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2 December 1996  
at 10 a.m.  
New York

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SUMMARY RECORD OF THE 35th MEETING

Chairman: Mr. SENGWE (Zimbabwe)

later: Mr. STEIN (Germany)  
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and  
Budgetary Questions: Mr. MSELLE

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ORGANIZATION OF WORK

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The meeting was called to order at 10.10 a.m.

AGENDA ITEM 141: REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES (continued) (A/50/945, A/50/1004 and A/50/1005; A/51/302, A/51/305, A/51/432, A/51/467, A/51/486 and A/51/530 and Corr.1)

1. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services) said that he would respond to the points raised by delegations in the debate on agenda item 141. In reply to the representative of Costa Rica, who had spoken on behalf of the Group of 77 and China, he said that the Office of Internal Oversight Services could not become directly involved in managerial decision-making processes if it was to preserve its independence. For that reason, he was not a member of the Efficiency Board and had not been involved in policy-setting for the efficiency reviews. As a result, the office could decide to conduct a critical assessment of the results of those reviews in the future. He saw no danger of duplication between those managerial efforts and the Office's oversight activities; on the contrary, he supported the initiative taken by the Department of Administration and Management because it raised staff awareness of the need for reform. He hoped that the efficiency reviews would be seen as a means of enhancing the Organization's effectiveness, and not simply as an exercise in downsizing and cost-cutting.

2. With respect to the statement made by the Japanese delegation, some of the Office's oversight functions had existed before the Office had been established, but they had not been independent and their impact had been limited. Moreover, the Office had developed the new oversight functions of inspection and investigation, and the scope of its audit work had been broadened and modernized. The flow of information within the Office had been institutionalized to ensure coordination among the Office's various units. He did not agree that the Office should concern itself more with the fundamental weaknesses of the Organization's management culture than with the symptoms thereof, since establishing an effective system of internal oversight and emphasizing the proactive elements of its functions was the most promising way of making change and improvements. Moreover, where appropriate, he had never hesitated to identify the root causes of the Organization's weaknesses and inefficiencies.

3. In reply to the Canadian delegation's suggestion that the Office should become more proactive, he said that the Office did provide management advice, inter alia with respect to procurement reform and peacekeeping missions, but that such advice was only meaningful when it was linked to the Office's oversight work. He assured the representative of Bangladesh that there were no longer any significant problems with coordination between the Office, the Board of Auditors and the Joint Inspection Unit. With respect to savings and recoveries, the total amount realized had resulted from actions recommended during both the reporting period and prior periods, as mentioned in paragraph 84 of the Office's annual report (A/51/432). In addition to the \$4 million saved or recovered the previous year, a further \$1 million had been realized from the cost savings and recoveries identified earlier.

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4. He shared the Russian delegation's disappointment with the results of the investigation of the United Nations Access Control System but recognized that, given the complexity of decision-making in the United Nations, many problems were attributable to general mismanagement rather than to individual wrongdoing. Moreover, that investigation had produced important recommendations. With respect to the Cuban delegation's question on self-evaluation, the Office agreed with the relevant recommendation of the Board of Auditors and was currently finalizing, as a matter of priority, guidelines on self-evaluation which would be issued to managers. The Office would provide support for the implementation of the guidelines, submit a schedule for self-evaluations to the Committee for Programme and Coordination and provide pertinent information to the General Assembly at its fifty-third session.

5. He did not believe that the Office was transgressing its mandate by requiring programme managers to implement its recommendations and to report on the status of implementation, since those requirements were laid down in General Assembly resolution 48/218 B and document ST/SGB/273, which defined the Office's mandate. In reply to Cuba's question about the function of focal points for oversight-related issues, he said that the creation of a network of such focal points to monitor the implementation of corrective action as intended to increase accountability and to improve communication within departments and between them and the Office of Internal Oversight Services. In most cases, the designated focal point was the chief administrative officer of the department concerned; therefore, the exercise did not involve the establishment of any new posts. With respect to the status of the Secretary-General's report on United Nations funds and programmes, consultations had been held with the executive boards of the funds and programmes concerned, pursuant to General Assembly resolution 48/218 B, and the final report would be ready in late December 1996 or in January 1997. In cases where the Office had provided investigative assistance to separately administered funds and programmes, those services had been requested and expressly approved by the head of the fund or programme concerned.

6. Whenever it embarked on a new assignment, the Office first ascertained, as a routine part of its research, whether the Board of Auditors or the Joint Inspection Unit (JIU) had issued any pertinent recommendations; if so, the Office reviewed the status of implementation of those recommendations and included its findings in its report. In reply to Cuba's question on the figure of \$15.8 million in savings and recoveries, he said that the figure was conservative and that it had been based on budget data pertaining to the Office's reviews, and that the figures in the Office's report had been reviewed by the Controller. With respect to the selection of complaints for investigation, both the Office's independence and the large number of problems reported required that it should have some measure of managerial discretion as to its priorities in terms of both the complaints it received and the issues it decided to investigate in fulfilment of its proactive role. In exercising that discretion, the Office was always guided by its mandate, the professional expertise of its staff and the best interests of the Organization.

7. In investigating the seminars of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (A/51/486), the Office had been mindful of its duty not to impinge on the political prerogatives of a

legislative body. However, in compliance with its mandate to review the efficient use of the Organization's resources, the Office had rightly drawn attention to the use of funds for the infrastructural aspects of those seminars and had recommended that the Special Committee should provide the public with a clearer explanation of its activities. In reply to Cuba's question on the structure of the Office's annual report, he said that the inclusion of a preface and the format of the rest of the report had been intended to make the report easy to read and to offer Member States some analytical insights into the use of resources and the administrative operation of the United Nations.

8. In reply to the Ugandan delegation's question on the difference between investigations and audits, he said that investigations were usually conducted in response to specific complaints or allegations, whereas audits were conducted routinely and usually involved no suspicion of wrongdoing. Consequently, investigators must have a knowledge of law enforcement because investigations must be conducted according to certain protocols, including the identification of evidence, and sometimes resulted in criminal charges. The terms of reference for the activities of the Investigations Section were contained in information circular ST/IC/1996/29. With respect to recruitment and promotion in the Office of Internal Oversight Services, the primary criterion was professionalism, with due regard for geographical balance; the Office would never discriminate in any way against staff members who reported cases of wrongdoing. He could not reply to Uganda's question about the problems being investigated in Geneva and Arusha because the investigations had not been completed; to comment on them would jeopardize due process and individual rights.

9. He informed the United States delegation that the Office's manual would be issued shortly, assured the Norwegian delegation that the completion of guidelines on self-evaluation was a priority, and agreed with the representative of Botswana that the ongoing management training should result in new thinking about management practice. He trusted that Kuwait's question on the recovery of overpayments in the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and similar questions would be addressed by the relevant substantive departments.

10. He appreciated the Bulgarian delegation's interest in the Office's forthcoming report on enhancing internal oversight mechanisms for operational funds and programmes. With respect to New Zealand's statement, the mandate of the Office's Investigations Section was not limited to cases of wrongdoing or frivolous use of funds but also included the suggestion of improvements in programme delivery. The Office's report on the Special Committee (A/51/486) did not pass judgment on the issue of decolonization but merely recommended that the Special Committee should publicly explain its work. In reply to the delegation of the Republic of Korea, he said that he appreciated the temporary assistance provided free of charge by that country and by other Member States during the Office's start-up phase.

11. In reply to the Liberian delegation's question about an article, printed in The New York Times on 30 October, on problems at the International Tribunal for Rwanda, and particularly whether the Office had named a Liberian national in speaking to the media in that connection, he cited the statement he had made at a press conference on 30 October, in which he had given only general information and had specifically declined to discuss the substance of the matter. Lastly,

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he thanked Member States for their interest in the work of the Office, which served to enhance the authority of its findings and recommendations.

12. Mr. ABRASZEWSKI (Joint Inspection Unit) said that the Unit would analyse the views and observations put forward by delegations in relation to the Unit's comments on the report of the Office of Internal Oversight Services (A/51/530 and Corr.1), and it would take them into account in preparing future comments on the Office's reports. While many delegations had agreed with the Unit's comments on individual reports of the Office, two delegations had expressed disappointment. The Unit had contacted those two delegations to discuss specifically how the comments of the Unit could better meet their expectations. Moreover, many delegations had stressed the need for better coordination and cooperation between external and internal oversight bodies; the Unit was determined to pursue its efforts in that area. Currently, the Unit was preparing a report on the coordination and harmonization of the work of the oversight bodies, and he would appreciate suggestions in that regard from delegations.

13. Ms. RODRÍGUEZ ABASCAL (Cuba) said that there appeared to be a gap in the monitoring of the implementation of the recommendations of the Board of Auditors and the Joint Inspection Unit, since the Office of Internal Oversight Services monitored only those recommendations that related to its areas of work. She asked whether the figure of \$15.8 million in cost savings had been taken into account in the revised budget estimates. With respect to the Office's annual report (A/51/432), she said that she was concerned not about the format of the report but about the fact that the preface to a report of the Secretary-General had been signed by the Under-Secretary-General for Internal Oversight Services. Moreover, she wished to know whether the provisions of General Assembly resolution 50/239, in which the Assembly had decided to consider the reports of the Office of Internal Oversight Services under the relevant item of the agenda, were being implemented. She did not agree with the arguments put forward by the Under-Secretary-General with respect to the investigation of the seminars of the Special Committee, since the Office's mandate required it to evaluate, inspect, audit and investigate Secretariat structures and staff members, not Member States or their representatives.

14. Mr. ODAGA JALOMAYO (Uganda) assured the Under-Secretary-General for Internal Oversight Services that his delegation had a very high regard for the Office, which it saw as the key to saving the Organization from collapse. The remarks made by his delegation had all been intended primarily to strengthen the Office and to help it achieve the objectives for which it had been established.

15. In order for the Office to carry out its work, it was essential for it to have staff with high qualifications primarily in auditing in order to carry out its activities. His delegation had therefore been puzzled by the announcement of a post vacancy where the emphasis had been placed on the candidates having experience in law enforcement and had asked for clarification of the Office's mandate on that account. It had also asked: whether the Under-Secretary-General was aware of any instances in which auditors had been victimized after bringing into the open cases of fraud, waste or abuse of authority; and how many of the auditors currently on the staff of the Office were certified.

16. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services), referring to the questions asked by the representative of Cuba, said that there were instances in which the Office would decide not to follow up findings or recommendations by JIU or the Board of Auditors, either because of the limited resources available to it, or because it had no mandate to follow them up, as was the case with JIU recommendations on the specialized agencies. It also had to be emphasized that the primary responsibility for following up those findings or recommendations rested with the body which had made them. The second question raised by the representative of Cuba had been addressed to the Secretariat as a whole rather than to his Office. The third question related to the preface to the report (A/51/432, annex). Upon reflection, he considered that the term "preface" had not been entirely appropriate and that he might in future choose another title. He felt, however, that it had been appropriate for him, as head of the Office, to explain the purpose of the Office in the introductory part of the report and to make some general remarks about the management situation in the Organization.

17. Concerning the mechanism for circulation of thematic reports under the various agenda items, he said that that was really the responsibility of the legislative bodies, not the Office. Referring to the observations made by the representative of Cuba on the Special Committee on Decolonization, he said that he would like more time to reflect on them.

18. Regarding the comments of the representative of Uganda, he said that there was a need to establish the requisite investigative skills in the Secretariat and that the Office did not depend on auditing skills alone. In response to another question, he said that he was unaware of any instances in which auditors had been victimized for bringing into the open cases of wrongdoing. Regarding the number of auditors on his staff who were certified, he said that certification, although desirable, was not a specific job requirement for auditors. To provide a specific figure in answer to Uganda's question, he would need to examine the personnel files.

AGENDA ITEM 153: FINANCING OF THE UNITED NATIONS MISSION IN BOSNIA AND HERZEGOVINA (A/51/519 and Corr.1 and A/51/681)

19. Mr. TAKASU (Controller) introduced document A/51/519 containing the report of the Secretary-General on the financing of the United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the United Nations Mission of Observers in Prevlaka (UNMOP). Two years previously the General Assembly had decided that the budget cost estimates of peacekeeping operations should be prepared every 12 months and reviewed and approved by the General Assembly once a year. At the same time, the General Assembly had decided that, if there were operational or financial modifications to the budget of a mission after the adoption of the corresponding cost estimates, there should be an update after six months. The report before the Committee was being submitted because of updated cost estimates for the Mission.

20. For the period from 1 July 1996 to 30 June 1997 the cost estimates for keeping the Mission in Bosnia and Herzegovina amounted to \$157 million gross. That represented a modest reduction of \$1.7 million as compared with the original budget estimate. Savings had been made in a number of areas, principally through delays in the deployment of civilian personnel and in the

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reduction in the cost parameters for the use of helicopters. However, those savings had been offset by considerable increases in other areas, particularly in staff salaries which had risen by about 70 per cent as a result of a local salary survey conducted in Sarajevo details of which were given in annex II of the report of the Advisory Committee on Administrative and Budgetary Questions (A/51/681).

21. However, the General Assembly in its resolution 50/241 of 7 June 1996 had appropriated \$73.7 million gross for the maintenance of UNMIBH for the period from 1 July to 31 December 1996. The actions to be taken by the General Assembly at its fifty-first session for the maintenance of UNMIBH, including UNMOP, as proposed in paragraph 18 of the Secretary-General's report, were the appropriation of \$85.3 million gross, inclusive of the amount of \$1.9 million gross for the support account for peacekeeping operations, and also including the amount already appropriated by the General Assembly under its resolution 50/241, and the assessment of the same amount should the Security Council decide to continue the mandate of the Mission beyond 20 December 1996.

22. Mr. Stein (Germany), Vice-Chairman, took the Chair.

AGENDA ITEM 154: FINANCING OF THE UNITED NATIONS TRANSITIONAL ADMINISTRATION FOR EASTERN SLAVONIA, BARANJA AND WESTERN SIRMIMUM (A/51/520 and A/51/681)

23. Mr. TAKASU (Controller), introducing the report of the Secretary-General on the financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) (A/51/520), said that the report contained the updated cost estimates for the maintenance of UNTAES for the period from 1 July 1996 to 30 June 1997, as requested by the General Assembly. The updated cost estimate amounted to \$276.9 million gross, representing a decrease of about 3 per cent as compared with the previous cost estimate. The savings were due to many factors, including the reduced provision for contingent-owned equipment and the reduction in the number of civilian police, and were offset in part by a number of increases, including higher costs for air operations and for the salaries of local staff, whose remuneration had increased by some 15 per cent following a salary survey for the area.

24. The action to be taken by the General Assembly, as proposed in paragraph 27 of the report, comprised the appropriation of the amount of \$143.3 million gross for the 12-month period from 1 July 1996 to 30 June 1997 and the assessment of that amount should the Security Council decide to continue the mandate of the Transitional Administration beyond 14 January 1997.

AGENDA ITEM 155: FINANCING OF THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE (A/51/508 and Corr.1 and A/51/681)

25. Mr. TAKASU (Controller) introduced the report of the Secretary-General on the financing of the United Nations Preventive Deployment Force (UNPREDEP) (A/51/508). The Security Council had extended the mandate of UNPREDEP until 31 May 1997 and had ordered that the numbers of military personnel of all ranks should be reduced by 300 by 30 April 1997, with the mandate as a whole to conclude when circumstances permitted. In the preceding June the General Assembly had taken action for a preliminary six-month period and had requested

the Secretary-General to provide an updated estimate for the full 12-month period.

26. The updated estimate (A/51/508) represented a decrease of 1.8 per cent in gross terms in relation to the original budget for the 12-month period from 1 July 1996 to 30 June 1997. The decrease was due mainly to delays in deployment of civilian staff and a reduced provision for contingent-owned equipment, offset in part by change in costs for renovations to premises and other non-recurrent items. Paragraph 20 proposed the appropriation of an additional amount of \$26,371,200 gross for the second six-month period. The Secretariat was, however, preparing a revised estimate taking into account the reduction in the military component provided for in the most recent Security Council resolution. That estimate would be submitted when the Committee took up in informal consultations the amount to be included in a draft resolution.

27. He also drew the Committee's attention to the table following paragraph 4 of the Advisory Committee's report (A/51/681), which compared the Secretary-General's estimates, the Advisory Committee's recommendations, the amounts approved by the General Assembly for six months, and the Secretary-General's revised estimates, for UNMIBH, UNTAES and UNPREDEP. Differences between the recommendations could be accounted for by different treatment of the support accounts. The Advisory Committee was of the opinion that there were no major changes in estimates and was therefore maintaining its original recommendation.

AGENDA ITEM 125: FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991)

(a) UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION (A/51/658 and A/51/683)

28. Mr. TAKASU (Controller) introduced the report of the Secretary-General which contained the financial performance report of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 November 1994 to 31 December 1995 (A/51/658). The total resources provided for the period amounted to \$73 million gross, while the related expenditures amounted to \$67,296,300 gross, resulting in an unencumbered balance of \$5,703,700. That decrease was due, *inter alia*, to lower military personnel costs, the cancellation of some construction projects and the postponement of some infrastructure repairs, although some of the savings had been partially offset by additional civilian personnel costs. Paragraph 9 of the report proposed that the General Assembly should decide to set off against the future assessment on Member States their respective share in the unencumbered balance.

29. Mr. MONAYAIR (Kuwait) said that his Government, as the principal source of funding for the Mission, was perturbed by the reports of excess payments of subsistence allowances to certain staff members in UNIKOM and wished to know how much the overpayments had cost, how such monies were to be recovered and when action could be expected in that area.

30. Mr. GRANT (United States of America) said that his delegation would be interested in hearing a status report from the representatives of the Secretary-General concerning overpayment of mission subsistence allowances and wondered whether there had been some breakdown of those overpayments comparing

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civilian and military personnel. His understanding was that efforts to recover overpayments from civilian and military personnel were on different tracks and he wished to know what progress had been made and when the Committee might expect the situation to be resolved.

31. Mr. TAKASU (Controller) said that the Secretariat had held several meetings on the subject. The Department of Peacekeeping Operations had been reluctant to accept the interpretation of the Office of Internal Oversight Service and had not begun recovery actions until mid-1996. To date, some field staff had repaid the overpayments while others were contesting the idea that there had been overpayments. A formal administrative review group had been formed, led by the Office of Human Resources Management, with representatives for the Department of Peacekeeping Operations, the Office of Legal Affairs and the Office of Programme Planning, Budget and Accounts, in an effort to avoid the expense of having recourse to the Administrative Tribunal. That group would soon finish its investigation and the necessary administrative action would be taken.

32. Mr. GRANT (United States of America) said that he would appreciate if the Controller would explain whether or not there were different procedures for recovering monies from military and civilian personnel. It was his understanding that the process was already under way for military personnel.

AGENDA ITEM 123: FINANCING OF THE UNITED NATIONS PEACEKEEPING FORCES IN THE MIDDLE EAST

(a) UNITED NATIONS DISENGAGEMENT OBSERVER FORCE (A/51/405 and A/51/684)

(b) UNITED NATIONS INTERIM FORCE IN LEBANON (A/51/535 and A/51/684)

33. Mr. TAKASU (Controller) introduced document A/51/405 containing the financial performance report of the United Nations Disengagement Observer Force (UNDOF) for the period from 1 December 1994 to 30 November 1995. The General Assembly had authorized \$32.1 million gross and expenditures had been \$30,928,300 gross, resulting in an unencumbered balance of \$1,202,700. The savings had been the result of reduced costs for aircraft used for rotation of military personnel, the use of vehicles equipment and supplies from other missions and assistance from the Government of Syria. Those savings had been partially offset by higher civilian personnel costs. In paragraph 11, it was proposed that the General Assembly should decide to credit Member States with their respective shares of the unencumbered balance.

34. Document A/51/535 contained the financial performance report of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 February 1995 to 31 January 1996. The General Assembly had approved a budget of \$134,814,000 gross and expenditures had been \$124,257,400 gross, resulting in an unencumbered balance of \$10,556,600. The savings were the result of lower rotation costs for military personnel, high vacancy rates for civilian personnel as a result of the transfer of experienced international staff, and receipt of equipment from other missions. In paragraph 7, it was proposed that the General Assembly should decide to credit Member States with their respective shares of the unencumbered balance.

35. Mr. GRANT (United States of America) suggested that the representatives of the Secretary-General should inform the Committee during informal consultations about reports from the Office of Internal Oversight Services concerning abuses of the procurement system for UNDOF and efforts to intimidate staff who had reported such abuses. He asked what safeguards had been instituted in that regard and what was the status of actions taken to deal with the personnel involved.

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36. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77, expressed concern at the paucity of time remaining for the crucial negotiations on budget questions and assessments. She suggested that during the remaining part of the week the Committee should focus on the budget, the budget outline, programme planning, the scale of assessments and the pattern of conferences.

37. The CHAIRMAN said that unfortunately neither the budget outline nor the performance reports had been formally submitted or reviewed by the Advisory Committee. He said that the Bureau would nevertheless take note of the concerns expressed by the speaker.

38. Mr. ACAKPO-SATCHIVI (Secretary of the Committee) stated that the Committee secretariat prepared the Committee's programme in cooperation with the coordinators. The coordinator for the scale of assessments preferred to do as much work as possible during informal consultations before the Committee took up a draft resolution. That was why very few formal meetings had been scheduled for the scale of assessments.

The meeting rose at 12.05 p.m.