better informed discussion could be achieved” if the two programmes were considered together (A/59/397, para. 112). **The Committee therefore reiterates its recommendation on combining the two sections into one, with two parts.**