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Chair: Mr. Mavroyiannis (Cyprus)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Terzi

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The meeting was called to order at 10 a.m.

Agenda item 132: Financial reports and audited financial statements, and reports of the Board of Auditors ([A/74/5 \(Vol.I\)](#), [A/74/5 \(Vol. III\)](#), [A/74/5 \(Vol. III\)/Corr.1](#), [A/74/5 \(Vol. IV\)](#), [A/74/5/Add.1](#), [A/74/5/Add.2](#), [A/74/5/Add.3](#), [A/74/5/Add.4](#), [A/74/5/Add.5](#), [A/74/5/Add.6](#), [A/74/5/Add.7](#), [A/74/5/Add.8](#), [A/74/5/Add.9](#), [A/74/5/Add.10](#), [A/74/5/Add.11](#), [A/74/5/Add.12](#), [A/74/5/Add.15](#), [A/74/5/Add.16](#), [A/74/202](#), [A/74/323](#), [A/74/323/Add.1](#), [A/74/528](#) and [A/74/528/Corr.1](#))

1. **Mr. Korn** (Chair of the Audit Operations Committee of the Board of Auditors), introducing the reports of the Board of Auditors to the General Assembly at its seventy-fourth session, and the concise summary of the principal findings and conclusions contained in those reports ([A/74/202](#)), said that unqualified audit opinions had been issued for the 18 entities audited. Peacekeeping operations, as reported in volume II, had received an unqualified opinion with an emphasis of matter owing to issues affecting the quality of asset data migrated from the Galileo asset and inventory management system to the Umoja enterprise resource planning system during the decommissioning of the former system. Thirteen entities had closed the financial year with a surplus, and the financial position of all entities had remained strong or at least sufficient. There had been low liquidity in the regular budget in 2018, and it had not been possible to repay in 2018 amounts borrowed from the Working Capital Fund in 2017. In addition, borrowing from the United Nations Special Account and the accounts of closed peacekeeping missions had been used to cover temporary liquidity mismatches.

2. The Board had noted a decrease in the rate of implementation of its previous recommendations, from 48 per cent in 2017 to 41 per cent in 2018. It had included in its concise summary report ([A/74/202](#)) a snapshot of the Secretary-General's reforms and the preparedness of United Nations entities for their implementation. The Board had agreed not to express an opinion on the reforms until the audit for the year 2019, in order to allow time for their implementation.

3. Turning to the key findings from the individual audit reports, he said that the overall financial ratios of United Nations operations, as reported in volume I, had been determined to be sound. However, nearly 78 per cent of the \$3,553.63 million in cash and investment balances were restricted because they related to balances of trust funds and self-insurance funds.

4. With regard to employee benefit liabilities, the Board had noted that the Administration had been unable to segregate liabilities for retirees among regular budget resources, extrabudgetary resources and peacekeeping operation resources. Liabilities for retirees, actuarially valued for United Nations purposes, had been apportioned and reported in the financial statements for volume I and peacekeeping operations on the basis of the proportion of retirees applicable in 2009, a proportion which had necessarily changed over the last decade. Moreover, the long-term employee benefit liabilities reflected in the financial statements for volume I had not been divided between regular and extrabudgetary resources.

5. The Board had noted gaps in internal controls over medical-insurance expenditure, as well as gaps in data which had affected recognition of plan participants and assessment of medical expenditure and claims. In addition, the Administration had been unable to assure the Board that all cases of fraud and presumptive fraud had been reported by third-party administrators to the Secretariat.

6. With regard to Treasury operations at United Nations Headquarters, the Board had noted that the documentation of cash management processes and investment functions had been poor. Furthermore, there was no mechanism to forecast cash outflows more than two days in advance, and information on cash inflows was only available on a daily basis. The lack of a more refined cash-forecasting system and of documented criteria for establishing liquid cash levels prevented the Administration from taking optimal investment decisions. In addition, the Administration had agreements for currency hedging with only three banks and split those contracts equally among them. As a result, the award of the contract had become a fait accompli, irrespective of the rates offered by the individual banks.

7. At the global level, a substantial number of indicators for the review and follow-up of the implementation of the Sustainable Development Goals had remained at the level of tiers II and III of the classification system developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, in the absence of an accepted methodology, standards of measurement and data. No indicators for the targets to be achieved by 2020 had reached tier I level, raising concerns about their measurability and hence the possibility of assessing the degree to which they had been achieved. There was also a significant need to increase capacity across regions in the area of data and statistics. The Department of Economic and Social Affairs had not reflected the specific needs

expressed by countries in voluntary national reviews when identifying their capacity-building requirements.

8. With respect to procurement management, the Board had found that the Procurement Division lacked a comprehensive framework and system to routinely measure and coherently report on the achievement of its objective to ensure efficient, cost-effective, transparent, timely and high-quality procurement.

9. In the area of global communications, digitization of 2.54 million documents identified as important remained pending two decades after the adoption of the relevant General Assembly resolution, and the slow progress in the digitization of 5,964 maps posed a risk of further deterioration and loss.

10. With regard to humanitarian affairs, there had been a significant backlog in monitoring visits and financial spot checks related to country-based pooled funds, including those under multi-partner trust fund administrative arrangements. Financial and programmatic reporting by implementing partners was an important aspect of the accountability framework for projects financed through country-based pooled funds. In that connection, the Board had noted instances of non-compliance with the provisions of operational manuals in the award of projects to non-governmental organizations; delays in the submission of final financial statements and final narrative reports; and a large number of pending audits and refunds from partners for projects financed through country-based pooled funds.

11. The Board had noted concerns related to the timely completion of the strategic heritage plan of the United Nations Office at Geneva, as well as the need for further enhancements in the area of project governance. Moreover, the United Nations Office at Geneva had not yet created a manual setting out clear lines of responsibility to ensure a smooth handover of the works from the contractor.

12. The Board had noted that the International Trade Centre had selected 28 per cent of its consultants using single-bid arrangements and that the terms of reference for the appointment of consultants had been generic in nature. In 70 cases, the Centre had awarded contracts at fees higher than the maximum fee associated with the level at which the consultant was being hired. In addition, the memorandums of understanding for projects with training and workshop components had not included the standard provision for submission of a list or roster of participants with requisite enclosures.

13. With regard to the United Nations Capital Development Fund, the Board considered that there was scope for enhancing some of the newly-introduced

processes for granting loans to financial service providers and small and medium-sized enterprises, in particular the process for the revision of repayment schedules at the time of the disbursement of principal amounts, and the internal quality assurance process for loan agreements and schedules.

14. With respect to the United Nations Development Programme (UNDP), the Board had noted deficiencies in the area of project management, including recurring delays in signing combined delivery reports, and inadequate documentation of microassessments and assurance activities conducted under the framework for a harmonized approach to cash transfers. The Board had also noted room for improvement in the area of workforce management. For example, some UNDP staff members held directorial or representational responsibilities under grades introduced with the intention that they should be used for technical posts rather than for posts entailing the performance of extensive managerial or directorial tasks for UNDP as a whole.

15. At the United Nations Environment Programme, the Board had noted the need for improvement in areas such as programme and project management, and information and communications technology (ICT). In particular, there was inadequate information on the status of projects in the Programme Information and Management System, designed to enable verification of performance monitoring and reporting.

16. With respect to the United Nations Population Fund (UNFPA), the Board had noted scope for improvement regarding the insurance policy for goods stored in the warehouses of some field offices, in particular with regard to communication on the scope of the policy and the related procedures. In addition, it had noted delays in the conduct of spot checks to verify the expenses incurred by implementing partners, as well as the issuance of multiple purchase orders by the UNFPA country office in Mexico, resulting in purchase amounts in excess of established thresholds under the UNFPA policy and procedures for regular procurement. Moreover, the Board had noted that the Fund's policy on delegation of authority only covered human resources and did not include other areas.

17. With regard to the United Nations Human Settlements Programme, strong internal control and monitoring of activities in the areas of project management, office administration and human resources in country offices, hubs and headquarters were required in order to ensure efficient and effective mandate delivery.

18. With respect to the United Nations Children's Fund, there had been potential deficiencies in the mapping of programme areas at the country level to the goal areas under the Strategic Plan 2018–2021. As actual expenditure and the corresponding results had been framed against the Strategic Plan goal areas at year-end using that mapping, there had been a risk of errors in reporting expenditure under the goal areas. There had also been weaknesses in the areas of programmatic visits and spot checks in individual country offices, as well as in funding authorization and certificate of expenditure forms. In addition, there had been deficiencies in the documentation of reviews conducted by partnership review committees at various country offices, indicating that critical aspects of programme approval and the related due diligence process were not being captured appropriately, and reflecting shortcomings in internal controls over cash transfers. Furthermore, during oversight activities conducted in one country office, significant weaknesses and risks related to the assurance environment, internal controls, inventory and asset management, procurement and project management had been identified and related recommendations had been made. However, the status of follow-up action taken by that office had not been available for a significant number of those recommendations.

19. The Global Shared Service Centre had begun performing its planned functions on 1 January 2017, 37 months after the approval of the project, and had been considered fully stabilized by 31 December 2017, 49 months after the approval of the project. There was a need for comprehensive documentation of the roles, responsibilities and accountability of the Centre in relation to other UNICEF offices, as such information was currently drawn explicitly and implicitly from a number of documents. In addition, the achievement of service-level agreement targets was the key performance indicator of the Centre in the processing of transactions received from field offices. The Board had noted instances in which those targets had not been achieved, and in which requests had been returned or rejected.

20. At the United Nations Institute for Training and Research, the Board had identified possibilities for improving project management. Specifically, it had found, on the basis of a background review of contracting processes for consultants and individual contractors, that, in some cases, it had not been possible to process requests for such services owing to inadequate project fund balances or because the resources allocated to the project over the long term had been insufficient to cover the payments owed to the

consultant or contractor. To overcome those obstacles, it had been necessary to change the source project to another project with adequate resources in order to cover the services of the selected consultant.

21. The finances of the Office of the United Nations High Commissioner for Refugees had remained sound, with high levels of liquid assets. The Board had made 64 new recommendations to the Office, including with regard to the internal control system, reforms, cash assistance, implementing partners, contractors and information technology.

22. At the United Nations Office on Drugs and Crime, the Board had identified scope for improvement in areas such as delegation of authority, programme and project formulation, and the project monitoring and reporting system. It had also noted that representatives of the Liaison and Partnership Office in Mexico did not have the necessary delegation of authority from headquarters to sign procurement contracts.

23. The United Nations Office for Project Services had continued to generate a surplus from its operations. Its operational reserves had increased by \$34.3 million to \$192.9 million as at 31 December 2018. In 2018, it had invested \$8.8 million from those reserves in a project under its Social Impact Investing Initiative, without establishing a growth and innovation reserve. The Board had also noted shortcomings in the valuation of inventory and the depreciation and physical verification of property, plant and equipment. Moreover, the Office's enterprise resource planning system did not include important functionalities such as inventory valuation and management, treasury management, age-wise analysis of accounts receivable and segment reporting, and did not adhere to best practices in project management.

24. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) had reported a surplus of \$105.01 million for 2018, an increase of 247 per cent compared with the deficit of \$71.55 million reported for the previous year. The financial situation of UNRWA had improved considerably since 2017, and the current surplus was attributable to its efforts to mobilize resources from various donors, which had resulted in an increase of \$53.64 million in donor support, and to the implementation of austerity measures aimed at substantially reducing non-core operations costs.

25. The United Nations University (UNU) had reported a net deficit of \$32.11 million for 2018. However, its overall financial situation remained strong, with current assets almost four times higher than current liabilities. Moreover, the quick ratio – the ratio between

cash, short-term investments and accounts receivable, on the one hand, and current liabilities, on the other, a more conservative ratio than the current ratio, defined as the ratio between current assets and current liabilities – indicated that UNU had four times the liquidity required to cover short-term liabilities.

26. At the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the Board had identified scope for improvement in areas such as procurement and project management. In that connection, it had noted that the procurement plan of the UN-Women Regional Office for the Americas and the Caribbean contained only some purchasing lines referring to programmes and the programme presence office in Uruguay.

27. The Board had noted that the International Residual Mechanism for Criminal Tribunals had not carried out a systematic fraud risk assessment in accordance with the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat, and had not provided evidence of an effective process to monitor completion by staff of the mandatory online anti-fraud training course.

28. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2018 on the United Nations ([A/74/323](#)) and on the United Nations funds and programmes ([A/74/323/Add.1](#)), said that the reports of the Secretary-General elaborated on the comments already submitted to the Board and included information on the department responsible for the implementation of each recommendation, and estimated completion dates and priorities. They also contained updates on the status of implementation of recommendations relating to prior periods that the Board had considered to be not fully implemented at the time of issuance of its reports, including those relating to the strategic heritage plan and the capital master plan.

29. Of the 78 recommendations contained in the report of the Board on the United Nations for the year ended 31 December 2018 ([A/74/5 \(Vol. I\)](#)), 9 had not been accepted by the Administration and closure of 7 had been requested. The remaining 62 recommendations had been under implementation as at August 2019. Of the 167 outstanding recommendations relating to prior financial periods, 8 per cent had been fully implemented, 89 per cent had been under implementation, 2 per cent had not been implemented and 1 per cent had been overtaken by events as at 31 December 2018. The Board had noted that steps had

been taken to implement about 89 per cent of the outstanding recommendations, and that action on a significant number of the recommendations had depended on ongoing initiatives such as the deployment of Umoja Extension 2, the shift to an annual programme budget and the implementation of the Secretary-General's reforms. Of the total of 334 recommendations relating to the previous seven financial periods, 45 per cent had been fully implemented, 45 per cent had been under implementation, 4 per cent had not been implemented and 9 per cent had been closed by the Board or overtaken by events as at 31 December 2018. The Board had noted that the overall rate of implementation of the old recommendations had decreased from 48 per cent in 2017 to 41 per cent in 2018; the Secretary-General and the executive heads of the funds and programmes were working to increase that rate.

30. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee ([A/74/528](#) and [A/74/528/Corr.1](#)), said that the Advisory Committee commended the Board of Auditors for the quality of its reports and welcomed the fact that all the entities had once again received unqualified audit opinions. The Advisory Committee had noted that the financial positions of the entities had remained sound as at 31 December 2018.

31. The Advisory Committee was concerned at the decline in the overall rate of implementation of the Board's recommendations and recalled that, in its resolution [73/268](#), the General Assembly had reiterated its request to the Secretary-General and the executive heads of the funds and programmes to ensure full implementation of those recommendations. The Advisory Committee concurred with the Board's recommendations regarding treasury and reserve management and reiterated its previous recommendations on those matters, endorsed by the General Assembly in its resolution [73/268](#). The Advisory Committee also concurred with the Board's recommendations on issues related to, inter alia, fraud, procurement, management of implementing partners and the use of consultants.

32. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the Group continued to value the external oversight role of the Board of Auditors and welcomed the submission of the audited financial statements for the year ended 31 December 2018.

33. Thirteen of the entities had closed the financial year with a surplus, while four had recorded a deficit.

Nevertheless, all the entities had solvency and liquidity ratios that were generally adequate. However, the Group was concerned that the cash ratio – the ratio between cash and short-term investments, on the one hand, and current liabilities, on the other – of peacekeeping operations had been only 0.45 in 2018, a further reduction from 0.66 in 2017, mainly owing to the non-payment of assessed contributions by Member States. The Group also recalled the low liquidity in the regular budget in 2018 and encouraged Member States to pay their assessed contributions in full, on time and without conditions.

34. The Group was deeply concerned at the decline in the rate of implementation of the Board's recommendations between 2017 and 2018. All entities should implement the accepted recommendations as a matter of priority, and the Secretary-General should establish robust accountability mechanisms for unjustified delays in implementation. On the basis of the reports and financial statements introduced at the current meeting, the Group would seek to address system-wide areas of concern, in particular management reforms, the framework for delegation of authority, Umoja, the United Nations Joint Staff Pension Fund, the resident coordinator system, ICT risks, the strategic heritage plan and procurement.

35. **Mr. De Preter** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, North Macedonia, Serbia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, the Republic of Moldova and Ukraine, said that the Board of Auditors, through its high-quality reports and recommendations, had made important contributions to the Organization in the form of independent, impartial assessments of the use of its funds and by providing essential information on the functioning of United Nations system organizations which ensured accountability to Member States. The Board also performed critical oversight that helped to improve governance. It was therefore in the interest of the Organization and Member States not to politicize its work.

36. Through its recommendations, the Board also helped the United Nations system to operate in a sounder, more transparent and more cost-effective way, enabling the Secretariat to fulfil its mandates more effectively and efficiently, particularly at a time of ambitious reform. The tendency of some entities to reject recommendations or delay their implementation was thus a matter of concern. Indeed, between 2017 and 2018, the number of rejected recommendations had increased, while the rate of implementation of accepted

recommendations had decreased. The European Union fully supported the Board's work and encouraged the Secretary-General to ensure full and timely implementation of all its recommendations.

37. **Mr. Wright** (United States of America) said that his delegation attached great importance to the work of the Board of Auditors, as its oversight of the Organization's operations and finances was crucial to ensuring that the United Nations functioned effectively and efficiently. The Board's reports for the year ended 31 December 2018 provided valuable insight into a number of issues, including matters critical to the full implementation of United Nations reform. The United States had noted the Board's recommendations relating to the proper functioning of the Organization, including on strengthening internal controls to prevent fraud, ensuring the efficiency and cost-effectiveness of procurement, improving treasury and capital-project management and ensuring the speedy completion of the flexible workplace project. He called on the Secretary-General to accelerate the implementation of those recommendations in order to achieve significant improvements in mandate fulfilment and service delivery to address the needs of some of the most vulnerable populations in the world.

38. **Mr. Fu Liheng** (China) said that his delegation attached great importance to the work of the Board of Auditors, the most important external oversight body of the United Nations. Independent and efficient auditing was conducive to improving transparency, compliance and accountability in the financial management of the Organization. The Board had a particularly important role to play in view of the liquidity crisis affecting the regular budget.

39. Reasonable recommendations made by the Board should be implemented. China would seek further details relating to, inter alia, the audit report on Umoja, internal control of medical-insurance expenditure, cost recovery, treasury management, capital construction and the implementation of projects in the area of humanitarian affairs. The Secretariat should address the recurring problems identified in the audits as a matter of priority. His delegation would also seek further information on the efforts of the Secretary-General to make use of the expertise of oversight bodies in the reform process by implementing their recommendations, in accordance with General Assembly resolution [72/266 B](#).

40. **Mr. Chumakov** (Russian Federation) said that his delegation appreciated the work of the Board of Auditors, which required a high degree of professionalism and independence. It was particularly

grateful for the information on ratios provided in the concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2018 (A/74/202, paras. 12–20). The Board should continue to include in its reports information on the development over time of the assets to liability ratio and the liquidity ratios and on the relationship between them. The Secretariat should likewise continue to provide information and analysis concerning those ratios in its financial reports.

41. He wished to take the opportunity to revert to the so-called financial crisis affecting the United Nations as a result of the cash deficit in the regular budget. The decision to apply austerity measures had been unwarranted in his delegation's view. The Secretariat should provide the Committee with information, in tabular form, on the monthly ratios for the regular budget, the peacekeeping budget and the budget of the International Residual Mechanism for Criminal Tribunals for each month in 2017, 2018 and 2019, including September and October 2019 and, if the preparation of that information was delayed, November.

42. His delegation would also appreciate a response to the request it had made some time previously for a table showing the savings that the Secretariat expected to achieve, broken down by week and by month, as a result of each austerity measure introduced. It was surprising that the Secretariat had yet to share that information as, without it, the basis for its financial planning was not clear. The Russian Federation remained unconvinced that savings made by imposing austerity measures on delegations, including those representing Member States that had fulfilled their financial obligations to the Organization, represented the key to solving the problems facing the United Nations.

Agenda item 146: Administration of justice at the United Nations (A/74/7/Add.10, A/74/169, A/74/171 and A/74/172)

43. **Ms. Frankson-Wallace** (Executive Director, Office of Administration of Justice), introducing the report of the Secretary-General on the administration of justice at the United Nations (A/74/172), said that, in the report, which was the result of coordination between the Office of Administration of Justice and all relevant stakeholders, the Secretary-General focused on the functioning of the formal system of administration of justice in 2018 and responded to requests made by the General Assembly in its resolution 73/276. She expressed gratitude for Assembly's continued support in ensuring that the internal justice system operated in

accordance with the purposes and principles set out in its resolutions 61/261 and 62/228.

44. Ten years after its establishment, the system was functioning effectively, although scope for improvement remained. Efforts had continued within the formal and informal components of the system to resolve disputes informally without resorting to unnecessary litigation. There had also been an increase in the number of group cases arising in response to administrative decisions affecting large numbers of staff, including several cases relating to changes in the post-adjustment level for Geneva-based staff. Issues related to the operation of the United Nations Dispute and Appeals Tribunals had also been addressed in the report.

45. Several initiatives had been launched to enhance access to justice by staff and improve their knowledge of the internal justice system and the available dispute-resolution mechanisms. For example, all staff had been informed of the availability of a handbook entitled "A staff member's guide to resolving disputes" through a broadcast message disseminated as part of an outreach strategy developed by the Office of Administration of Justice in collaboration with all other stakeholders. In addition, the Office had created a toolkit to help applicants representing themselves before the Dispute Tribunal to access justice and to mitigate their concerns regarding efficiency.

46. **Ms. Dodson** (United Nations Ombudsman), introducing the report of the Secretary-General on the activities of the Office of the United Nations Ombudsman and Mediation Services (A/74/171), said that Member States deserved thanks for supporting the informal resolution of workplace disputes and that early action was the most sensible and cost-effective means of achieving a harmonious and productive work environment.

47. The work of the Office of the United Nations Ombudsman and Mediation Services was guided by three areas of focus: providing confidential and impartial assistance for resolving workplace disputes; identifying the root causes of conflict and providing feedback to the Organization on systemic issues; and raising awareness of and building conflict-competence skills. In response to the requests of many United Nations system organizations for guidance in establishing informal dispute-resolution mechanisms to enhance governance and accountability, she had established a network of the ombudsmen and mediators of all the member organizations of the United Nations System Chief Executives Board for Coordination in order to improve coordination system-wide. Moreover, since assuming office in 2018, she had supported efforts

to strengthen ombudsman services, including by establishing a regional coordination function and ensuring dedicated capacity to serve New York-based staff; to reposition the Mediation Service to focus more on structured mediation and coordination with the formal system; and to increase the attention paid to identifying systemic issues and feedback, taking into account structural changes resulting from the Secretary-General's management reform.

48. In 2018, the Office of the United Nations Ombudsman and Mediation Services had assisted in a total of 3,577 cases, representing an increase of 10 per cent from 2017 and including 65 mediation cases, of which 83 per cent had been resolved. Of the total number of cases received, 2,776 had originated in the Secretariat, 539 in the funds and programmes, and 262 in Office of the United Nations High Commissioner for Refugees. An increase in the number of cases originating in the Secretariat was anticipated in 2019 following the transfer of the resident coordinator system from the funds and programmes to the Secretariat. In addition, the Office of the United Nations Ombudsman and Mediation Services had conducted approximately 440 outreach activities within the Secretariat worldwide, including workshops and presentations, in order to build the conflict-competence skills of staff and managers.

49. The three issues most commonly reported to the Office of the United Nations Ombudsman and Mediation Services had been evaluative relationships, job and career, and compensation and benefits. At time of significant change, uncertainty and insecurity could contribute to incivility, which caused disruption in the workplace. Hence, in line with the Secretary-General's initiative on civility, the Office of the United Nations Ombudsman and Mediation Services had launched a campaign to increase awareness and promote dignity through civility in the workplace.

50. Following the establishment, within existing resources, of a pilot project to offer access to informal dispute-resolution services to non-staff personnel, pursuant to General Assembly resolution [73/726](#), the Office of the United Nations Ombudsman and Mediation Services had handled 304 cases from such personnel in 2018, an increase of 35 per cent compared with 2017. To address the additional volume, the Office had been distributing the caseload among its regional offices. Should the caseload increase to the extent that it could not fully addressed, the Office would submit proposals to the General Assembly on how to resolve the matter. The Office would continue to do its part to strengthen the resilience and effectiveness of staff,

many of whom served under extremely challenging conditions.

51. **The Chair** drew the attention of the Committee to the report of the Internal Justice Council on the administration of justice at the United Nations ([A/74/169](#)).

52. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee ([A/74/7/Add.10](#)), said that the Advisory Committee welcomed the outreach efforts of the Office of Administration of Justice, including the dissemination of the handbook on dispute resolution for staff. The Advisory Committee also noted the positive results of the case disposal plan developed by the President of the Dispute Tribunal and the Principal Registrar of the Dispute and Appeals Tribunals, and encouraged them to reduce the time taken to dispose of cases and the number of ageing cases. Subject to its observations and recommendations, the Advisory Committee recommended that the General Assembly take note of the information in the report of the Secretary-General on the administration of justice at the United Nations ([A/74/172](#)).

53. With regard to the Office of the United Nations Ombudsman and Mediation Services, the Advisory Committee encouraged the use of the informal dispute-resolution process, which was more cost-efficient than the formal process. The Advisory Committee also recommended that the General Assembly request the Secretary-General to provide more detailed information on the pilot project to offer access to informal dispute-resolution services to non-staff personnel, including on the nature of the disputes addressed and the advice given, disaggregated data on each category of non-staff personnel and the results of the project.

54. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the internal justice system of the United Nations as an independent and transparent system that guaranteed respect for the rights and obligations of staff members and ensured the accountability of managers and staff members alike. The internal justice system must be decentralized and provided with adequate resources in order to ensure effective management of the Organization's human resources, its most valuable asset. In that regard, the Secretary-General, as the Organization's chief administrative officer, had a responsibility to ensure the proper functioning of the system and to keep the General Assembly fully informed with regard to its operation. The Group reaffirmed the

independence of the Office of Administration of Justice, its operational and budgetary autonomy, and its mandate to ensure the institutional independence of the formal system of internal justice.

55. The Group had noted that, in 2018, the Management Evaluation Unit had received its third highest volume of requests to date, totalling 1,182, of which 1,087 had been closed by 31 December 2018. The Office of Staff Legal Assistance had received 3,216 new requests for assistance and had closed 2,483 requests. It had also filed 173 requests for management evaluation and 119 applications with the Dispute Tribunal, and had represented staff in 8 proceedings before the Appeals Tribunal. Sixty-eight per cent of requests for assistance from the Office of Staff Legal Assistance had related to benefits and entitlements, reflecting changes made to the staff salary and benefits package in 2017. The number of applications pending before the Dispute Tribunal at year-end had increased from 372 in 2017 to 404 in 2018, the highest number of pending applications since the introduction of the system.

56. As a result of the implementation of the case disposal plan in January 2019, the Dispute Tribunal's overall caseload had been reduced by 29.45 per cent and the number of cases that had been pending for 401 days or longer had been reduced by 52.68 per cent. The Group was concerned that the existence of two competing claims to the presidency of the Dispute Tribunal had led to the suspension of the plan's implementation and called for a speedy and effective resolution of that situation, as well as the establishment of institutional mechanisms to prevent its recurrence. Efforts should also be made to reduce the time taken to dispose of cases and the number of ageing cases. In addition, the Group welcomed the outreach carried out by the Office of Administration of Justice, including the publication of the handbook on dispute resolution for staff in all official languages and its dissemination to staff in the field. Such information should continue to be distributed to staff at Headquarters and in the field.

57. It was necessary to encourage the use of the informal dispute-resolution process, which was more cost-efficient than the formal process. In that connection, the Group welcomed the pilot project to offer access to informal dispute-resolution services to non-staff personnel as part of the mandate of the Office of the United Nations Ombudsman and Mediation Services, and looked forward to reviewing a quantitative and qualitative analysis of that project during informal consultations. Lastly, the Group welcomed and looked forward to thorough consideration of the report of the Internal Justice Council ([A/74/169](#)).

58. **Ms. Bay-Scheidegger** (Switzerland), speaking also on behalf of Liechtenstein, said that a fair and effective internal justice system for all categories of United Nations personnel was critical to enabling the Organization to achieve its ambitious objectives, and that access to judicial remedies and protection against retaliation were essential attributes of that system. While personnel had gained confidence in the system's ability to ensure effective dispute management, further improvements were needed. In particular, the Office of Staff Legal Assistance had a critical role to play in levelling the playing field between staff non-staff personnel, on the one hand, and management, on the other.

59. The two delegations supported the initiatives taken to improve conflict prevention and resolution. Given that almost half of United Nations personnel did not have access to the internal justice system, they particularly welcomed the pilot project to offer access to informal dispute-resolution services to non-staff personnel. The importance of that project had been demonstrated by the increase in the caseload of the Office of the United Nations Ombudsman and Mediation Services. Nevertheless, greater attention needed to be paid to ensuring that non-staff personnel had access to effective legal remedies.

60. Protection against retaliation for personnel reporting misconduct was essential to a healthy work environment and to upholding the Organization's standards of professionalism and integrity. The two delegations therefore supported the recommendations of the Internal Justice Council aimed at addressing the lack of protection against retaliation for staff seeking redress or testifying before the Dispute and Appeals Tribunals. The two delegations were also concerned about the conditions that had led to the existence of two competing claims to the presidency of the Dispute Tribunal and about the impact of that situation on the handling of cases. Efforts must be made to avoid the recurrence of such a situation.

Agenda item 135: Proposed programme budget for 2020 (*continued*)

Request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2020 ([A/74/7/Add.9](#) and [A/74/339](#))

61. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the note by the Secretary-General on the request for a subvention to the United Nations Institute for Disarmament Research

(UNIDIR) resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2020 (A/74/339), said that, in accordance with General Assembly resolution 60/248, in which the Assembly had endorsed the proposal that the request for a subvention to UNIDIR be submitted for its review and approval on a biennial basis, and resolution 72/266 A, in which the Assembly had approved the proposed change from a biennial to an annual budget period on a trial basis, beginning with the programme budget for 2020, the General Assembly was requested to approve a subvention to UNIDIR of \$275,000 from the regular budget for 2020. The related resource provision had been included under section 4, Disarmament, of the proposed programme budget for 2020.

62. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/74/7/Add.9), said that the Advisory Committee recommended approval of the Secretary-General's request.

63. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the assessment of UNIDIR by an independent third party requested by the General Assembly in its resolution 70/69 had been carried out between January and May 2018. On the basis of that assessment, the Secretary-General had, in his report on the thirty-fifth anniversary of the Institute (A/73/284), made a number of recommendations regarding its operating model, including its research agenda, cost structure and staffing. The Group noted that UNIDIR planned to revise its methodology for budget projections, including those related to grants and other transfers, prior to the presentation of its programme of work and budget in the annual report of the Director for 2020.

64. The Group would pay close attention to the recommendations of the Advisory Committee on the proposed subvention to UNIDIR. It welcomed the fortieth anniversary of the Institute as an opportunity to underline its unique role in the disarmament apparatus, as well as the importance of ensuring that it had a sustainable and stable funding structure and operating model, consistent with the mandate and objectives contained in its statute.

Agenda item 115: Appointments to fill vacancies in subsidiary organs and other appointments (continued)

(j) Appointment of members and alternate members of the United Nations Staff Pension Committee (A/C.5/74/9)

65. **The Chair** drew attention to a note by the Secretary-General (A/C.5/74/9) indicating receipt of notification of the resignation of Mr. Kosaki Hitoshi from the United Nations Staff Pension Committee, effective 15 October 2019. The Government of Japan had nominated Mr. Yamaguchi Tomoya, whose candidature had been endorsed by the Group of Asia-Pacific States, to fill the vacancy for the remaining period of the term of office, which would expire on 31 December 2020.

66. *Mr. Yamaguchi Tomoya (Japan) was recommended by acclamation for appointment to the United Nations Staff Pension Committee for a term of office beginning on the date of appointment by the General Assembly and expiring on 31 December 2020.*

The meeting rose at 11.35 a.m.