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Chairman: Mr. Sharma (Nepal)
*Chairman of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Mselle

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The meeting was called to order at 10.05 a.m.

Agenda item 120: United Nations common system
(*continued*) (A/57/30; A/C.5/57/16)

1. **Ms. Nakian** (United States of America) said that, as a strong supporter of an effective United Nations, her delegation fully understood that the United Nations must be able to attract skilled staff and offer them adequate salaries. Her delegation had studied the report of the International Civil Service Commission (A/57/30) and the recommendations contained therein concerning the difference between the net remuneration of the United Nations staff in the Professional and higher categories and that of United States federal civil service employees in comparable positions in Washington. While it supported the Commission's efforts to correct imbalances in the United Nations salary scale, it believed that the recommendation that the net remuneration margin should be raised to the midpoint of 115 was not justified or, at a minimum, premature. The Commission's recommendation was based on the assumption that civil service pay in the United States of America would increase by 4.1 per cent in January 2003, but no such decision had been taken.

2. Furthermore, General Assembly resolution 40/244 had set the range of the margin and its desirable midpoint; in light of the current state of the world economy and the fact that the United Nations, only one year into the biennium, was already over budget, her delegation was not prepared to accept any increase in the margin beyond 110, the lower end of the range. A real salary increase should be given only to those levels which fell below that margin.

3. Her delegation considered the proposed increase in hazard pay for locally recruited staff (a 50 per cent increase to 30 per cent of the midpoint of the local salary scales) excessive for several reasons: it would be unfair to international staff; there was no indication that the conditions of service at high-risk duty stations had deteriorated; and, as noted in paragraph 119 of the report, the benefit would no longer be considered symbolic but would become a significant part of compensation, which was not the Commission's intention.

4. With regard to the Master Standard, her delegation supported further consideration of the proposed simplified job classification system and

expected the Commission to report in detail to the General Assembly on the results of the validity assessment which it had decided to carry out at its fifty-sixth session.

5. Her delegation believed that much remained to be done before serious consideration could be given to the adoption of a broad-banding system. The performance appraisals on which promotion under such a system was based were the result of decisions that were likely to be questioned in a multicultural environment such as that of the United Nations. Such a system would require a credible, reliable and acceptable performance appraisal system, and that was far from the case at present. Controls would also be needed in order to avoid additional costs and abuses of the system. Furthermore, regardless of the type of broad-banding system that might be proposed, it must be the same for all the participating agencies in order to maintain the unity of the common system, and the current seven-grade classification structure should be maintained so that job levels could be compared both within and outside the system and career progression could be tracked. Her delegation looked forward to studying the outcome of the pilot study which the Commission proposed to conduct and hoped that the model would be tested at more than two organizations for a longer period of time so that the impact of a broad-banding system could be properly evaluated.

6. She would like to know why a Senior Management Service had been determined to be a critical component in moving forward major organizational reforms aimed at strengthening the international civil service (A/57/30, para. 61) and why the current system was unable to strengthen managerial and leadership capacity and encourage diversity at the senior level within each organization (para. 62). Should such a service be introduced, her delegation would expect that it would not constitute a new category of staff or advisory body, that it would not require a special pay and benefits package, and that a specific set of criteria would be used throughout the common system to justify the designation of a post in that service. Finally, and most importantly, she questioned the inclusion of P-5 level posts in that category.

7. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, and in addition,

Iceland, Liechtenstein and Norway, said that the United Nations common system remained the key instrument in ensuring that the Organization attracted the best qualified staff. It was therefore vital for conditions of service to remain competitive, with clear prospects of advancement for those with the requisite ability and a system-wide performance-appraisal system based on a clear definition of core competencies.

8. In that respect, the European Union supported the primacy of the International Civil Service Commission in modernizing the common system. It also looked forward to receiving details of the membership of the group formed to review the Commission — the first such review in over 25 years — as well as the timetable for the review.

9. The European Union agreed with the recommendation in the Commission's report (A/57/30, para. 141 (a) and (b)) regarding the adjustment of the maximum admissible levels of expenditure covered under the education grant system and the maximum education grant in the countries and currency areas concerned, and the recommendation (para. 141 (c)) regarding the revision of the flat rates for boarding and the additional amounts for reimbursement of boarding costs.

10. Before taking a decision on the differentiated real increase in the salary scale to restore the overall margin to the desirable, but not obligatory, midpoint of 115, the European Union wished to seek further clarification. Given that exact figures were essential to enable Member States to consider the recommendations accurately and to assess the budgetary implications, the Commission should clarify the situation regarding the pay increase of the comparator civil service and specify when the proposed increase would take effect.

11. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, welcomed the Commission's efforts to reform the common pay and benefits system. Organizations needed a streamlined, more dynamic system that would strengthen the impartiality of the international civil service, permit greater flexibility to reward staff on the basis of merit and be responsive to the changing nature of the work in organizations throughout the common system. He welcomed the direction the Commission was taking and in principle supported the revision of the job classification system, the piloting of broadbanding,

pay-for-performance and the introduction of a Senior Management Service. The success of reform hinged on fair human resources management and a high-quality performance appraisal system, two approaches that were difficult to apply in organizations such as the United Nations.

12. One of the important issues addressed by the Commission was the fact that the net remuneration margin had dipped below the accepted range on the basis of the approved methodology. Although he felt that the methodology could be made more responsive to contemporary circumstances, he did not believe that it should be amended. The system would, however, be the envy of civil service employees in a number of Member States where inflation adjustments were not automatic and any increases were linked to performance.

13. Before a decision could be taken, the Commission should provide more information on the level and date of the increase in the remuneration of the comparator civil service. It should also specify whether it had taken account of the post adjustment increase and how that increase would affect the margin.

14. As far as the proposal for differentiated increases was concerned, he wondered what the technical basis was for any increase at the lower levels, given that they were at or above the midpoint. He also questioned whether the small increases recommended would really have the desired effect on morale given the contrast with the large increases envisaged for senior staff. Opinions apparently differed within the Commission itself, as indicated in paragraphs 152 and 169 of the report.

15. Lastly, he said that a full understanding of the issues and options was particularly important given the financial situation. He expressed satisfaction that the long-awaited review of the Commission was finally under way.

16. **Ms. Waters** (President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System) said that the Coordinating Committee (CCISUA) believed in change. Its only concern was to ensure that the rights of all parties were protected; that was not incompatible with the objectives of Member States or of the administrations of organizations under the common system.

17. The Coordinating Committee was aware of the lack of competitiveness of the international civil service and attached great importance to the Commission's recommendation concerning a differentiated real increase of the base/floor salary scale. Staff members were being asked to do more with less and deserved fair compensation.

18. The Coordinating Committee was participating in the review of the pay and benefits system. It supported the Commission's view that a credible and reliable performance appraisal system was a necessity and believed that the analysis of performance appraisal systems should be conducted with the full participation of the staff representatives. It would await the results of the pilot study of the broad-banded model and the related pay-for-performance system.

19. The establishment of a Senior Management Service would have the merit of building the organizations' management capacities; however, staff members in that Service must not become an elite group. The fact that the Commission was not advocating a separate pay and benefits system was welcome, but there would still be a need to carefully craft the common set of core competencies applicable to members of the Service.

20. The great majority of staff were interested in the issue of mobility, particularly if it would lead to enhanced career development. However, staff well-being and work/life issues should also be taken into account. Moreover, some flexibility in the application of the mobility principle could satisfy concerns about the loss of institutional memory. Because the issue was a complex one, CCISUA believed that it should be considered when certain elements of the review of pay and benefits, in particular broadbanding, had been decided and successfully implemented.

21. The Coordinating Committee wanted to ensure a fair compensation package for General Service and related categories and welcomed the opportunity to participate in the working group which would, in 2003, review the General Service salary survey methodologies for both headquarters and non-headquarters duty stations and would provide a forum for discussion of the situation of local staff in duty stations affected by high inflation or devaluation rates. The Coordinating Committee supported initiatives that would benefit those staff members, such as the recommendations made by the Secretary-General in his

report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1), and hoped that the Commission would also address the issue.

22. The Coordinating Committee appreciated the efforts made to enhance the security of United Nations staff around the world, including the system of Minimum Operating Security Standards (MOSS) and efforts to ensure the enforcement of air safety standards. Care should be taken to ensure that all staff, whether internationally or locally recruited, were provided with equal protection and, in particular, with communications equipment and evacuation plans; she therefore welcomed the Commission's recommendation that hazard pay for locally recruited staff should be increased. Furthermore, to the extent possible, locally recruited security officers should not be hired from local law enforcement associated with terrorist activities in the country.

23. **Ms. Albert** (General Secretary of the Federation of International Civil Servants' Associations) said that the Federation (FICSA) looked forward to the development of a new Master Standard that would replace the current outdated job classification system. More generalized job descriptions should not, however, lead to a lowering of standards; broad banding and pay-for-performance could have an impact on pay equity, the cornerstone of the common system. If those reforms were to succeed, priority must be given to the training and evaluation of supervisors and managers in the light of their new responsibilities.

24. The Federation agreed with the Commission that mobility needed to be examined in the context of the varying missions and mandates of the organizations and believed that the factors inhibiting mobility required further examination.

25. The Federation supported the new salary scales for General Service staff in Geneva, London and Vienna. It was aware of the shortcomings of the current methodology, particularly with regard to securing the cooperation of local employers in the survey process, and looked forward to participating in the 2003 review of the survey methodology. It welcomed the Commission's recommendations that the net remuneration margin should be restored to 115 and a new salary scale implemented in March 2003.

26. Overall, FICSA was pleased with the outcome of the Commission's sessions and trusted that Member

States would find a way to implement its recommendations despite the financial constraints on the Organization. It welcomed the planned review of the mandate, functioning and membership of the Commission, since it should strengthen the consultative process in which FICSA had participated actively during the past year.

Agenda item 121: United Nations pension system

(continued) (A/57/9 and A/57/490; A/C.5/57/11)

27. **Mr. Srisodapol** (Thailand) said that, as a developing country seeking to attract more foreign direct investment, Thailand was particularly interested in the management of the United Nations Joint Staff Pension Fund and the pattern of its investments. He noted with satisfaction the surplus of 2.92 per cent recorded as at 31 December 2001 and agreed with the Chairman of the United Nations Joint Staff Pension Board that the positive trend observed over the past three years was encouraging. His delegation supported the recommendation that the current contribution rate should be maintained and should continue to be kept under review. That was all the more important since investment income, one of the Fund's two major sources of income, had dwindled considerably over the past two and a half years. According to the report of the Secretary-General (A/C.5/57/11), the market value of the Fund's assets had decreased by 16.4 per cent between 31 March 2000 and 31 March 2002, and, according to the information provided to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) by the Investment Management Service, those assets had then fluctuated between \$20.8 billion and \$19.9 billion between March and September 2002.

28. Given the volatility of financial markets and the high risks associated with them, his delegation supported the Fund's policy of diversifying its investments to developing countries, and noted with appreciation that direct and indirect investments in developing countries had increased by 17.3 per cent during the period under consideration. However, the fall in the volume of investments in the Asia and Pacific region, from 15.2 per cent to 10.2 per cent between March 2000 and March 2002 and the decrease in investments in emerging markets while investments in North America, Europe and regional institutions had grown considerably was disheartening for the countries of the Asia and Pacific region, where there was

beginning to be a strong recovery from the 1997 financial crisis.

29. While it understood that investments were made wherever it served the interests of participants and beneficiaries, his delegation believed that the Investment Management Service should consider investing more in the developing countries in line with the policy endorsed by the General Assembly in resolution 36/119 of 10 December 1981. Thailand hoped to welcome investments from the Fund in the near future, and was studying ways to provide tax exemption to the Fund. It was hoped that when the Board presented its next report to the General Assembly at its fifty-ninth session, Thailand would be among the Fund's investment destinations.

30. **Mr. Repasch** (United States of America), commenting on the report of the United Nations Joint Staff Pension Board (A/57/9), noted with concern that the total value of the Fund's assets had declined by \$4.3 billion, or 16.4 per cent, from March 2000 to March 2002, and that the Fund had suffered further losses of \$1.2 billion since March 2002. The volatility of the assets of the Fund should be borne in mind by the General Assembly when it considered any changes to pension benefits.

31. It was apparent that more detailed information was needed regarding investment decisions. His delegation therefore wholeheartedly endorsed the Board's request that the report on the management of investments should be more analytical, giving a complete picture of the major activities and main developments that transpired during each reporting period. Given the losses suffered as a result of holdings in companies such as Enron, Worldcom and Tyco, his delegation would like to receive more information on how investments were monitored and managed and on any legal action taken in order to recover assets lost by the Fund as a result of illegal activities by the companies concerned.

32. Since the Fund was increasingly dependent upon investment income to meet its statutory obligations to participants, it was imperative that its investment strategy should remain focused on the long term, a position repeatedly stated by the Board.

33. His delegation supported the Board's invitation to the Secretary-General to make efforts to diversify the membership of the Investment Committee in order to provide the requisite expertise in all major areas of

investment and to enable it to meet the considerable challenges facing the Fund.

34. With regard to the actuarial situation, he noted that the results of the past three valuations (0.36 per cent in 1997, 4.25 per cent in 1999, but only 2.92 per cent on 31 December 2001), although positive, did not reveal any clear trend. He referred to resolution 53/210, in which the General Assembly stated, *inter alia*, that the Board should continue to monitor closely the evolution of the actuarial valuation of the Fund and that no attempt should be made to change any feature of the Fund unless and until a pattern of surpluses emerged in future valuations.

35. Concerning the Fund's benefit provisions, his delegation supported the recommendations contained in paragraph 157 of the report. It also agreed with the recommendation in paragraph 158 that the 1.5 percentage-point reduction in the first pension adjustment should be eliminated, with the understanding that its implementation would be subject to a surplus in the next actuarial valuation. Given the downward trend in the actuarial surplus, his delegation would prefer that the implementation of the recommendations in paragraph 157 should be conditional upon an upward trend in the surplus. Further information was, however, needed regarding the deferral of the implementation of the recommendation contained in paragraph 157 (b), which resulted from a decision of the United Nations Administrative Tribunal.

36. Before any conclusion could be reached on the additional \$179,200 requested to meet administrative costs, a decision on the recommendations in paragraph 157 of the report would have to be taken, since some of the additional costs were linked to the implementations of those recommendations.

37. The Office of Internal Oversight Services (OIOS) should continue to provide internal audit services for the Pension Fund, but it should work more closely in the future with the Pension Fund secretariat in defining the scope of the proposed audits. His delegation fully concurred with the recommendation of ACABQ that any additional resources requested by OIOS to perform its services should be thoroughly discussed with the Chief Executive Officer of the Fund in adequate time for inclusion in the Fund's budget proposals to be considered by the Board and the General Assembly.

38. His delegation noted the situation in the discussions between former Pension Fund participants from the former Union of Soviet Socialist Republics, Byelorussian Soviet Socialist Republic and Ukrainian Soviet Socialist Republic and the Government of the Russian Federation; it hoped that the parties would reach a satisfactory solution.

39. To avoid repeating recent difficulties associated with the composition of the Board and the Standing Committee, and with United Nations representation on those bodies, his delegation believed that the General Assembly should resume the responsibility of electing members and alternate members.

40. The proposal to increase the representation of the General Assembly on the Pension Board, if approved, would have repercussions on the regular budget. That issue should be addressed when the budget proposals for the biennium 2004-2005 were examined.

Agenda item 122: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/57/451)

41. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia, and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said that the European Union welcomed the efforts of the Office of Internal Oversight Services (OIOS) to improve its coordination with governing bodies and other monitoring bodies, and encouraged it to continue such action.

42. The European Union welcomed and endorsed the annual report of the Office (A/57/451). It noted with interest the statistics on the rate of implementation of recommendations, including those considered critical, and the identification of almost \$56 million in potential cost savings and recoveries if the Office's recommendations were implemented. It would closely follow future reports on compliance with its recommendations in areas including peacekeeping operations, humanitarian and related issues, procurement and the ad hoc Tribunals.

43. The European Union noted that OIOS had continued the strategic planning exercise begun in 2002 with the aim of improving internal coordination of oversight activities and it fully supported the Office's

strategic objectives: qualified staff, a culture of continuous improvement and improved client relations.

44. It welcomed the Office's intention to focus oversight on the areas of greatest risk to the Organization. Scarce oversight resources and limited staff should be the main motivation for rationalizing investigative services and identifying priority issues. He encouraged OIOS to take up that challenge by focusing on critical recommendations and following up on their implementation.

45. The European Union supported the efforts of OIOS to improve the evaluation function, including the self-evaluation capacity of departments, and supported cross-disciplinary teamwork and the decision to conduct a pilot thematic evaluation of specific activities cutting across several programmes.

46. **Ms. Lock** (South Africa) said that her delegation was encouraged by the efforts made to improve coordination between the various oversight bodies and to ensure that they continued to meet the highest auditing and investigating standards. It commended OIOS for responding positively to the recommendations of the Board of Auditors.

47. Her delegation was concerned about the sharp increase in the number of critical OIOS recommendations, from 574 in the 2000/2001 review to 733 in the 2001/2002 review; it appealed to OIOS clients to implement those recommendations without delay and to prevent the occurrence of such recommendations in future. It was encouraging that over half of the OIOS recommendations had already been implemented. The increasing number of recommendations and the fact that the implementation of those recommendations could result in cost savings and the recovery of approximately \$56 million illustrated the importance of having effective oversight and internal control mechanisms. Her delegation therefore appreciated the undertaking given by OIOS to continue to review the status of implementation of its recommendations.

48. Her delegation attached great importance to the oversight activities and recommendations of OIOS relating to peacekeeping operations, humanitarian activities and development initiatives in Africa and in the developing world. It therefore strongly condemned any form of sexual exploitation of women or children by humanitarian staff or peacekeeping personnel. Noting that some investigations were continuing, she

requested that OIOS and other relevant bodies should make every effort to ensure that the perpetrators were brought to justice.

49. As for peacekeeping operations, her delegation was disturbed by instances of inadequate supervision of mission equipment, poor accounting controls, alleged fraudulent activities and non-compliance with procurement guidelines. Remedial action should be taken to ensure that such incidents did not hinder the effective functioning of peacekeeping operations. Her delegation was encouraged by the assurances of OIOS that the implementation efforts of the Department of Peacekeeping Operations had been satisfactory, and it trusted that the Office would continue to contribute to the improvement of the efficiency of field operations by assigning resident auditors to smaller peacekeeping missions if necessary. It also hoped that OIOS would help the Department to monitor the rates of mission subsistence allowances to ensure that the basic living expenditures of mission staff were adequately covered.

50. Her delegation viewed as essential the effective functioning of the Economic Commission for Africa and the United Nations Office at Nairobi, and was confident that the implementation of the OIOS recommendations would contribute to the positive contributions of the Commission and the Office in advancing the development agenda in Africa.

51. Lastly, her delegation noted that the merger of oversight functions had contributed to the quality of investigations into possible discrimination within the United Nations. While OIOS had found no evidence of a systematic or consistent pattern of preference or exclusion, no form of discrimination could be tolerated within the Organization and continued vigilance was necessary.

52. **Mr. Repasch** (United States of America) emphasized his delegation's interest in the report of OIOS but regretted the lateness of its issuance. Like the reports of the Board of Auditors, the annual report of OIOS was an important tool which enabled the Committee to consider whether the Organization and its activities were managed appropriately and to gauge progress in the creation of a culture of efficiency, effectiveness and accountability. The independence of OIOS gave his delegation confidence that the report provided a true picture of the work of the United Nations.

53. He welcomed the many heartening instances of improved management and more effective internal controls and congratulated programme managers on those results. He regretted, however, that a culture of accountability was not yet fully in place.

54. His delegation was pleased to note that the implementation rate for OIOS recommendations, particularly the critical ones, remained high and that they had produced a significant amount of savings and the recovery of considerable sums for both the regular and the peacekeeping budgets. It was critical that OIOS should keep the issue of mission subsistence allowances under review so as to ensure that they were reasonable and fully justified. Future budgets should fully reflect the impact of new measures.

55. Regarding investigations being conducted in Bosnia and Herzegovina and in West Africa relating to allegations of sexual exploitation — behaviour which he strongly condemned — his delegation was concerned to learn that senior managers at the United Nations Mission in Bosnia and Herzegovina (UNMIBH) had not fully implemented the Office's recommendations. His delegation requested a status report on the matter. As for the investigation concerning refugee camps in West Africa, his delegation would comment when the relevant report had been issued.

56. His delegation was surprised to learn that significant resources belonging to the Office of the United Nations High Commissioner for Refugees (UNHCR) had been absorbed by taxation, often in violation of United Nations conventions. That matter must be carefully monitored in order to ensure that funds intended for humanitarian aid were not used for other purposes.

57. The audit of the Investment Management Service of the United Nations Joint Staff Pension Fund had revealed a number of problem areas requiring immediate management attention, including non-compliance with procurement policies and insufficient tracking of payments. His delegation would like to know what the Secretariat had done to correct the problems and protect the Fund's investments.

58. His delegation, which had for several years been emphasizing the pursuit of accountability, wished to know why the Department of Peacekeeping Operations had not accepted the recommendation of OIOS that action should be taken against an official of the United

Nations Interim Administration Mission in Kosovo (UNMIK) who had not complied with the procurement rules and had allowed a service provider to write his own contract with the Mission. It was not the first time that such behaviour had remained unpunished and his delegation would like to know why.

59. Turning to organizational issues, he welcomed the efforts of OIOS to become more responsive and effective and noted that the recommendations contained in the recent report of the Board of Auditors on the Office's operations provided some excellent guidance. In particular, his delegation hoped that OIOS would improve its information technology audit capability to meet current and future needs; it should also be prepared to provide oversight of the Capital Master Plan. Lastly, it should continue to look closely at its own structure with a view to eliminating redundancy in the audit, inspection and evaluation functions. Changes should not, however, be an end in themselves; they should help to create a more responsive and effective Organization.

60. **Mr. Al-Khafaji** (Iraq) said that the report under consideration revealed acts of misappropriation committed by staff members of United Nations bodies such as the Office of the United Nations High Commissioner for Refugees (UNHCR) and other humanitarian bodies, the Office of the Iraq Programme, the United Nations Mission in Bosnia and Herzegovina, the United Nations Truce Supervision Organization (UNTSO) or the United Nations Interim Administration Mission in Kosovo (UNMIK). Irregularities had also been found at Headquarters. Vigilance was needed in order to guarantee that such practices did not recur and to ensure better control in the field and at Headquarters.

61. As for the Office of the Iraq Programme, responsibility for managing the Programme for the northern governorates of Iraq had been allocated to United Nations agencies and programmes on behalf of the Government of Iraq. The Government had been denied any right to be informed of the activities of those bodies and was not even provided with copies of import contracts for supplies and equipment. The report also stated that there had been an unjustified disbursement of \$1 million from an account pertaining to the Iraq Programme. The report of OIOS for the year 2000 had mentioned similar cases where equipment had been purchased at prices higher than its real cost.

62. Iraq had also been excluded from negotiations with banks applying to manage the Programme's accounts, since the United Nations had decided that those who were not parties to the negotiations should not be informed of the terms of the agreements concluded and had considered Iraq as a third party although the funds concerned were Iraqi revenue intended to meet the humanitarian needs of the Iraqi population. It was also regrettable that the United Nations Compensation Commission had awarded excessive amounts of compensation totalling \$468,000.

63. Cooperation was the best way to put an end to irregular actions by United Nations staff in order to protect public money, whether the funds belonged to Iraq or to the United Nations, and to end trafficking in refugees, women and girls and the abduction of minors. Efforts were needed to monitor the application of the recommendations of OIOS and to ensure transparency in activities carried out by United Nations bodies on behalf of his Government. Management irregularities within those bodies must therefore be thoroughly investigated.

64. **Mr. Yamanaka** (Japan) said that his delegation was gratified to see that, between July 2001 and June 2002, OIOS had submitted 2,357 recommendations to improve internal controls, of which 51 per cent had already been implemented. It was of special interest to note that some 30 per cent had been classified as critical to the Organization. Noting that the implementation of the Office's recommendations would save the Organization approximately \$56 million, he said he hoped that they would all be implemented as soon as possible and trusted that OIOS would continue to ensure that the Organization's resources were used appropriately.

65. His delegation was particularly concerned about the allegations relating to sexual exploitation in refugee camps in West Africa and fee-splitting at the International Tribunals for Rwanda and the Former Yugoslavia, and about the situation of the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW). It would like to be informed of any new developments concerning those three issues since the end of the period covered by the report.

66. **Ms. Afifi** (Morocco) commended OIOS on the courage and frankness with which it had described the cases of sexual exploitation and abuse of which refugee

women and children had been the victims. She strongly condemned such behaviour and hoped that the perpetrators would be punished by the relevant departments.

67. She asked what had prevented programme managers from implementing the measures recommended by OIOS, which would have saved the Organization some \$56 million, and what corrective and, where appropriate, disciplinary measures had been taken or were being considered by the Administration in respect of those who had defrauded the Organization.

68. Lastly, she asked whether the 179 persons working in OIOS were staff members of the Secretariat, whether OIOS employed consultants and, if so, what were the selection criteria for consultants.

69. **Mr. Kelapile** (Botswana), emphasizing that his delegation fully supported the activities of all oversight bodies, said he shared the views expressed by other delegations concerning the need for greater coordination among such bodies. He referred to the report of the Joint Inspection Unit entitled "Enhancing governance oversight role: structure, working methods and practices on handling oversight reports" (A/57/58) and said he fully supported the conclusion set out in paragraph 69 of that report.

70. When introducing that report, the Chairman of the Joint Inspection Unit had announced that he would welcome the assistance of OIOS and the Board of External Auditors in order to follow up on the implementation of the latter's recommendations. As was suggested in the report of the Joint Inspection Unit, it would be useful to draft a review of the recommendations of the three oversight bodies, to enable overlapping or interrelated recommendations to be implemented jointly. He asked what stage had been reached in discussions on that issue and how those three bodies intended to proceed.

71. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), responding to the questions and observations of the speakers, said that, in view of the considerable efforts made by its staff during the review period, he welcomed the fact that Member States appreciated the work of the Office of Internal Oversight Services described in the report before the Committee.

72. In response to the questions raised by the representative of Japan, he first pointed out that the report on sexual exploitation in West Africa had been completed and would be submitted to the Committee within two weeks, at which time he would be happy to answer delegations' questions. With regard to fee-splitting in the two International Tribunals, OIOS had closely monitored the follow-up to its recommendations, the majority of which had been implemented, and it would continue to do so. A report on that issue would not necessarily be drafted, but OIOS would continue to ensure that all of its recommendations were implemented. The Third Committee was currently considering the content of the report on INSTRAW. As soon as it had completed its consideration, it would submit the report to the Fifth Committee, with any comments it might have.

73. The representative of Morocco had inquired why programme managers did not always implement the recommendations of OIOS. It was sometimes difficult to follow up certain recommendations immediately. In some cases, it was necessary to modify current systems and procedures, to introduce new technologies, and even to change regulations and rules, which required the approval of the competent intergovernmental bodies. However, the delivery figures had improved considerably; they now stood at 75 per cent, as compared to 51 per cent the previous year. The office would keep the question under review and would provide the Committee with regular progress reports.

74. With regard to the staff of OIOS, he said that the 179 staff members were employed by the Secretariat and did not include consultants. The Office sometimes needed to call on persons with specialized skills who could not be found within the Secretariat, for instance to review the investments of the Pension Fund.

75. In response to the question raised by the representative of Botswana, he confirmed that there was coordination between the various oversight bodies. In particular, tripartite meetings were held between OIOS, the Board of Auditors and the Joint Inspection Unit. The Office did not object to the preparation of a table summarizing the recommendations made by each of those three bodies. In his view, the Department of Management should be responsible for that initiative. However, following up the recommendations posed a problem. When OIOS undertook an activity, be it an audit, an investigation or an evaluation, it first considered all the recommendations made by the other

two oversight bodies in the relevant area, and endeavoured to ascertain the state of implementation of those recommendations. If some of them had not been implemented, OIOS requested that the department concerned should justify its failure to act. That procedure was a joint follow-up mechanism for the recommendations made by all three bodies. However, it had its limits: although it made it possible to confirm that a recommendation had been implemented, only the body that had made the recommendation was able to determine whether or not the follow up was satisfactory.

76. With regard to the concern expressed by the representative of the United States of America about the failure of the United Nations Mission in Bosnia and Herzegovina to implement the recommendations of OIOS, he noted that discussions between the Department of Peacekeeping Operations and the Office of Legal Affairs on that issue were continuing. He hoped to be able to provide further details in that respect during informal consultations.

The meeting rose at 12.25 p.m.