



# General Assembly

Fifty-eighth session

Official Records

Distr.: General  
4 March 2003  
English  
Original: French

---

## Fifth Committee

### Summary record of the 2nd meeting

Held at Headquarters, New York, on Tuesday, 7 October 2003, at 10 a.m.

*Chairman:* Mr. Kmoníček. . . . . (Czech Republic)  
*Chairman of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Mselle

## Contents

Organization of work

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors

Agenda item 129: Joint Inspection Unit

Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations

    Outsourcing practices

    Report of the Joint Inspection Unit: Management audit review of outsourcing

    Report of the Joint Inspection Unit: Common and joint services at Vienna

---

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

*The meeting was called to order at 10.15 a.m.*

**Organization of work** (A/C.5/58/1 and A/C.5/58/L.1/Rev.1)

1. **The Chairman** drew the Committee's attention to the revised programme of work of the Fifth Committee, which had been adjusted in order to take account of the suggestions made at the first meeting. At that meeting, the Committee had also approved the programme of work for the current week, with the inclusion of the consideration of the letter dated 3 July 2003 from the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/57/39), under agenda item 124. He also drew attention to a letter dated 1 October 2003 from the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/58/4) concerning a request by Niger for exemption under Article 19 of the Charter.

2. **Mr. Martini** (Italy) said that he was satisfied with the revised programme of work.

3. **Mr. Elgy** (Syrian Arab Republic) welcomed the fact that the programme of work took account of Ramadan and that efforts had been made to publish the documentation in a timely manner. However, a number of reports were delayed, in particular those relating to the important issue of the administration of justice, the consideration of which had been postponed for technical reasons and which had implications for agenda item 17. The issue of human resources was another important item and, in that connection, he wished to know why the report of the Secretary-General on discrimination on the basis of ethnic or other origin had not yet been issued. He felt that the number of meetings was insufficient and did not allow the Committee to discuss the various reports. In particular, it would be advisable to schedule additional meetings in order to consider the questions of the administration of justice and the pattern of conferences. His delegation was ready to adopt the revised programme of work on the condition that its concerns were taken into account.

4. **Mr. Elnaggar** (Egypt) endorsed the comments made by the representative of the Syrian Arab Republic, in particular those relating to the documents concerning the administration of justice.

5. **The Chairman** said that he took it that the Committee wished to adopt the programme of work, on the understanding that the Bureau would make the necessary adjustments, where appropriate, during the course of the session.

6. *It was so decided.*

**Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors** (A/58/5/Add.5, A/58/97 and Add.1, A/58/114 and A/58/384)

7. **Mr. Gillette** (Director of External Audit and Chairman of the Audit Operations Committee), speaking on behalf of the Chairman of the Board of Auditors and its members, introduced two reports of the Board.

8. The first report related to the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) in 2002 (A/58/5/Add.5), and he pointed out that the first chapter had come not from the Board but from UNHCR. The Board had been pleased to issue an unqualified opinion on the 2002 financial statements but had, however, in paragraph 4 of the opinion, drawn attention to two findings: first, there was an understatement of some \$70 million in the disclosure of non-expendable property. UNHCR expected to solve that problem through the use of new software. Secondly, the Board had not received adequate assurances that all funds provided to implementing partners had been used for their intended purposes (as at June 2003, the use of \$14 million remained unjustified; that figure had been reduced to \$6.8 million in July). UNHCR was working actively to rectify that situation. However, once again, UNCHR had ended the year 2002 with a significant shortfall of \$50 million, having spent over \$900 million. Unallocated reserves amounted to no more than \$50 million. The increase in expenditures had not been matched by appropriate resources, a trend that would become a cause for concern if it was not reversed as planned.

9. Table 2 showed that an amount of \$263 million in non-funded liabilities for end-of-service and post-retirement benefits had accrued. That figure was more than five times greater than the available reserves.

10. Part 4 covered the audit of human resources management. It had revealed issues of concern,

especially with regard to the staffing level. Thus, table 5 showed that the total number of staff members had constantly exceeded the number of staff posts, with a peak of nearly 1,000 staff members without a post in 2002. Table 6 showed that there had been a sharp increase in the number of staff funded on temporary assistance and that in 2002, 225 out of 1,264 such staff were under indefinite appointment. Part 4.2 showed that another 1,000 administrative individuals had been employed nominally as project staff but in fact worked under and for direct UNHCR management. The actual staff roster of 6,600 was therefore much higher than the official staffing table of 4,500 posts.

11. Moreover, as a consequence of the contract policy implemented in 2000, three fourths of the staff members were under permanent contracts, versus one sixth in 1998. That policy had not taken into account changing operational needs and the High Commissioner had recently reversed it. At the end of 2002, 113 Professionals and 16 General Service staff members were at full pay without permanent assignment. The total time spent by such staff members had exceeded 350 person/years in five years at a cost of several million dollars a year. However, account should be taken of the fact that such staff were increasingly required to undertake temporary assignments. As the High Commissioner's report on follow-up showed, UNHCR had immediately taken a number of measures to implement the recommendations of the Board of Auditors.

12. The Advisory Committee on Administrative and Budgetary Questions had previously suggested that the Board should delete table A.2 annexed to the Board's reports and instead present in the main body of the reports detailed comments on previous recommendations under implementation or not implemented. To a certain extent, such a change had been introduced in the report on UNHCR, the annex of which now contained a single table (p. 38).

13. The second report (A/58/114) was on the implementation, by the 15 organizations on which the Board reported on a biennial basis, of its recommendations with respect to the biennium 2000-2001. It presented the Board's comments on the two reports of the Secretary-General on the implementation of recommendations by the United Nations and the funds and programmes of the United Nations (A/58/97 and Add.1). Reports of the Board submitted annually were not included: their follow-up was as usual

covered in an annex to those reports, on peacekeeping operations and on UNHCR, respectively.

14. The report (A/58/114) also concerned the implementation of the Board's recommendations by the Joint Staff Pension Fund and by the Office of Legal Affairs on a Board report regarding the handling of arbitration and claims cases.

15. The number of recommendations made by the Board had more than doubled over the previous three bienniums from 156 in 1996-1997 to 208 in 1998-1999 and 337 in 2000-2001. Only 35 per cent of the recommendations had been fully implemented by June 2003, while 58 per cent were under implementation and 7 per cent had not been implemented at all (with 1 per cent being overtaken by events). That could be due in particular to the increase in the number of recommendations regarding information technology, which might require lengthy efforts before full implementation.

16. All the organizations had provided a time frame for the implementation of the majority of the recommendations and had identified the office holders to be held accountable for that task. In general, mechanisms had been put in place to strengthen oversight in that regard. The Board would continue to follow up on the effectiveness of those mechanisms, which should be reflected in the rate of implementation.

17. The Board recommended consolidating the recommendations on the previous biennium and the comments on their implementation, currently contained in three different reports, into a single report with a view to achieving savings. From the sixtieth session of the Assembly onwards, it would present the text of its initial recommendations in a single document followed by the full comments of the Administration on each of those recommendations — provided that such comments were kept within a reasonable length — and the Board's own comments.

18. As requested by the Assembly, the Board continued to examine with the Administration ways to streamline financial statements by drawing on the best and latest governance practices. It had also continued to streamline the contents of its reports, which it always delivered on time, although the translations thereof were sometimes not accurate. As in 2002, the reports noted that members of the Board had signed only the English original; that caveat was about any

discrepancy which might appear in translations. However, progress had been made in obtaining a standard translation of audit opinions with a template validated with the Board's assistance, which was used in an increasing number of official languages.

19. **Ms. Ferrena-Mahmud** (Chief of the Oversight Support Unit, Department of Management) introduced the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations and of the United Nations funds and programmes for the biennium ended 31 December 2001 (A/58/97 and Add.1), with specific attention to the trust funds, the enhancement of the Integrated Monitoring and Documentation Information System (IMDIS) and inter-agency services. She said that the reports, the usefulness of which had been stressed by the Advisory Committee on Administrative and Budgetary Questions, had been prepared in accordance with General Assembly resolutions 50/204 A and 52/212 B. However, as the Board of Auditors recommended in paragraph 7 of the appendix to A/58/114, it would be more efficient to consolidate the reports with the recommendations in a single document, which the Board would submit to the Assembly.

20. A considerable portion of the Board's report on the accounts of the United Nations had focused on management issues relating to the use of the Integrated Management Information System (IMIS). In that regard the Committee had recommended in particular that the Administration should: develop short- and medium-term information technology plans that established the work to be done, the task priorities and the resource allocation policy; implement a structured, Organization-wide risk-assessment process covering all information and communication technology environments; document its procedures for updating and maintaining IMIS manuals when updates were implemented; implement performance- and capacity-monitoring procedures and develop a comprehensive IMIS disaster recovery plan. Much of that information had already been provided to the Board, and some of it had been included in its own reports, taking into account the views of the implementing offices. In most cases, the Administration had concurred with the Board's recommendations and had proceeded to implement them. Where it had been unable to do so, it had duly noted the recommendations.

21. It should be underscored that the Secretary-General and the various executive heads attached great importance to the timely and comprehensive implementation of the Board's recommendations. In order to provide the information required from the bodies concerned in a timely fashion, the Secretariat had to consult rapidly and extensively with the implementing offices. It intended to make every effort to collect the necessary information in a timely fashion. Generally the implementation of the recommendations was monitored by senior managers, and the Board was informed of all progress made or difficulties encountered.

22. The responsibility for ensuring the implementation of the recommendations by the funds and problems rested with the respective executive heads; however, the United Nations Secretariat provided assistance in specific areas and would continue to follow up on implementation.

23. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the report of the Advisory Committee (A/58/384) on financial reports and audited financial statements and reports of the Board of Auditors concerning in particular the United Nations High Commissioner for Refugees (UNHCR), the implementation of the recommendations of the Board of Auditors, the capital master plan and the management of staff training. With regard to UNHCR, he said that the Board of Auditors had commented on the various categories of staff, staff assignments and allowances. The Advisory Committee supported the Board's recommendations and noted with satisfaction that they were currently being implemented by UNHCR. It would revert to the matter during its consideration of the Board's next report and the budget estimates of UNHCR. With regard to the preparation of reports on the implementation of the recommendations, the Advisory Committee recommended in paragraph 17 that the General Assembly should approve the Board's recommendation aimed at streamlining the process. It also welcomed the fact that the Board and the entities audited had agreed to consider the question of reports on the impact of audit recommendations.

24. The review by the Board of Auditors of the management of staff training was contained in the annex to the report of the Advisory Committee. In paragraphs 21 and 22 of its report, the Advisory Committee stated that it would revert to that subject

during its review of the budgets of peacekeeping operations in February and March 2004 and also, as appropriate, during its review of activities financed by the regular budget. Brief comments on the capital master plan were contained in paragraphs 19 and 20 of the report.

25. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland and Liechtenstein, said that the European Union shared the concerns of the Board of Auditors over the shortcomings noted in the Office of the United Nations High Commissioner for Refugees in the management of financial resources, staff and programmes. UNHCR should swiftly address those shortcomings by implementing all the recommendations of the Board. The European Union hoped to see a preliminary report on implementation at the resumed session in March 2004. With regard to staff management in particular, the European Union expected the announced reforms to be introduced to allow for more transparent and effective control of the staffing table.

26. The grant system used to finance administrative costs no doubt provided UNHCR with needed flexibility but should be made more transparent. Further details would be appreciated on the rationale and functioning of the system and on the staffing requirements for the next biennium. The European Union also stressed the importance of the Board of Auditors' recommendation to UNHCR to comply with the accounting standards of the United Nations system and to reform its accounting methods and financial system accordingly.

27. The European Union was pleased that all the bodies whose accounts for the biennium 2000-2001 had been audited had taken action to implement the recommendations of the Board, but considered that the note by the Secretary-General did not give a clear account of the progress realized.

28. **Mr. Dutton** (Australia), speaking also on behalf of Canada and New Zealand, said that he wished to comment on three points arising from the reports on the implementation of the recommendations contained in the report of the Board of Auditors. Firstly, he requested an update from the Board on the status of the

implementation of its recommendations by the United Nations Joint Staff Pension Fund, which according to the report (A/58/114) had the lowest implementation rate of any organization. Secondly, he was concerned by the high number of United Nations agencies having large unfunded liabilities for end-of-service benefits, a situation that needed to be corrected immediately by the agencies in question, especially those that relied heavily on voluntary contributions. Thirdly, he supported the Board's recommendations on personnel training, an activity that was of particular importance for human resources management reform.

29. In its report on the accounts of the Office of the United Nations High Commissioner for Refugees (UNHCR), the Board identified serious management problems that were sometimes the result of decisions whose consequences could have been foreseen. UNHCR needed to take urgent corrective action and report regularly to its Standing Committee so as to restore donor confidence. It must operate within the approved staffing table, make full use of its staff and adjust it according to its needs, reduce administrative costs and align its spending with realistic estimates of expected income. It would be useful to look into the reason why UNHCR had granted so many indefinite appointments, and the possible consequences of such a decision for an organization that relied primarily on voluntary funding and operated in such a rapidly changing environment. It would be helpful if UNHCR provided relevant information, in writing, during the informal consultations.

30. **Ms. Lock** (South Africa), expressing the full support of her delegation for the work of the Board of Auditors, noted that the Board's recommendations had increased in number over the course of the past three bienniums. She observed that only 35 per cent of the recommendations for the biennium 2000-2001 had been implemented in full by June 2003, but recognized that some recommendations might require a longer implementation period. She stressed that responsibility for implementing the Board's recommendations lay mainly with heads of department and programme managers, and urged the Secretariat and other audited organizations rapidly to take the measures required.

31. Her delegation noted with satisfaction that the organizations had taken several measures to comply with the provisions of General Assembly resolution 52/212 B, including establishing timetables for implementing the Board's recommendations,

identifying officials responsible for implementation, and using effective mechanisms to strengthen the oversight of implementation. She looked forward to receiving the views of the Board on the effectiveness of the mechanisms. South Africa intended to pursue some of the issues raised by the Board during consideration of the relevant agenda items, such as the international tribunals, offices away from Headquarters and the information and communication technology strategy. With regard to the Board's proposal to consolidate the three separate reports, her delegation agreed with the recommendation made by ACABQ in paragraph 17 of its report (A/58/384), and looked forward to receiving the first consolidated report at the sixtieth session.

32. Although the Board of Auditors had issued an unqualified opinion on UNHCR financial statements, it had nevertheless included observations on the adequacy of assurances obtained by UNHCR that funds had been properly used for the purposes intended and on the significant understatement of approximately \$70 million in the disclosure of non-expendable property. Her delegation noted that UNHCR had taken considerable steps to correct those shortcomings. It also noted the recommendations aimed at improving financial management and reporting, human resources management and programme management. She stressed the importance of ensuring compliance with the United Nations Staff Rules and Regulations and the Organization's accounting standards. Recalling that the General Assembly, in its resolution 57/278, had requested the Secretary-General and the executive heads of the funds and programmes of the United Nations to examine governance structures, principles and accountability throughout the United Nations system, her delegation would like the Secretariat to provide information on the status of the governance review requested in the resolution.

33. **Mr. Wittman** (United States of America) said that he reaffirmed the importance of the role of oversight bodies in helping Member States to evaluate whether their contributions were used effectively. He welcomed the thorough review by the Board of Auditors of the management of UNHCR, to which his Government was one of the major donors. He noted that efforts were being made to improve management oversight. Thus, UNHCR had modified its staff rotation policy, and insisted that implementing partners should put adequate accounting and internal control systems into place and provide timely reporting of

audit certificates. Nevertheless, the Board of Auditors had indicated serious shortcomings that had led them to "modify" their audit opinion, including missing audit certificates and financial reports for many implementing partners' projects realized in 2001 and 2002.

34. He was deeply concerned by staffing irregularities, such as the wide gap between the number of employees and the number of approved posts, the number of permanent staff charged to temporary assistance allocations and the proportion of "staff-in-between-assignments". Like ACABQ, his delegation welcomed the High Commissioner's announcement of his intention to introduce reforms designed to achieve greater transparency and stricter control of the staffing table.

35. In addition, he called upon UNHCR to take additional action to improve accounting for non-expendable property and the justification of expenditures in the financial reports of implementing partners, and to report more regularly to the Standing Committee on progress in those areas.

36. The Board of Auditors had noted the need for UNHCR to modernize its financial management and supply-tracking capabilities. His Government was encouraged by efforts made to that end, and had provided funding in 2003 in support of the Management Systems Renewal Project. He urged UNHCR to put the system into action quickly, in the hope that it would help address some of the financial management concerns raised by his delegation at the Standing Committee meeting.

37. His delegation recognized that the number of recommendations made by the Board of Auditors had more than doubled during the last three bienniums. It was disappointed that only 35 per cent of those recommendations had been implemented, but was encouraged that 58 per cent were still being implemented, and invited UNHCR to persevere in its efforts. He endorsed the recommendation of ACABQ that the recommendations of the Board of Auditors, the Administration's observations and the Board's comments on the observations should be combined into one document. In closing, his delegation hoped that the Committee would be able to endorse the majority of the Board's recommendations.

38. **Mr. Iossifov** (Russian Federation) said that despite some progress, the percentage of

recommendations implemented remained low and some were not applied at all. Those agencies where the proportion was lowest should redouble their efforts. He agreed with the Board of Auditors that the creation of a specific allowance for certain duty stations was a decision which exceeded the mandate of the High Commissioner, and that its legal basis should be reviewed.

39. His delegation looked forward to the report on the capital master plan to be presented by the Board at the fifty-ninth session.

40. **Mr. Yamanaka** (Japan) reaffirmed the importance which his delegation attached to resource management. As for the staff of the Office of the United Nations High Commissioner for Refugees, he noted that the number of people employed was 20.9 per cent higher than the number of posts, which was excessive. He agreed with the recommendation made by the Board in paragraph 75 of its report, and noted with concern the information contained in paragraphs 71 and 72. The Office of the High Commissioner should continue its efforts to improve the situation. Referring to paragraph 69, he emphasized once again that the allocation of certain resources of the Office of the High Commissioner to the regular budget was not informative for Member States. He supported the auditors' remarks on that subject, and asked the Secretariat to state when it intended to release the information it had recently undertaken to provide to Member States at a meeting of the Committee for Programme and Coordination (CPC).

41. **Mr. Elgy** (Syrian Arab Republic) noted that in document A/58/5/Add.5, countries were classified by geographical area and the Syrian Arab Republic was included in the Middle East category. Member States must be listed in alphabetical order, and his delegation requested that a correction should be published. Lastly, the Secretariat must implement section VII, paragraph 6, of General Assembly resolution 55/258.

42. **Mr. Gillette** (Director of External Audit and Chairman of the Audit Operations Committee), replying to the representative of Australia, said that certain recommendations relating to the Pension Fund could be implemented only once the review of accounting procedures had been completed, which should happen soon. The Board of Auditors shared the concerns expressed by delegations on the implementation of the recommendations which had

been made to the Investment Management Service. As for unfunded liabilities, it seemed that the Secretariat intended to raise that issue soon in a report. For United Nations bodies as a whole, that liability was thought to total \$2 billion, but it would be better to adopt an actuarial approach in that regard, as several funds and programmes had already done.

43. Turning to the concerns expressed by the representative of South Africa, he recalled that during the fifty-seventh session, the Chairman of the Board of Auditors had said that he believed it was time for the Committee and the Administration to consider the adoption of structures and principles of governance more in line with international best practices, in accordance with the reforms instituted by the Secretary-General, and taking care to continue responding to the requirements of Member States. For its part, the Board would comply with the initiatives adopted, including in the presentation of financial statements, and would give its point of view in due course.

44. The remarks of the Syrian delegation concerning the tables in sections I and V were a matter for the High Commissioner and the Controller, both of whom had signed the letter of transmittal which appeared at the beginning of document A/58/5/Add.5. However, in cooperation with the Chief of the Oversight Support Unit of the Department of Management, the Board would take care that, when financial statements were considered, all annexes were in conformity with provisions currently in force.

45. **Ms. Wyrsh** (United Nations Deputy High Commissioner for Refugees) thanked the Board for its constructive criticism and the Advisory Committee for its recommendations. The matters raised in those two bodies' reports had been considered very recently by the Executive Committee of the Programme of the United Nations High Commissioner for Refugees and by the Standing Committee. The Executive Committee had been informed of the measures taken to give effect to the Board's recommendations. Since the latter had focused particularly on human resources issues, a number of the recommendations concerned that area. The numerous measures being implemented in that field were detailed in a report by the Director of the Human Resources Service of the Office of the High Commissioner, which had been submitted the previous week to the Executive Committee and which she would make available to members of the Fifth Committee.

46. A point raised by several delegations was the need to show in a more transparent manner the relation between official staffing tables and the actual number of staff. The Advisory Committee and the Executive Committee had recently seen a report containing exhaustive information on all the staff of the Office of the High Commissioner, including personnel not occupying established posts. The diversity of the arrangements adopted was deliberate, and was intended to give the Office of the High Commissioner the flexibility it needed in order to respond to situations such as that in Afghanistan.

47. As for other matters, such as accounting for durable goods and compliance with accounting standards, the proposed renewal of management systems referred to by the representative of the United States would help to facilitate the implementation of some of the auditors' recommendations, beginning in early 2004.

48. The Office of the High Commissioner was taking many initiatives to resolve the problem of staff awaiting posts. The phenomenon resulted from variations in staffing which were caused by fluctuating requirements and the policy of rotating one third of staff every year. Staff members could not always be reassigned exactly on the date on which they were due to leave their posts. In fact, over 90 per cent of staff members awaiting their postings were working full time, whether they were assigned to a mission or carrying out temporary duties.

49. The regular submission of reports on some of those issues had been requested by the Standing Committee. That request would be complied with, as would similar requests by the Fifth Committee. The latter would receive detailed information on the proportion of the expenditure of the Office of the High Commissioner charged to the United Nations regular budget.

50. As for the classification of countries into geographical areas, she said that she had noted the remarks of the Syrian delegation and would ensure that that form of presentation was changed if it was contrary to the rules of the Organization. Lastly, she added that she was prepared to provide detailed information to delegations during informal consultations.

**Agenda item 129: Joint Inspection Unit** (A/58/34, A/58/64, A/58/220, A/58/291 and A/58/343)

51. **Mr. Duque González** (Chairman of the Joint Inspection Unit), introducing the annual report of the Joint Inspection Unit (JIU) for 2002 (A/58/34) and its programme of work for 2003 (A/58/64), paid tribute to the five Inspectors whose mandates had expired on 31 December 2002 and listed their replacements, whose mandates would expire at the end of 2007.

52. In 2002, the Unit had issued 12 reports and 3 notes. It had already issued three reports in 2003 and was finalizing several others, five of which would be submitted to the Committee in the main part of the session. During the past year, it had continued the series of comprehensive reviews of the administration and management of its participating organizations, initiated in 1999. It had presented the conclusions of its reviews of the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO), and was now engaged on two others concerning the Office of the United Nations High Commissioner for Human Rights (pursuant to a request by the Commission on Human Rights, endorsed by the Economic and Social Council) and the Office of the United Nations High Commissioner for Refugees. Most of the other reports addressed system-wide issues. All issues related to several organizations. As could be seen from the 2003 programme of work, the Unit was determined fully to play its role as catalyst for the comparison and dissemination of best managerial, administrative and programming practices.

53. In 2002, as noted in section C of the annual report, the Unit had successfully concluded discussions with the secretariats of six organizations in order to set up follow-up mechanisms for its reports. Five of the respective legislative organs concerned had endorsed the agreements and the sixth was expected to do so soon. The Unit hoped to reach agreements with the remaining organizations in 2003. The mechanism it had created comprised two matrices which would enable it to monitor compliance with its reports and the implementation of approved recommendations. Thus, it would be possible to simplify the presentation of information, as recommended by the Secretary-General in paragraph 5 of document A/58/220.

54. The preliminary review by the Joint Inspection Unit of its statute and working methods (A/58/343)



should generate interesting discussions which might lead to far-reaching changes. The Unit was convinced that, if it was to fulfil its mandate and meet the needs of the participating organizations more effectively, further improvements must be made to its functioning and other changes enacted, some of which would probably require amendments to its statute. Furthermore, at its forty-third session in July 2003, the Committee for Programme and Coordination (CPC) had recommended that the Unit should undertake an in-depth review of its statute, working methods and proceedings and present to the Fifth Committee, during the fifty-eighth session of the General Assembly, concrete proposals as to how best the observed weaknesses could be addressed. While that recommendation by the Committee on Programme and Coordination had yet to be acted on by the General Assembly, the Unit shared its concerns and considered that the time had come for an in-depth review of its work.

55. The Unit had therefore decided to present to the General Assembly a preliminary review of its Statute and working methods, with the understanding that those proposals needed to be expanded and completed through further consultations. The report had also been communicated to the Executive Heads of the participating organizations so that they could give their opinions. At the current stage, the General Assembly was not expected to make a decision but to provide guidance. A final review, which would take into account the opinions expressed by the Committee and the outcome of consultations with the other participating organizations, would then be submitted to the Assembly for action. While the preliminary report indicated that the final report could be considered by the Fifth Committee at its resumed session, the Unit was prepared to take steps so that it could be submitted to the Committee before the end of the current year.

56. The preliminary report had been prepared by all members of the Unit in a spirit of openness and transparency, and with the sole intention of providing an effective and trusted instrument to the legislative organs, to assist them in the discharge of their oversight responsibilities. The members of the Unit had identified a series of issues to be addressed; they understood that some of them would have political implications and hoped that their consideration would give rise to an open and frank discussion which would guide them in the continuance of their work.

57. The Unit had structured its review according to the relevant chapters of its Statute, while emphasizing in paragraph 9 that not all the points it had highlighted referred to the Statute itself, nor would they all require amendments to it. The report examined the composition and appointment of the Unit (chapter II), its functions, powers and responsibilities (chapter III), its mode of operation and, in particular, the preparation of its programme of work (chapter IV) and, under chapter VI, which dealt with administrative, budgetary and financial arrangements, the role of its Chairman. He stressed the importance of the guidance provided by the Fifth Committee in the continuing success of its work.

58. Because of the ongoing review process, which could have a considerable bearing on procedures for the drawing up of the Unit's annual programme of work, the preliminary listing of potential reports for 2004 and beyond (A/58/291) had been limited to a preliminary listing of potential reports, information on topics from the preliminary listing for 2003 retained by the Unit, requests from legislative bodies, and suggestions from executive heads of participating organizations. More detailed proposals would be submitted in the final report.

59. **Mr. Sevilla** (United Nations System Chief Executives Board for Coordination) introduced the report of the Secretary-General (A/58/220) on the implementation of the recommendations formulated by the Joint Inspection Unit in three reports, the first on strengthening the United Nations system capacity for conflict prevention (A/50/853), the second on sharing responsibilities on peacekeeping: the United Nations and regional organizations (A/50/571) and third, on travel in the United Nations (A/50/692). The report was submitted pursuant to a series of resolutions adopted in 1975, 1977, 1982, 1984 and 1993, in which the General Assembly had requested the Secretary-General to submit an annual report on the implementation of the major recommendations of the Joint Inspection Unit. It also complemented the Unit's findings on the implementation of its recommendations, which were the subject of a separate section in the Unit's annual report, as requested by the General Assembly in resolutions adopted in 1987, 1989, 1990 and 1999.

60. On the whole, the Secretary-General and the executive heads of the organizations of the United Nations system had continued to give priority to the approved recommendations of the Unit and to allocate

the necessary human and financial resources for their implementation. As for the three studies under consideration, there had been significant developments since the publication of the Unit's report and their consideration by the competent legislative organs.

61. Since a large number of recommendations by the Unit were addressed to legislative organs and the executive heads of United Nations bodies, information on the implementation of the various recommendations had to be compiled and updated system-wide. Consequently, some organizations were questioning the rationale for the presentation to the General Assembly of an annual report by the Secretary-General.

62. He recalled that the Unit had proposed to the General Assembly at its fifty-second session a detailed follow-up mechanism in which the Unit would include in its annual report analysis of the implementation of its recommendations and their impact, a proposal endorsed by the General Assembly in its resolution 54/16. To eliminate duplication and make follow-up to recommendations and the preparation of reports relating to them more systematic, while ensuring comprehensive and timely delivery of information to Member States, there was a need to streamline the process and consolidate all reporting within the framework of the Unit's follow-up mechanism.

63. Since the organizations of the United Nations system reported to their respective legislative bodies on follow-up to the Unit's recommendations on the basis of their respective decisions, the report before the Committee contained only the comments of the United Nations and its funds and programmes on the implementation of the three reports under consideration.

64. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition Iceland, Liechtenstein and Norway, noted that in recent years the General Assembly had repeatedly criticized the work of the Unit, including the content of its reports, their late appearance, the adequacy of its recommendations and insufficient coordination with other oversight bodies.

65. The Committee on Programme and Coordination, during its forty-third session, had also expressed concern about the performance of the Unit, and had

recommended that it should undertake an in-depth review of its Statute and working methods and present concrete proposals on those issues during the fifty-eighth session of the General Assembly.

66. The European Union welcomed the Unit's report on the preliminary review of its Statute and working methods (A/58/343), which addressed some of the concerns expressed by Member States. He requested the Unit to present its final report on the subject during the current session.

67. His delegation welcomed the report on the implementation of the recommendations of the Joint Inspection Unit (A/58/220), which covered some important areas, and noted the report on the activities of the Unit (A/58/34) and on its programme of work for 2003 (A/58/64) and 2004 (A/58/291).

68. **Mr. Repasch** (United States of America), emphasizing the importance of the role in the United Nations system of the various audit and oversight bodies, expressed regret that the annual report of the Joint Inspection Unit (A/58/34) contained little useful information and provided little sense of whether the Unit was achieving its main objective, which was to improve efficiency in the functioning of the United Nations system.

69. He further regretted the lack of progress in developing the Unit's recommendation follow-up system. He hoped that proposals to revitalize the Unit, contained in another document before the Committee, might lead to some improvements. His delegation would also like to know whether the position of secretary of the Unit had been filled.

70. As for the programme of work for 2003 (A/58/64), he believed that the Unit should concentrate on more narrowly focused studies which could produce results in one year or less, and should focus on issues of efficiency and effectiveness of administration and programme management. The 12 studies proposed in the programme were overly ambitious. Of the four planned reports on human resources management, he believed that only the one dealing with performance appraisal systems would be useful. His delegation also questioned the value of a report on coherence for development, and wondered which intergovernmental body was the target audience. The proposed study on results-based management was in danger of duplicating the report recently published on the subject, which had not been well received by either the Fifth Committee or

the Committee for Programme and Coordination (CPC), and his delegation questioned the Unit's ability to produce a more useful report on the subject. Lastly, the relevance of case studies on multilingualism within the United Nations system was questionable.

71. Regarding the preliminary listing of reports for potential inclusion in the programme of work for 2004 (A/58/291), his delegation was pleased that the JIU was engaged in a strategic planning exercise to determine the highest priority among topics for review, and agreed with the decision to defer any action until the completion of the review.

72. With reference to document A/58/220, his delegation welcomed the priority placed by the Secretary-General and the executive heads of the Secretariat on the implementation of approved recommendations of the JIU and other oversight bodies. However, the report duplicated other efforts to report on JIU recommendations, and he proposed its elimination in the future. Nevertheless, he remained a bit mystified by the selection of topics covered in the report and wondered if the recommendations in the reports had been endorsed by the appropriate intergovernmental bodies.

73. He thanked the JIU for responding in such a timely manner to the request of CPC by submitting a report to the Committee on the preliminary review of its statute and working methods (A/58/343). In his view, the report appeared to be comprehensive and thoughtful in addressing most of the criticisms of the Unit made in recent years. He saw the potential for the Unit to provide Member States with critical analysis and information to use in their own decision-making, but unfortunately, it had never fulfilled that potential. Its reports were often too long and complicated, and Member States generally chose simply to take note of them. The report on results-based budgeting and the Millennium Declaration was a case in point.

74. The United States delegation was ready to support the inspectors' reform efforts and to make proposals to help them in their task. Qualifications of inspectors was the first area where it seemed to him that action was needed. Most had diplomatic experience rather than experience in auditing and evaluation. In the future, one of the requirements for candidates should be experience in their national inspection or audit services, as was the case for candidates for the Board of Auditors. The nomination process could be strengthened by the establishment of

an advisory board that would screen potential nominees.

75. Furthermore, the JIU must focus its efforts on value for money inspections that provided clear and practical recommendations for implementation. The Unit should establish a checklist of topics for reports and establish an internal screening process. The Chairman, whose mandate could be strengthened, could act as decision maker where required, and inspectors would no longer have complete independence in selecting their topics and methods of work.

76. **Mr. Iossifov** (Russian Federation) said that his delegation attached great importance to the work of the Joint Inspection Unit and supported the strengthening of the team of inspectors. It welcomed the reports submitted, in particular the report of the Joint Inspection Unit on the preliminary review of its statute and working methods, which contained some innovative ideas. The Committee was prepared to consider it to determine how to strengthen the JIU and help it fully to realize its potential.

77. The Russian Federation believed that the proposed reforms should address a fundamental problem: full utilization of the potential offered by the JIU. It was essential to implement article 5.3 of the Statute, which stated that it must verify that United Nations bodies were fulfilling their mandates and making optimum use of their resources. The reform of JIU should not be an end in itself, but should follow a careful analysis. The Committee expected the JIU to make definitive proposals on any possible revision of its statute to enable the General Assembly to reach clear decisions on the matter. In the meantime, the Unit should continue its activities and should not be paralysed by the debate over its future.

78. **Mr. Kamer** (Canada) speaking also on behalf of Australia and New Zealand, said that those delegations were committed to effective oversight of the use of resources that Member States provided to United Nations organizations. While recognizing the useful role an independent external oversight body could play, the actual experience raised doubts about the practical value created for the participating organizations and Member States, and there were serious doubts about the fundamental model. Those delegations questioned whether it made sense to structure oversight of complex organizations around eleven inspectors, working as individuals, without specifically mandated qualifications, working with very little technical

support, choosing subjects at will and without internal mechanisms to ensure quality and relevance. That model was not conducive to effective oversight and was very costly.

79. Those delegations were pleased that the JIU itself was contributing to the review of its statute and working methods as recommended by CPC. The ideas contained in the report on the preliminary review of its statute and working methods (A/58/343) could help the Committee in its work. Noting that other Member States appeared willing to seek reform rather than the more radical options they might have preferred, they declared their intention to work closely with others in order to improve the quality of reports, strengthen the link between the work of JIU and the managerial and administrative challenges of the participating organizations, improve internal quality control, strengthen the professional qualifications of the Unit, and improve its cost-effectiveness for Member States.

80. **Ms. Zobrist Rentenaar** (Switzerland) said that her country recognized the need for a system-wide, independent external oversight body aimed at improving efficiency and coordination among organizations of the United Nations system. However, the General Assembly had on many occasions expressed its concern at the working methods of the Unit and requested it to review them in order to improve effectiveness. JIU reports were too long and theoretical and lacked proposals for concrete action, and the topics chosen too often did not represent important core issues of the United Nations system. Due to the lengthy consultation process, JIU findings were frequently out of date when they reached the General Assembly.

81. Her delegation welcomed the report of the JIU on the preliminary review of its statute and working methods (A/58/343), which covered some of the concerns raised, and welcomed the proposals it contained, which were generally pointing in the right direction. It would have hoped that the final review could have been submitted during the current session, but was encouraged by the remarks of the Chairman in that respect.

82. In the light of the considerable sum of money spent on the JIU — over \$8 million per biennium — her delegation intended to take up the reform of the Unit under the current agenda item and also in the context of the programme budget for the biennium 2004-2005.

83. **Mr. Yamanaka** (Japan) said that his delegation attached great importance to the role of the Joint Inspection Unit. It commended the efforts to address its working methods and welcomed its report on the preliminary review of its statute and working methods (A/58/343). In the view of his delegation, reform of the Joint Inspection Unit should aim at enhancing its ability to produce timely, high-quality, practical and action-oriented reports. It must also be taken into account that the statute should be amended from a medium and a long-term perspective, with due consideration of the original intention, while improving working methods.

84. In that connection, his delegation would like to receive clarification on paragraph 11 of the report concerning the ratio of inspectors to research staff, and would like to know the normal practice in public and private oversight and consulting organizations.

85. As for the functions, powers and responsibilities of the Unit (para. 15) his delegation pointed out that the implementation of recommendations depended largely on the quality of the report itself rather than action by participating organizations, and that reports should be more streamlined and targeted.

86. His delegation noted with interest, in paragraph 22 of the report, that the JIU was considering ways to strengthen the authority of the Chairman, thus allowing him or her to genuinely lead and manage the work of the Unit, and it looked forward to a concrete proposal from the Unit as soon as possible.

87. **Mr. Chaudhry** (Pakistan) said that his delegation welcomed the report of the Joint Inspection Unit on the preliminary review of its statute and working methods (A/58/343). In 1996, the JIU had undertaken a review of its internal procedures which had not met the expectations of Member States. It therefore welcomed the review currently being conducted, which was much broader in scope.

88. Concerning the composition of the Unit and the nomination of its members, his delegation acknowledged the importance of examining the competence of candidates. However, the JIU must not duplicate the work of the Board of Auditors. The inspectors should not simply be auditors, but should have a wide knowledge of the United Nations system, while being able to conduct in-depth investigations. The ratio of the number of inspectors to the number of research staff was also important, since research contributed to the quality of the reports.

89. With regard to functions, powers and responsibilities, his delegation endorsed the idea that the JIU should concentrate on the areas where it had a comparative advantage over other oversight bodies. It welcomed the outline of a strategic framework for the work of the Unit found in the annex to the report, and looked forward to more detailed proposals.

90. Regarding the report on the programme of work of the Joint Inspection Unit for 2003 (A/58/64), Pakistan underlined the importance and appropriateness of two of the proposed topics, status of implementation of results-based management and coherence for development.

91. With regard to the preliminary listing of reports for potential inclusion in the programme of work for 2004 and beyond (A/58/291), his delegation noted with satisfaction that the decision concerning the choice of topics had been postponed until the review of the statute had been completed and the strategic framework adopted. However, concerning the topics on the preliminary list for 2003 retained by the JIU, it believed that the review of institutional and programme issues relating to UNCTAD was not particularly relevant, and it would have preferred the Unit to investigate the institutional support that UNCTAD could provide to ensure coherence in international trade policy. The choice of topics, their relevance and the value they added to the work of the organizations was just as important as the effectiveness of its working methods.

92. His delegation reaffirmed its support for the Joint Inspection Unit and its readiness to support its reform efforts.

93. **Mr. Jonah** (Sierra Leone) said that he was surprised at the criticisms directed at the Joint Inspection Unit, whose work had been instrumental in bringing about some of the reforms of the Organization. With regard to the suggestion of the United States representative concerning the qualifications of the inspectors, his delegation, which concurred fully with Pakistan's comments in that regard, wished to point out that, while the members of the Unit might not have had auditing experience, they did have ample experience with the United Nations and the Fifth Committee in particular. In some of the reforms adopted in recent years, experience had shown the danger of calling in outside specialists who were unfamiliar with how the United Nations functioned. Therefore, although auditing experience could certainly

be one of the qualifications required of the inspectors, it should by no means be the sole criterion.

94. **Mr. Elnaggar** (Egypt), with reference to the Joint Inspection Unit reports, in particular the report on the preliminary review of its statute and working methods (A/58/343), said that his delegation was in favour of strengthening the oversight bodies as a means of improving the efficacy of the services provided by the Organization and the entire United Nations system. It concurred with the views expressed by some delegations concerning the composition, mandate and working methods of the Joint Inspection Unit. With regard to the qualifications of the inspectors, it was essential for the inspectors to have some experience of the United Nations and the way it operated.

95. **Mr. Mazumdar** (India) stressed the importance of the Joint Inspection Unit as the only system-wide oversight body and said that the changes in the Unit's mandate, working methods and composition called for by a number of delegations, including that of India, at the past session of the Committee for Programme and Coordination could only strengthen its statute and the role and usefulness of the Unit. The report of the Joint Inspection Unit on the preliminary review of its statute and working methods (A/58/343) put forward a number of interesting ideas and addressed several important issues, including the qualifications of candidates for the post of inspector and the ratio of inspectors to research staff. As several delegations had stressed, it was difficult for the Joint Inspection Unit as currently constituted, with 11 inspectors and seven research officers, to do the work expected of it. There was an urgent need to revitalize the Unit, and the strategic framework suggested in its report could serve as a useful starting point. His delegation awaited with interest the final report that the Unit was to submit later in the session as the outcome of informal consultations.

#### **Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations**

*Outsourcing practices* (A/57/185, A/57/453, A/57/7/Add.1, A/58/92 and Add.1 and A/58/389)

96. **Mr. Toh** (Under-Secretary-General for Central Support Services), introducing the report of the Secretary-General on outsourcing practices (A/57/185), which contained a list of the outsourced activities of the United Nations, 1999-2001, for Headquarters, offices away from Headquarters and United Nations funds and programmes, which had been prepared

pursuant to General Assembly resolution 55/232, noted that, according to the report, all the various offices and services had either brought their outsourced activities into line with the criteria and guidelines established by resolution 55/232 or were in the process of doing so. The necessary changes had been made or were being made at the regional commissions that had outsourced security services. The Economic Commission for Latin American and the Caribbean (ECLAC) had received a budgetary allocation for nine security posts; six security officers had been recruited and the three remaining posts would be filled by the end of November 2003. Of the 30 security posts at the Economic and Social Commission for Asia and the Pacific, 25 were encumbered by United Nations staff, and the remaining posts would be filled by United Nations recruits by the end of the year. The Economic and Social Commission for Western Asia had completed the recruitment and training of 21 United Nations security officers, its full complement of security staff.

97. **Mr. Duque González** (Chairman of the Joint Inspection Unit), introducing the report of the Joint Inspection Unit on management audit review of outsourcing in the United Nations and United Nations funds and programmes (A/58/92), said that the objective of the report, a follow-up to the system-wide analysis of 1997, was to establish the extent to which the outsourcing practices in 1999 and 2000 by the United Nations Secretariat and the United Nations funds and programmes had been consistent with the policy directives set forth in General Assembly resolution 55/232.

98. The general conclusion of the management audit review was that the organizations concerned were still in the process of adapting their operations and relevant instruments to the new outsourcing policy guidelines drawn up by the Secretary-General in 1999 and endorsed by the General Assembly in 2000. An area in need of priority attention concerned improved management controls over outsourcing contracts, to ensure that suppliers did indeed deliver the efficiency and the cost benefits which, among other things, were supposed to justify recourse to outsourcing.

99. The report contained nine recommendations which should enable the organizations concerned to rectify the weaknesses identified. Judging from the Secretary-General's comments on the report (A/58/92/Add.1), those recommendations were, with few exceptions, non-controversial. The organizations had welcomed the report, while calling for a degree of

flexibility to take into account their special circumstances. In its report on the Joint Inspection Unit (A/58/389), ACABQ made a number of similar observations. The Unit accepted the general principle that its recommendations should be adapted to the particular context of each organization.

100. With regard to some specific reservations expressed by the Secretary-General, he wished to explain that recommendation 1 attempted to demarcate the outsourcing concept from other procurement methods, such as one-time procurement of goods and services or the use of consultants and short-term personnel, which were sometimes mistakenly treated as outsourcing, as the Joint Inspection Unit had observed in the course of its review.

101. Similarly, recommendation 2 sought to differentiate outsourcing from two other general policy principles long advocated by the General Assembly, namely, common services and national execution of technical cooperation projects, which arose from different directives and had different objectives.

102. In response to the comment in paragraph 6 of the note of the Secretary-General (A/58/92/Add.1), it should be recalled that the methodology of the Unit's report (A/58/92) was conditioned by the General Assembly's instructions in its resolution 55/232. That said, the report did address some systemic and operational weaknesses, particularly in paragraph 72, in which the Joint Inspection Unit noted that managerial controls over contract implementation were inadequate, generally owing to the failure to include measures of performance and quality in contract documents, and also because the organizations did not have specialists in-house qualified to do such monitoring.

103. With regard to the comment in paragraph 9 of the note by the Secretary-General that "the administration [was] unable to support the suggestion that the same supplier should not be used for more than 10 years", it should be noted that that question was addressed in paragraph 76 of the report of the Joint Inspection Unit, which made reference to General Assembly resolution 56/235 endorsing the Unit's recommendations regarding policies and practices in the use of the services of private management consulting firms (A/54/702). One of those recommendations was to adopt a policy of rotating management consulting firms in order to avoid an excessive dependence on any one of them. The Joint Inspection Unit believed that in the highly competitive markets to be found in the

developed countries, a policy of periodic rotation of suppliers at least every five years was not only feasible but should enhance the independence of the organizations in their relations with their suppliers.

104. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the question of outsourcing practices in two of its reports. In the first (A/57/7/Add.1), it requested that, in future, whenever an activity was outsourced for reasons of cost-efficiency, the related savings should be indicated (paragraph 11). In the second report (A/58/389), it commented on the report of the Joint Inspection Unit (JIU) and noted that the Secretary-General had expressed general support for the findings and recommendations contained in the report of JIU, but emphasized the need for flexibility and due consideration of the unique environments in which individual organizations operated. Those were minor differences of interpretation which the Committee did not believe invalidated the basic recommendations of JIU.

**Report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna (A/58/258 and Add.1 and A/58/389)**

105. **Mr. Duque González** (Chairman of the Joint Inspection Unit) said that the report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna (A/58/258) was one of a series of reports examining administrative arrangements of that type currently existing at different duty stations. He recalled that the expansion and strengthening of common services was one of the strategies proposed by the Secretary-General in his programme for reform in order to enhance support capacities.

106. He drew particular attention to recommendation 1 of the report, which proposed the establishment of a single common services administrative unit under the management of the United Nations Office at Vienna (UNOV). An in-depth analysis of the current system of allocated administration and related cost-sharing arrangements had revealed a number of shortcomings and imbalances, many of which could be removed by regrouping common services under the management of the Office. It might also be a way of furthering the development of common services in areas such as procurement, information and communication technology, and human resources management.

107. He was pleased to note that in their remarks on the issue (A/58/258/Add.1), the members of the United Nations System Chief Executives Board for Coordination (CEB) supported many of the Unit's recommendations. However, according to paragraph 4 of the document, the Consultative Committee on Common Services of the Vienna-based organizations did not consider it desirable to establish a single common services administrative unit under the management of the United Nations Office at Vienna, and proposed instead to continue to review all common services arrangements with a view to improving administrative efficiency. Unfortunately, that did not address the underlying weaknesses of the current system of allocating administration which had been clearly identified by the Unit.

108. Lastly, he drew attention to some errors in the report, particularly in paragraph 4, where the text quoted did not correspond to the final text adopted by the Unit, and in paragraph 12, where "common interpretation services" should read "common language training services".

109. **Mr. Sevilla** (Secretariat of the United Nations Chief Executives Board for Coordination (CEB)) introduced the note by the Secretary-General (A/58/258/Add.1) transmitting the comments of the members of CEB on the report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna. The note, which dealt with a number of issues raised by the Unit concerning the management of common services by the five organizations concerned, reported on discussions in the Consultative Committee on Common Services (CCCS), which was made up of the executive heads of Vienna-based organizations.

110. Overall, the organizations considered that the analysis carried out by the Unit was a useful contribution to the current review of arrangements concerning jointly managed services at Vienna. They agreed to differing degrees with the recommendations concerning opportunity costs incurred by common services and the need to establish an accountability framework for achieving cost-efficiency in administrative areas. Of the Unit's 12 recommendations, the Chief Executives Board believed that four should be the object of more detailed consideration and consultations. Firstly, as the Chairman of the Joint Inspection Unit had mentioned, the Consultative Committee on Common Services did not consider it desirable to establish a single common services administrative unit under the management of

the United Nations Office at Vienna (recommendation 1). As for recommendation 2, it did not believe it necessary to establish a joint management advisory committee for the Joint Medical Service and the Security and Safety Service, considering the current system of ad hoc consultations to be effective. Concerning recommendation 9, on library services, they believed that since the library field was changing rapidly, there was no need for a large physical library. Lastly, they also considered it unnecessary to review the cost-sharing methodologies in place since 1996, which were functioning satisfactorily (recommendation 10). They did, however, support reviewing the costs of administrative support with regard to the reimbursements for interpretation services.

111. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had reviewed the question of common services not only at Vienna but also in New York and Geneva and was always mindful of the issue in the context of its consideration of the programme budget and other reports of the Secretary-General. As indicated in paragraph 8 of its report on the Joint Inspection Unit (A/58/389), the issue was of continuing concern to the Advisory Committee, which would revert to it at the appropriate time. Experience had shown that it was very difficult to force unwilling organizations to enter into common services arrangements, since they then tended to establish parallel units that became much more expensive. The organizations in question had to decide whether secretariats that were unwilling to enter into common services should be forced to do so, but that decision should be taken only after a careful analysis of the cost-effectiveness of such an approach.

*The meeting rose at 1 p.m.*