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Chair: Ms. Mukashyaka (Rwanda)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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In the absence of Mr. Ružička (Slovakia), Ms. Mukashyaka (Rwanda), Vice-Chair, took the Chair.

The meeting was called to order at 3.05 p.m.

Agenda item 134: Improving the financial situation of the United Nations (*continued*) (A/69/520)

1. **Mr. Takasu** (Under-Secretary-General for Management) said that, since the reporting cut-off date of 2 October 2014, a total of \$86.2 million had been received for the regular budget, including payments from the United States, Cuba and Serbia. For peacekeeping operations, \$332.8 million had been received from 30 Member States, including the Russian Federation, China, the United Arab Emirates, Norway, Austria and Portugal. A total of \$1.12 million had been received for the international tribunals, including a payment from the United Arab Emirates, which had brought to 99 the number of Member States that had paid their assessments for the tribunals in full. As Brunei Darussalam and Luxembourg had paid their full contributions for peacekeeping operations, a total of 35 Member States had paid their peacekeeping assessments in full and 31 had paid their contributions in full for all budgets.

2. The level of cash available for the regular budget was low and the situation was expected to tighten further in the final months of 2014, especially when coupled with the utilization of the Working Capital Fund and the Special Account to finance the associated costs of the capital master plan and the United Nations Mission for Ebola Emergency Response (UNMEER). He urged Member States to make further efforts to pay their outstanding regular budget assessments.

3. **Ms. Rios Requena** (Plurinational State of Bolivia), speaking on behalf of the Group of 77 and China, said that the Group was concerned that the level of cash available for the regular budget was low and was expected to worsen by the end of the year. Payment of assessed contributions in full, on time and without conditions was a Charter obligation, and all Member States in a position to honour their financial commitments should do so promptly. It was critical that all Member States met their financial obligations to enable the United Nations to carry out its mandates in an effective and efficient manner. The Group rejected all unilateral coercive measures contrary to international law that obstructed or impeded payments from its members.

4. The remaining cash balance in the capital master plan would be fully utilized by November 2014. It had therefore been decided, on an exceptional basis and thanks to the great flexibility demonstrated by the Group to make use of the Working Capital Fund and the Special Account as a bridging mechanism to address cash flow challenges of the capital master plan, in accordance with resolution General Assembly 68/247 B. In that same resolution the Assembly had also decided that the bridging mechanism would be replenished at the main part of the sixty-ninth session of the General Assembly through the established budget assessment in order to maintain the robust liquidity of the Organization. The Group would be following closely the implementation of that decision.

5. The Group recognized the efforts made to reduce the amount owed by the Organization to Member States that provided troops, formed police units and contingent-owned equipment. It also noted that outstanding payments were expected to decrease by the end of 2014, but believed that more should be done to ensure that Member States were reimbursed expeditiously and in full. As most troop-contributing countries were also developing countries, they were not in a position to sustain their troop commitments and maintain their equipment for extended periods of time without reimbursement. The issue was a priority for the Group. Countries that had not paid their assessments for peacekeeping budgets in full should do so as soon as possible.

6. **Ms. Tan** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that while ASEAN was encouraged that overall financial indicators for 2014 were generally sound and commended those Member States that had made a concerted effort to meet their financial obligations to the Organization in full, on time and without conditions, it was concerned that a significant number of assessments remained unpaid, particularly for the regular budget. With the level of cash available for the regular budget low and expected to tighten further towards the year end, the final cash position would depend on contributions in the remaining months of the year. Member States were bound under the Charter to fulfil all their financial obligations, which should be done on time, in full and without conditions. Failure to do so would adversely affect the Organization's financial position and, most important, its effectiveness.

7. The United Nations must demonstrate more effective management of the resources entrusted to it by Member States, by exercising greater fiscal discipline and utilizing initiatives such as the Umoja enterprise resource planning system and the International Public Sector Accounting Standards (IPSAS) to make it strong, effective and results-orientated. ASEAN encouraged the Secretariat to improve the transparency of its work and consultations with Member States, including by providing clear and timely information.

8. The United Nations, as the only multilateral organization in the world with global membership and universal legitimacy, was best placed to deal with the increasingly complex challenges that Member States collectively faced. Those challenges ranged from terrorism, to climate change, to disease, and did not respect national borders. The United Nations must have the necessary resources to fulfil the mandates entrusted to it, but it should also strengthen accountability, transparency and effectiveness in delivering results.

9. **Ms. Deblois-Labbé** (Canada), speaking also on behalf of Australia and New Zealand, welcomed the Secretariat's assessment that, overall, financial indicators for the Organization at the beginning of October 2014 were generally sound, and noted that outstanding payments to troop- and police-contributing countries were projected to decrease. However, it was a matter of concern that, as at 2 October 2014, fewer Member States had paid their regular budget contributions in full than at the same date in 2013. Unpaid assessed contributions had a significant adverse impact on the cash flow of the Organization. It was likewise worrying that the total cash currently available was not sufficient to cover disbursements through to the end of the year, although the position was expected to improve as Member States took action in that regard.

10. As at 2 October 2014, unpaid assessed contributions, including regular budget and peacekeeping assessments, totalled more than \$3.5 billion, which was more than in October 2013. The failure by some Member States to pay their assessments in full and on time was not only unfair to those States which had done so but also delayed reimbursements to troop- and equipment-contributing countries for the costs they had incurred. Payments of amounts owing for troops, formed police units, contingent-owned equipment, letters of assist, and

death and disability claims depended on Member States' meeting their obligations to the Organization in full and on time.

11. The three delegations for which she spoke would continue to demonstrate their commitment to the work of the United Nations by paying their dues in full, on time and without conditions; she urged all Member States to fulfil their Charter obligations in the same way. Member States in arrears should submit multi-year payment plans.

12. Given the fiscal constraints that many Member States continued to face, it was incumbent upon the Organization to ensure that its practices were continuously improved and adapted, that efficiencies were actively sought, and that programmes were delivered more effectively. Member States must not only ensure that the Organization had the resources it needed to deliver the mandates that they had entrusted to it, but should also work collectively to identify areas where efficiency gains could be made, and to find innovative solutions to streamline processes and prioritize activities. In that regard, she commended the initiative taken by a cross-regional group of Member States to commission an independent expert panel report on United Nations planning and budgeting processes, and hoped that Member States would give careful consideration to its recommendations.

13. The resources provided to the Organization by Member States must be effectively managed, in order to meet the demands of the full range of global peace, security and development challenges it faced. Fiscal discipline by the Organization and commitment by all Member States to meet their obligations, once priorities had been identified and mandates agreed, were two sides of the same coin.

14. **Mr. Presutti** (Observer for the European Union), speaking also on behalf of the candidate countries Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, said that underpinning the work of the United Nations was a partnership between Member States and the Organization. Providing and utilizing funding in a responsible manner was a vital element of that partnership; however, the number of Member States that had paid their regular budget and peacekeeping assessments in full had decreased compared with 2013. Although the financial indicators

for 2014 were generally sound, that was not the case for the regular budget. Unlike the cash balances for peacekeeping operations and the tribunals, the level of cash available for the regular budget was low and the situation was expected to tighten even further towards the year end, unless contributions were received in the final months of 2014. He therefore encouraged Member States to pay their assessed contributions in full and as soon as possible.

15. Steps must be taken at all levels to ensure that resources were spent more wisely and that the Organization respected agreed budget levels. The Organization should also continue to make every effort to find new and creative ways to achieve a more effective delivery of mandates and the sustainable use of resources.

16. Lastly, the members of the European Union, which contributed 35 per cent of the United Nations regular budget, far exceeding their gross national income share, and approximately 37 per cent of its peacekeeping budgets, called for the budgetary responsibilities to be shared more equitably, on the basis of actual capacity to pay. Only then would the financing of the United Nations system be sustainable.

17. **Mr. Seck** (Senegal), noting that the cash positions were currently positive for all categories and that many Member States had paid all of their assessed contributions, said that his country was honour-bound to meet all of its financial obligations to the Organization, despite its limited resources. While improvement was needed in ensuring that adequate budgetary resources were available to the Organization, the latter, for its part, must give priority to innovative methods to improve the effectiveness of its activities. Towards that end, the Organization should to adopt quality management standards based on efficiency, transparency and cost-effectiveness.

18. While the Secretariat had made welcome efforts to control operating expenditures, including staff costs, such efforts must be pursued and stepped up in order to achieve optimal resource management. As resources continued to dwindle, the Secretariat must strive for greater efficiency. In that connection, the budgets of special political missions should be reduced and a separate account should be established for such missions, which would greatly improve the financial situation and transparency of the Organization.

19. Although many Member States had paid their assessed contributions, the level of unpaid assessments for the regular and peacekeeping budgets was significant. That in turn had a negative impact on reimbursements to troop-contributing countries, which were mostly developing countries, and therefore hampered their ability to train troops and renew equipment for peacekeeping missions. At the same time, troop-contributing countries were being asked to prepare peacekeeping contingents at their own expense. The commitment of Member States to honour their financial obligations in full and on time must be matched by the delivery of mandated results.

20. **Mr. Nguyen Viet Lam** (Viet Nam), noting with appreciation that the financial indicators for the Organization for 2014 were generally sound and that many Member States had paid their assessments for all budgets in full, said that it was vital that the United Nations financial situation remained strong as the Organization was at the centre of international efforts to deal with global challenges, ranging from peace and security matters, to climate change and epidemics. Member States should therefore pay their outstanding assessments. His country remained firmly committed to the Organization's work and to paying its assessed contributions in full. Viet Nam had paid its assessments for the capital master plan in full and was making every effort pay its other contributions in due course.

21. **Mr. Nagao** (Japan) said that, in recognition of its responsibilities under the Charter, his Government had paid in full all its assessments for the regular budget, peacekeeping operations, the international tribunals and the capital master plan, in spite of enormous domestic financial difficulties.

22. Noting with appreciation the Secretariat's greater efforts to utilize resources in an efficient and effective manner, his delegation expected the Secretariat to monitor the cash position of the regular budget closely, especially in relation to the capital master plan bridging mechanism, the situation of the Working Capital Fund and the Special Account, and to inform the General Assembly as appropriate.

23. The resources contributed by Member States must be utilized efficiently and effectively by the Organization to implement mandates. In that regard, the Secretariat could draw on Member States' domestic experience. The General Assembly should aim for a

reasonable and practical solution when discussing the various budget proposals.

24. **Mr. Haniff** (Malaysia) said that, while the financial situation of the United Nations was generally sound and 125 Member States had paid their regular budget assessments in full as at 2 October 2014, his delegation was concerned that unpaid regular budget assessments at 30 April 2014 had amounted to \$1.39 billion. All Member States were obliged to finance the Organization, as a lack of funds could undermine its activities and would mean that it would be unable to carry out its mandates effectively.

25. His delegation was likewise concerned that the unpaid amount for peacekeeping operations was \$2.6 billion. Despite the difference between Malaysia's budget cycle and that of the peacekeeping missions, his country would still meet its financial obligations to the Organization. The troops and civilians working to implement the peacekeeping mandates were not pawns, but the embodiment of Member States' noble collective effort to bring peace and security to the world. It would be imprudent and irresponsible to allow those missions to be impaired owing to a lack of financial resources.

26. **Ms. Guo Zhiqi** (China) said that, while overall the financial situation of the Organization was sound, it had deteriorated when compared with the same period in 2013. Unpaid regular budget assessments as at 2 October 2014 were \$1,037 million, \$92 million higher than unpaid assessments as at 1 October 2013, with the bulk of unpaid assessments owed by a small number of countries. In addition, \$2.6 billion of peacekeeping assessments and \$60 million for the international tribunals were unpaid. That situation was worrying, as without the necessary funding the United Nations could not carry out its regular operations properly. A solid financial position would guarantee the strength, stability and dynamism of the Organization.

27. In recent years, her country's assessed contribution had increased dramatically to over \$600 million a year. Despite years of rapid growth, China was now in a period of structural economic adjustment. The economy was facing strong downward pressure, which had levelled off government revenue, but the cost of developing the economy kept increasing. The Government had therefore placed strict controls on expenditures in an effort to improve fiscal efficiency. Despite those circumstances, her country had duly met its financial obligations to the United

Nations and had paid its peacekeeping assessment of \$236 million by 13 October 2014, in addition to other contributions in the amount of \$134 million for 2014.

28. She appealed to all Member States, in a spirit of political good will, to fulfil their financial obligations under the Charter by paying their assessments in full, on time and without conditions to ensure that the Organization could carry out its mandates. At the same time, the Secretariat should strengthen its administrative and budgetary management, exercise financial discipline, achieve economies, and make effective use of every penny paid by Member States.

29. **Mr. Sánchez Azcu**y (Cuba) said that, as the United Nations played an increasingly important role in maintaining world peace, promoting development and strengthening international cooperation, it was essential for it to have a stable financial basis. Member States should therefore pay their assessments in full, on time and without conditions. It was significant that the largest share of unpaid assessments under all United Nations budgets continued to be owed by a single Member State, one that also benefited from the greatest distortion in the methodology for calculating the scale of assessments. The strict and unconditional payment of assessments was a Charter obligation. The deliberate withholding of payments undermined the Organization's financial stability. The United Nations relied on contributions from its Member States in order to prevent disruption of its operations. The accumulation of arrears had a negative effect on the Organization's ability to fulfil its mandates. For its part, the Organization must demonstrate its ability to manage the financial resources entrusted to it effectively by continuing to deliver results while strengthening accountability and transparency, particularly when Member States themselves were adopting strict austerity measures.

30. Many developing countries had made great efforts to fulfil their financial obligations to the Organization, despite their economic difficulties. Unfortunately, the financial crisis of recent years and its negative impact on developing countries' capacity to pay were not the only difficulties faced by many States that had the political will to pay their assessments. Cuba rejected the use of unilateral coercive measures contrary to international law that obstructed or impeded payments from developing countries; such measures violated long-standing agreements between the Organization and the host country.

31. For more than 50 years Cuba had suffered the consequences of the unjust economic, commercial and financial embargo imposed by the United States Government, yet it still managed to discharge its financial obligations and maintain its commitment to multilateralism by paying its budget assessments. That embargo was a violation of international law and of the Charter of the United Nations. Between January 2009 and June 2014, 36 American and foreign entities had been fined some \$2.6 billion for transactions with Cuba and other countries, and recently the French bank, BNP Paribas, had been fined more than \$11 billion.

32. The embargo made it difficult for Cuba to pay its assessments. Unlike the majority of Member States, Cuba could not make direct payments to the Organization; instead it was forced to go through third parties. It was also unable to use the United States dollar for international transactions, so its payments were subject to currency fluctuations. Cuba's bank transfers to international organizations had also been frozen on many occasions, even when denominated in euros or Canadian dollars. In fact, Cuba's payment for the Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons had been frozen for nearly a year at JP Morgan Chase Bank. To date, attempts to resolve the matter through relevant United Nations entities had failed. He hoped that the General Assembly would again adopt the draft resolution on the necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba.

Agenda item 130: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/69/5 (Vol. I), A/69/5 (Vol. I)/Corr.1, A/69/5 (Vol. III), A/69/5 (Vol. IV), A/69/5/Add.1, A/69/5/Add.1/Corr.1, A/69/5/Add.2, A/69/5/Add.3, A/69/5/Add.4, A/69/5/Add.5, A/69/5/Add.6, A/69/5/Add.7, A/69/5/Add.8, A/69/5/Add.9, A/69/5/Add.10, A/69/5/Add.11, A/69/5/Add.11/Corr.1, A/69/5/Add.12, A/69/5/Add.13, A/69/5/Add.14, A/69/5/Add.15, A/69/178, A/69/178/Corr.1, A/69/178/Corr.2, A/69/178/Corr.3, A/69/178/Corr.4, A/69/178/Corr.5, A/69/178/Corr.6, A/69/353, A/69/353/Add.1 and A/69/386)

33. **Mr. O'Farrell** (Chair of the Audit Operations Committee of the Board of Auditors), introducing the Board of Auditors' reports to the General Assembly at its sixty-ninth session, said that there were no qualified

opinions for the 19 entities plus the United Nations peacekeeping operations audited during the period ended 31 December 2013. All nine entities that had implemented IPSAS in 2012 had again received unqualified audit opinions for the financial year ended 31 December 2013. All 10 entities that had reported on a biennial basis for 2012-2013 under the United Nations system accounting standards (UNSAS) had also received unqualified audit opinions. The Board's review showed that all entities could demonstrate a basically sound financial position.

34. The Board noted that IPSAS implementation was driving improved financial management processes, reporting, skills, capacity and staff financial literacy across all entities. In particular, the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the United Nations Development Programme (UNDP) were offering finance and operations staff internationally recognized IPSAS-orientated qualifications. Other entities might usefully consider doing the same. In the reports under consideration, the Board placed a much stronger emphasis on the need for effective cost management systems, so that entities could systematically analyse their total cost base between programme and administrative expenditure categories and thus provide greater assurances to Member States that resources were being used effectively.

35. The Board's examination of UNICEF also highlighted the need to control the administrative costs of fundraising efforts by National Committees. Significant additional resources had been made available to UNICEF in 2013 as a result of a greater focus on reducing the level of funds retained by National Committees to cover overheads. While that was a positive outcome, more progress was needed. Similar issues had arisen between the United Nations University and a key fundraising partner.

36. Although progress in implementing robust approaches to enterprise risk management in United Nations entities had been variable, positive advances had been made by the United Nations Management Committee through the identification of six key strategic risks facing the Organization. An appropriate governance structure had been created to manage those risks and to take forward the next tasks of reform, namely, establishing management processes and internal control frameworks to mitigate the risks effectively. While still a work in progress, that

initiative had the potential to significantly improve the strategic management of the United Nations, and therefore had the support of the Board.

37. The Board noted ongoing problems faced by various entities, including the United Nations Office on Drugs and Crime (UNODC), the Office of the United Nations High Commissioner for Refugees (UNHCR), UNDP and peacekeeping operations, in striking the right balance between providing sufficient flexibility and delegated authority to the field and the right level of monitoring, intervention and oversight by headquarters. The Board did however highlight the positive response of UNHCR to the huge influx of refugees into Jordan from the Syrian Arab Republic, in terms of mobilizing resources and moving from an emergency towards a more sustainable refugee operation. It also made recommendations for the future, including adopting more widely a flexible approach to emergency staffing.

38. The Board was increasingly reporting on weaknesses in budget formulation, execution and reporting in entities — a recurring theme in its annual report on peacekeeping activities. The regular budget was not built on an accurate understanding of the actual costs of mandate delivery. In addition the process involved a significant amount of time and effort, but resulted in very limited change to the budget from biennium to biennium. So, while the process offered benefits in terms of consensus among Member States, when judged against international best practice criteria, the United Nations regular budget provided limited value as a management tool at a strategic and operational level. As the budget module of the enterprise resource planning system, Umoja, was currently being designed, the Board recommended that those parts of the regular budget process that focused on the preparation of the budget proposal and were within the purview of management should be reviewed to improve efficiency and the utility of the budget proposal as a decision-making tool. The Board provided practical examples of unnecessary steps that could be eliminated. Management should also consider how the strategic value of the budget process and proposal might be enhanced, including by using capital budgets or providing longer-term scenario analysis and forecasting. Any changes would, however, need to be approved by the General Assembly.

39. While overall there had been progress toward improved management of implementing partners by the

Office for the Coordination of Humanitarian Affairs, much still needed to be done to implement risk-based approaches fully and, in particular, to address the pressing need for entities involved in humanitarian assistance to share information on implementing partners in order to improve value for money and reduce the risk of fraud. In that connection, the Board continued to highlight problems in the implementation of the harmonized approach to cash transfers. In some cases, particularly projects implemented under the national implementation and national execution modalities, there was a tendency to waive that approach as it was generally held that beneficiary Governments would automatically become the implementing partners. That practice increased the risk of unsuitable funding and monitoring arrangements. While the approach had been revised, the level of implementation was uneven.

40. During 2012-2013, the Board had started to examine the awareness of fraud in three entities, highlighting concerns about the likely under-reporting of fraud and the need for integrated strategies to counter fraud and more robust fraud risk-assessment, particularly with regard to external risks. The Organization must address the fragmentation of existing policies, procedures and guidance on fraud, particularly as the United Nations did not have a well-developed protocol or framework in place for staff to follow when serious external fraud occurred. Given the limited coordination between United Nations investigation units, the Board encouraged the United Nations system to consider the establishment of a system-wide unit to counter fraud, especially when it crossed organizational boundaries.

41. The United Nations was in the midst of a number of major business transformation activities, including the implementation of Umoja, which was at a critical juncture. While noting positive steps to improve the focus of the Management Committee on business transformation, the Board had highlighted a number of issues for senior management to address going forward in its concise summary of the principal findings and conclusions contained in its reports.

42. Lastly, based on its dialogue with management and the full implementation rate of 56 per cent for all entities, the Board considered that there was good evidence of management commitment to the implementation of the Board's previous recommendations.

43. **Mr. Guarzo** (Director, Accounts Division), introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its report on the United Nations funds and programmes for the financial period ended 31 December 2013 (A/69/353/Add.1), said that report provided information further to the comments already submitted to the Board of Auditors, which in some cases were included in the Board's final reports to the executive heads of the respective funds and programmes. It also provided information on the status of implementation, the office responsible, the estimated completion date and the priority for each recommendation contained in the respective reports of the Board, as well as an update on the status of implementation of the recommendations of the Board relating to prior periods that the Board considered not to have been fully implemented. The executive heads had concurred with most of the Board's recommendations and had made every effort to ensure compliance pursuant to the relevant General Assembly resolutions.

44. Turning to the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations for the biennium ended 31 December 2013 and on the capital master plan for the year ended 31 December 2013 (A/69/353), he said that the Administration had concurred with most of the Board's recommendations. The report provided comments from the Administration as well as information on the status of implementation, the department responsible, the estimated completion date and the priority of each recommendation contained in the reports of the Board of Auditors. In addition, it contained updated information on the status of implementation of the Board's recommendations for prior periods that were reported by the Board as not having been fully implemented.

45. The Fifth Committee should note that of the 40 recommendations made for the biennium 2010-2011, eight had been closed by the Board in its July 2013 report on the status of implementation of recommendations (A/68/163). Of the 32 remaining recommendations, 20 (63 per cent) had been fully implemented, compared with the 60 per cent rate of implementation in the previous biennium; 11 (34 per cent) were under implementation; and one had been overtaken by events. Similarly, the Board considered

the full implementation rate of 56 per cent for all 19 entities, 21 months after reporting, to be evidence of strong management commitment.

46. With regard to prioritization, it should be noted that the Board categorized the most important recommendations as "main" recommendations. While all accepted recommendations of the Board would be implemented in a timely manner, the main recommendations would be considered to be of high priority.

47. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/69/386), said that the Advisory Committee noted with appreciation that all 19 entities audited by the Board had received unmodified audit opinions. It should be noted that the financial period ended 31 December 2013 was a transitional period, because not all United Nations entities had completed the implementation of IPSAS. Nine entities had reported on an annual basis having completed the full implementation of IPSAS, and 10 had reported on a biennial basis under the United Nations system accounting standards (UNSAS).

48. The Board had continued to refine the presentation of information in its reports. In particular, the Advisory Committee noted the high quality of information contained in the Board's reports on the entities that had adopted IPSAS and the benefits of the IPSAS-compliant information, such as full reporting on assets and liabilities.

49. The Board had also made several observations on cross-entity issues. The Advisory Committee recommended further improvements to the presentation of such information in the Board's reports. Similarly, the Advisory Committee considered that the presentation in the reports of the Secretary-General would benefit from a consolidation of the data on the status of implementation of all entities.

50. The Advisory Committee concurred with the Board's recommendation on the need to develop mechanisms to share vital information concerning implementing partners. The United Nations System Chief Executives Board for Coordination might be a suitable forum for discussing a possible system-wide mechanism in that regard.

51. In its review of staff skills in core business functions, the Board had highlighted deficiencies in several areas, including human resources management, asset management and procurement. The Advisory Committee stressed the importance of heads of entities dedicating adequate attention to addressing such deficiencies.

52. During the 2012-2013 audit cycle, the Board had started to examine the robustness of entities' anti-fraud approaches, reviewing UNHCR, the United Nations Office for Project Services (UNOPS) and the United Nations. The Board maintained that while it was impossible to detect all fraud, assessing the potential risks, scale of loss and exposure to fraud was an important first step. The Advisory Committee trusted that the Board would provide a deeper analysis on that important matter in future audit reports that would include the steps taken by such entities to impose anti-fraud controls.

53. Turning to the Board's observations and recommendations relating to specific entities, he said that the Board had provided updates and observations on the need to put adequate internal audit arrangements in place for UNHCR and the United Nations Institute for Training and Research (UNITAR). The Advisory Committee recommended that the matter should be urgently concluded.

54. The Board had noted the progress made by UNICEF in bringing down the high retention rates and reserve levels of certain National Committees, but there was a need for further improvements. Similarly, the Board had highlighted the need for a formal cooperation agreement with the Japan Foundation with respect to the United Nations University. The Advisory Committee concurred with the Board's recommendations on those matters.

55. With regard to the United Nations Secretariat, the Board continued to emphasize the need for more clarity on the target operating model, or the service delivery model, for the transformation projects. The Advisory Committee had already recommended on several occasions that the Secretary-General should be requested to submit his proposals relating to the global service delivery model for the consideration of the General Assembly, a recommendation that had been endorsed by the Assembly in its resolutions 67/246, 67/254 and 68/284. The Advisory Committee therefore reiterated that the Assembly should request the

Secretary-General to submit a report containing his proposals in that regard as soon as possible.

56. **Ms. Rios Requena** (Plurinational State of Bolivia), speaking on behalf of the Group of 77 and China, said that the observations, comments and recommendations of the Board of Auditors were essential for Member States to ensure that proper procedures and practices for the disclosure of information in the financial statements were being respected. The adoption of IPSAS had resulted in the continued improvement of the preparation of the financial statements and in the high quality of information contained in the Board's reports. With regard to cross-entity issues, the Group concurred with the Board on the need for enhanced oversight, accountability and governance for globally dispersed operations. It agreed with the recommendations of the Advisory Committee that, for a more comprehensive disclosure of the specific issues examined, the Board should enumerate the entities considered, identify a standard set of parameters applied and, where common themes were present, provide further analysis in its concise summary report to facilitate cross-entity comparisons. The Secretary-General should include in his related report a summarized explanation of the reasons for non-acceptance of Board recommendations.

57. There were currently no explicit guidelines concerning appropriate standards for the level of reserves across United Nations entities. Systematic monitoring and assessment against predetermined standards would be beneficial. Appropriate guidance with regard to reserves, clearly specifying minimum and maximum levels, should be developed, taking into consideration the distinct funding models and operational requirements for different United Nations entities. The Group noted that 55 per cent of the recommendations issued to the 19 entities for the biennium 2010-2011 had been fully implemented, implying strong management commitment to addressing the Board's recommendations. It agreed with the Board on the need to develop mechanisms to share information concerning implementing partners and with the Advisory Committee that the United Nations System Chief Executives Board for Coordination could be a suitable forum for discussing a possible system-wide mechanism for vital sharing of information on the management of such partners. It looked forward to detailed discussion of the Board's observations regarding specific entities, including the

United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), UNITAR, UNICEF, UNU, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the United Nations Human Settlements Programme (UN-Habitat), UNOPS and the Secretariat.

58. The Group was concerned about the Board's comments and recommendations on the budget process in its report (A/69/5 (Vol. I)). While reaffirming the Board's operational independence, the Group agreed with the Advisory Committee that the Board had not clearly distinguished the actions that were within the Secretariat's own authority from those that required intergovernmental decisions. It reaffirmed the provisions of General Assembly resolution 62/224 and subsequent resolutions related to programme planning and the budget process. The Board's recommendations would imply changes to the intergovernmental processes that determined the United Nations budget, in particular those related to the Fifth Committee and to the Committee for Programme and Coordination (CPC). The Group did not support the recommendations which implied changes to budget procedures, processes, rules and format. Such changes were subject to review and prior approval by the intergovernmental bodies, in particular the Fifth Committee and CPC. In future, the Board should address its recommendations to the Administration only and should ensure that they were focused on areas within the purview of the Secretariat.

59. **Ms. Schweizer** (Switzerland), speaking also on behalf of Liechtenstein, said that the two delegations welcomed the progress made by the Secretary-General in enterprise risk management. The identification of six main strategic risks and the establishment of a governance structure to mitigate them were encouraging and should be implemented Secretariat-wide as quickly as possible. Although there had been progress in enterprise risk management, no progress had been made in results-based management for years, despite repeated calls from the General Assembly. Both management tools were essential to the United Nations accountability framework. The two delegations therefore supported the Board's recommendation that the Administration should establish how and under what time frame results-based management would be introduced.

60. Switzerland and Liechtenstein agreed with the Board's assessment of regular budget preparation,

which revealed that the process had structural limitations and resulted in a significant opportunity cost to the Secretariat and Member States. They encouraged the Secretary-General to implement the Board's recommendations.

61. The Board had pointed out the potential of Umoja to bring about business transformation and management improvement throughout the Secretariat. If that potential was to be exploited, the Administration must rethink and optimize its management processes. The implementation of Umoja, however, would not eradicate all existing inefficiencies and, without a proactive approach by the Secretariat, might even reinforce them. The introduction of IPSAS offered a similar opportunity to enhance financial management.

62. The two delegations supported the Board's recommendations on the need to enhance the United Nations response to internal and external fraud risks. A more coordinated system-wide approach to combating fraud would strengthen internal control and risk management.

63. The delegations welcomed the Board's comments on managing the workforce. Such management had been driven all too often by an immediate need to fill vacancies rather than by a strategic assessment across the Secretariat of the skills and capacities required in the medium or long term.

64. **Ms. Norman Chalet** (United States of America) said that expert oversight of United Nations operations and finances was essential to meeting Member States' expectations. Unless Member States and the Secretariat had the resolve to address the findings and recommendations of the Board of Auditors, however, the United Nations would not be able to carry out its mission.

65. The Board had found that the United Nations was in a stable and healthy financial position which was fairly presented in the financial statements. The Administration had strong transactional-level controls over income and expenditure. It was encouraging that 63 per cent of the recommendations made by the Board for the biennium 2010-2011 had been implemented, while the remainder were either being implemented or had been overtaken by events, and that the Board had issued unmodified opinions for all 19 of the audited entities.

66. Her delegation, however, was concerned by the Board's findings related to fraud by implementing

partners, which jeopardized the effective use of resources provided by Member States to produce the required results. Member States' financial constraints and increasing demands for the services of the United Nations meant that becoming more efficient and cost-effective was no longer optional. If the United Nations was to carry out its mission, its limited resources must not be diverted from their intended uses; a specific plan to address fraud by implementing partners should therefore be introduced.

67. Since the staff of the United Nations was its most valuable asset and the key to its success, human resources management practices must be improved in order to enable the Organization to achieve its mandates as efficiently and effectively as possible.

68. The regular budget process was time-consuming and costly. Few had time to absorb the large volumes of useful information it produced in time to make informed decisions. The Board had observed in its recommendations that the evaluation of results played a limited role in budget formulation and that results were therefore not fully taken into consideration when resources were allocated. Her delegation therefore supported the re-examination of the current incremental budget process, which did not afford the flexibility to allocate resources in accordance with priorities. The Committee should consider the recommendations contained in the report of the Board, the Independent Expert Panel Report on the reform of planning and budgeting at the United Nations and the report of the High-level Panel of Experts on Recosting.

69. **Mr. Khalizov** (Russian Federation) said that his delegation supported the work of the Board of Auditors, the aim of which was to mitigate shortcomings in the Secretariat structure, increase effectiveness, transparency and accountability in the utilization of scarce budget resources, and ensure compliance with rules, regulations and procedures. Given that the introduction of IPSAS would significantly increase the burden of verified documentation and reporting on the Board, his delegation hoped that the quality of its audits would remain high.

70. The Board's recommendations in relation to the budget and planning process should be carefully studied. Although the recommendations were addressed to the Administration, however, the Secretary-General's report on the implementation of the recommendations of the Board (A/69/353) stated that some of them could not be

implemented because they were related to the prerogatives of Member States. Similar conclusions were contained in the related report of the Advisory Committee (A/69/386). The General Assembly played a leading role in defining budget policy and the reporting parameters for the implementation of budgets, the approval of programmes and the financial and human resources needed for their implementation. It should retain exclusive competence in that sphere.

71. With regard to the Board's recommendations on strengthening the work of the Office for the Coordination of Humanitarian Affairs with implementing partners, the Office must take urgent steps to prevent fraud on the part of the non-governmental organizations among its partners. The matter should remain a constant focus of attention.

72. **Mr. Chenneerappa** (India) said that the reduction in core funding from Member States combined with continuing fiscal pressures and the increasing use of earmarked voluntary funding had resulted in a need for enhanced financial management and discipline across the United Nations. Recent experience, however, had shown that artificial attempts to freeze budgets could result in the initial allocation of insufficient appropriations which must then be supplemented when the revised appropriations were calculated. Although most such revisions resulted from new mandates and the unpredictability of crises such as the current Ebola epidemic, the increase in the funding of core and programmatic activities through extra-budgetary resources, which fell outside the purview of the Member States, was dangerous. It was surprising that voluntary funding, the nature of which the Secretariat was under no obligation to disclose, was being sought for many important reviews and advisory opinions, including in peacekeeping. Core and programmatic activities should be funded only through the regular budget, which fell within the purview of the entire membership. Resource allocation should be based on the performance of the mandates emanating from the United Nations in line with the principles of efficient and effective utilization.

73. Because the United Nations did not distinguish between programme and administrative expenditure in analysing its total cost base, the proportion of resources being used to achieve front-line objectives was difficult to establish. A more risk-based approach to the selection, monitoring and closure of projects delivered by implementing partners, which were

essential to the United Nations service delivery model, was needed. The Board had highlighted a number of common areas for improvement while recognizing the challenge of simultaneously implementing major business transformations such as IPSAS and Umoja. His delegation sought further clarification regarding the road map for the implementation of transformative initiatives including the mobility framework approved by the General Assembly at its sixty-eighth session. While many of the Board's recommendations had been or were being implemented, faster follow-up would be required in future. In addition, the synergy between various United Nations oversight bodies could be greatly improved.

Agenda item 144: Administration of justice at the United Nations ([A/69/126](#), [A/69/205](#), [A/69/227](#) and [A/69/519](#))

74. **Ms. Taylor** (Executive Director, Office of Administration of Justice), introducing the report of the Secretary-General on the administration of justice at the United Nations ([A/69/227](#)), said that the report was the result of collaboration between the Office of Administration of Justice and all relevant stakeholders, and that it contained statistics on the functioning of the system of administration of justice in 2013, and, as requested by the General Assembly in its resolution 68/254, observations on the formal system based on those statistics and the experience of various United Nations offices, departments and entities. The report also provided a consolidated response to the requests made by the General Assembly in resolution 68/254.

75. Section I of the report recalled the reasons for which an internal justice system at the United Nations was necessary. Section II included observations on the functioning of the formal system of administration of justice since it had commenced operation on 1 July 2009 and during 2013. There were indications that the number of incoming cases had stabilized. The majority of cases continued to relate to non-selection, non-promotion and other appointment-related decisions, and to separation from service. There was a discernible link between decisions which had impacted large numbers of staff members, such as one-time review exercises related to staff whose contracts were eligible for conversion to permanent appointments, the Capital Master Plan and downsizing of departments, offices and missions, and recourse to the formal system. A notable number of cases had been settled

within that system in 2013, both at the management evaluation stage and before the United Nations Dispute Tribunal. The number of interlocutory motions brought before the United Nations Appeals Tribunal was increasing. The number of self-represented staff members had continued to rise in 2013, a systemic issue which should be addressed as part of the proposed interim independent assessment. Section II also provided detailed statistics and information on the activities of the various entities involved in the formal system. In addition, the Secretary-General had identified the need to maintain the ability of the Dispute Tribunal to manage its caseload by extending the positions of the ad litem judges and their supporting staff until the end of 2015, and to enable the Appeals Tribunal to manage its caseload by establishing one additional P-3 post of Legal Officer for its Registry.

76. Section III of the report and the annexes provided detailed responses to specific requests by the General Assembly, including a revised proposal for the conduct by an independent panel of experts of an interim assessment of the system of administration of justice at the United Nations, as requested by the General Assembly; efforts to institutionalize good management practices, improve the performance appraisal system, encourage informal dispute resolution, implement recommendations to address systemic and cross-cutting issues and ensure individual accountability; the status of the revised terms of reference for the Office of the United Nations Ombudsman and Mediation Services; information concerning disputes involving non-staff personnel; an analysis of the disparities among Appeals Tribunal outcomes; proposed amendments to the statute of the Appeals Tribunal regarding the qualifications of judges and to the statute of the Dispute Tribunal and Appeals Tribunal regarding the privileges and immunities of judges; monthly tracking of the opt-out rate for and staff contributions to the voluntary supplemental funding mechanism for the Office of Staff Legal Assistance; the proposed code of professional conduct for external legal representatives; the status of the upgrade of the jurisprudential search engine; and the status of the Secretary-General's bulletin to ensure that the relevant provisions of the Convention on the Rights of Persons with Disabilities were observed in the workplace.

77. Section IV set out a proposed mechanism for addressing potential complaints under the code of

conduct for judges of the Dispute Tribunal and the Appeals Tribunal, approved by the General Assembly, and information concerning the compensation recommended by the Management Evaluation Unit and awarded by the Dispute Tribunal and the Appeals Tribunal in 2013. In section V, the Secretary-General noted resource requests related to the proposed extension of the three ad litem judge positions in the Dispute Tribunal from 1 January to 31 December 2015, the proposed establishment of one post of Legal Officer at the P-3 level in the Appeals Tribunal Registry and the estimated cost of the proposed interim independent assessment of the system of administration of justice. In section VI she set out her conclusions and recommendations for action to be taken by the General Assembly. The annexes to the report contained proposals and other information requested by the General Assembly.

78. She concluded by drawing attention to the report of the Internal Justice Council prepared pursuant to General Assembly resolution 62/228 (A/69/205), which included the Council's recommendations on the implementation and functioning of the system of administration of justice, and its responses to the specific mandate set out in General Assembly resolution 68/254. That report also included the views of the judges of both the Appeals Tribunal and the Dispute Tribunal.

79. **Mr. Barkat** (United Nations Ombudsman), introducing the report of the Secretary-General on the activities of the Office of the United Nations Ombudsman and Mediation Services (A/68/158), said that the staff of the United Nations, many of whom worked under volatile and difficult conditions, were its most important resource and should be given the support they needed, including the maintenance of a responsive and collaborative work environment which fostered genuine dedication, productivity and innovation. The Office helped staff to deal with their workplace concerns so that they could remain focused on the task at hand, and contributed to organizational learning by identifying the root causes of problems, which were subsequently shared with policymakers.

80. In 2013, the Office had provided assistance in over 2,000 cases, most of which originated from the Secretariat, including peacekeeping missions. The total number of cases had remained stable in recent years, but the number of mediation cases had increased to 73 because of the increasing acceptance of mediation and

informal resolution, where the focus was not on who was right or wrong but on the ways in which individuals and teams could settle disputes in a respectful and mutually satisfactory manner. The main trends in case demographics remained unchanged, with 80 per cent of cases emanating from offices away from Headquarters, country and field offices, and field missions. The most prevalent concerns were job and career issues, and evaluative relationships.

81. Workplace conflict had debilitating effects on individuals and on the United Nations as a whole. It resulted in poor morale, low productivity and more absenteeism, sick leave and diversion of attention from substantive work. When staff and managers were equipped with the skills to resolve issues collaboratively, however, a healthy work environment could be preserved and conflict could be prevented. The Office had therefore increased its emphasis on the skills which helped staff and managers to better manage conflict, known as conflict competence. Such competence was essential to conflict prevention and contributed to the resilience of staff and, in the long term, of the United Nations. The Office emphasized such skills in all of its activities and helped other parts of the Organization, including those which provided training, to mainstream conflict competence into their activities.

82. The Office had continued to analyse and provide feedback on the root causes of conflict. The report provided an update on cross-cutting systemic issues such as the relationship between international and locally recruited staff in peacekeeping missions; performance management; and the strengthening of investigations. In addition to the systemic issues noted in the report, the Office continuously received feedback through its interaction with its stakeholder departments.

83. The Office was seeking to provide services to staff in the field, where its capacity was limited. Seventy per cent of peacekeeping staff were based in Africa, and other critical staff worked in special political missions in the Middle East, in extremely difficult conditions and in remote locations where the provision of services was a challenge. Since transitions such as the downsizing or establishment of missions often resulted in a sense of instability which could generate tension and conflict, the Office was examining the ways in which it could meet the growing need for conflict resolution services in field operations. Comprehensive on-site visits to support the

staff of the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) were planned. The provision of preventive support to missions while they were being established helped teams to function better and avoid more serious issues. Such support was designed to build resilience and help staff to adapt to stress and adversity.

84. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/69/519), said that, with respect to the interim independent assessment of the system of administration of justice, the Advisory Committee reiterated its previous recommendations, in addition to recommending an examination of the structure and funding mechanism of other international, national and regional systems. The panel of experts should also consult with Member States on national labour dispute mechanisms and with external entities such as other international and regional organizations. The panel should have a broad mix of expertise, including knowledge of internal United Nations processes and United Nations intergovernmental legislation, together with knowledge of internal labour dispute mechanisms.

85. Turning to the voluntary supplemental funding mechanism for the Office of Staff Legal Assistance, the Advisory Committee recommended that the Secretary-General should continue to collect and examine the data relating to staff contributions, including the experience of other organizations in the United Nations system and information on the reasons for staff opting out of the mechanism. The report also contained recommendations on measures to encourage informal dispute resolution, the Office of the United Nations Ombudsman and Mediation Services and the accountability of individuals where violations of the rules and procedures of the Organization had led to financial loss.

86. With regard to the resources requested, the Advisory Committee had no objections to the proposed extension of the positions of the three ad litem judges of the Dispute Tribunal. It recommended against the proposed establishment of one position of Legal Officer at the P-3 level in the Appeals Tribunal Registry and recommended that the position of Secretary supporting the panel conducting the interim independent assessment be at the P-5 rather than the

D-1 level. Those recommendations would entail a reduction of \$167,100 under section 1 and \$57,600 under section 29D of the programme budget for the 2014-2015 biennium.

87. **Ms. Rios Requena** (Plurinational State of Bolivia), speaking on behalf of the Group of 77 and China, said that the administration of justice was an integral part of human resources management. The Group therefore supported the system established pursuant to General Assembly resolutions 61/261, 62/228, 63/253, 64/233 and 65/251, which was envisaged as an independent, transparent, professional, adequately resourced and decentralized system of administration of justice consistent with the relevant rules of international law and the principles of the rule of law and due process to ensure respect for the rights and obligations of staff members and the accountability of managers and staff members alike. Despite the difficulties encountered by the system, the Group welcomed its achievements in reducing the backlog of cases and addressing new ones. The strengthened operational capacities of the Tribunals would allow them to make further progress in handling all pending cases in a timely manner. However, any reduction of their judicial capacity would lengthen the time required to adjudicate cases.

88. Since the informal resolution of disputes remained essential to avoiding unnecessary litigation, the Group commended the efforts of the Office of the United Nations Ombudsman and Mediation Services in resolving disputes and assisting staff and managers. It was regrettable, however, that the Office had not yet responded to the repeated requests of the General Assembly regarding the promulgation of its revised terms of reference. The Group welcomed the proposals made in accordance with General Assembly resolutions to strengthen the internal system of administration of justice, in particular the revised proposal for conducting an interim independent assessment, the proposed mechanism for addressing potential complaints under the code of conduct for the judges of the Dispute Tribunal and the Appeals Tribunal, the revised terms of reference for the Office of the United Nations Ombudsman and Mediation Services and the steps taken by the Secretary-General to ensure that the relevant provisions of the Convention on the Rights of Persons with Disabilities were observed in the workplace, and would consider each of them on its own merits.

89. Although the increases in the number of applications and interlocutory motions could in part be explained by the mutual trust promoted by the system of administration of justice, the rise in the number of applications was an indicator of bad management and of poor relations between staff and management. General Assembly resolution 61/261 recognized that the introduction of the new system of administration of justice should, *inter alia*, have a positive impact on staff-management relations and improve the performance of both staff and managers. The Group would therefore monitor the matter to ensure that the system achieved its goals. It recognized the importance of lessons learned for managers and expected such lessons to produce concrete results in managerial actions. It welcomed the inauguration of the permanent courtrooms in Geneva and Nairobi and hoped that the courtroom in New York would be operational as soon as possible. An independent, effective and transparent system of administration of justice was essential to ensuring due process and guaranteed accountability and transparency in decision-making by holding managers accountable for their actions, in accordance with the relevant resolutions of the General Assembly.

90. **Mr. Presutti** (Observer for the European Union), speaking also on behalf of the candidate countries Serbia and the former Yugoslav Republic of Macedonia; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, said that during the current session of the General Assembly the Committee should decide on a proposal of the Secretary-General for conducting an interim independent assessment of the system, which would be an opportunity to analyse whether the objectives set out by the General Assembly were being achieved in an efficient and cost-effective manner and the ways in which the system could be further improved. The European Union welcomed the revised proposal of the Secretary-General on the assessment and supported the related observations and recommendations of the Advisory Committee. The terms of reference of the panel conducting the interim independent assessment should include a review of the evolution and application of the jurisprudence of the Tribunals and benchmarking of the development of jurisprudence against the best examples and practices of other comparable internal justice systems. The working methods of the Tribunals should be thoroughly analysed with reference to their statutes and

rules of procedure, taking into account all relevant provisions of General Assembly resolutions.

91. **Ms. Schweizer** (Switzerland), speaking also on behalf of Liechtenstein, said that the administration of justice system could be truly effective and efficient only if the separation of powers and independence of the Tribunals were respected, effective legal remedies were available at all times, the level and distribution of resources across the system were adequate, and the incentives and disincentives contributing to a person's decision to pursue litigation were appropriately balanced. Good human resources management and a harmonious and constructive working environment were also necessary. Since most cases concerned appointments and separation from service, progress in the administration of justice must go hand in hand with improvements in human resources management. The improvement of the performance management system could contribute to that objective. The two delegations welcomed the efforts of the Office of the United Nations Ombudsman and Mediation Services to reinforce a culture of dialogue and amicable resolution of conflict.

92. Swift disposal of cases was essential to the efficiency and effectiveness of the justice administration system and to legal certainty for staff and the United Nations. The large number of pending cases in the Dispute Tribunal and Appeals Tribunal justified the extension of the positions of the three *ad litem* judges. The delegations looked forward to studying the proposals of the Internal Justice Council on the ways in which the delays in the disposal of cases could be addressed.

93. The staff-funded mechanism to supplement the resources of the Office of Staff Legal Assistance had been one of the major successes of the Committee's negotiations at the sixty-eighth General Assembly session. Although the experimental measure had allowed the Office to recruit urgently needed personnel, it was regrettable that a significant proportion of staff had opted out even though the payroll deduction did not exceed 0.05 per cent of monthly salary.

94. The two delegations continued to support the 2012 recommendation of the Advisory Committee on the need for an interim independent assessment of the system of administration of justice, and welcomed the Secretary-General's revised proposal on the matter.

The assessment should lead to concrete recommendations on measures to correct flaws in the system in order to realign it with its initial objectives and make it truly independent, transparent, professional, adequately resourced and decentralized.

95. The two delegations continued to be concerned about the legal limbo in which non-staff personnel found themselves and requested further information regarding cases involving such personnel so that effective legal remedies in their working relations with the United Nations could be found.

96. The system of administration of justice was well established and did not require as much attention from the Committee as when it had been established. Given the Committee's phenomenally high workload, the report of the Secretary-General on the administration of justice at the United Nations and the corresponding draft resolution should be submitted only once every two years.

97. **Ms. Koyama** (Japan) said that the informal resolution of conflict was a crucial element of the system of administration of justice and that all possible use should be made of the informal system in order to avoid unnecessary litigation. Her delegation commended the efforts of the Office of the United Nations Ombudsman and Mediation Services in that regard and appreciated the effectiveness of the Management Evaluation Unit in facilitating the resolution of cases before they reached the Dispute Tribunal or Appeals Tribunal. It requested further information regarding the voluntary supplemental funding mechanism for the Office of Staff Legal Assistance. Data regarding the mechanism during the experimental period needed to be analysed with a view to improving the system.

98. An interim independent assessment of the system of administration of justice was desirable to evaluate its functioning so far and to ensure that it was meeting its objectives as a mechanism for the effective resolution of labour disputes.

99. **Ms. Norman Chalet** (United States of America) said that the reformed system of administration of justice had improved transparency, efficiency and accountability at the United Nations. The Management Evaluation Unit had contributed to the informal resolution of disputes, thereby preventing unnecessary litigation. Despite the success of the Dispute Tribunal and Appeals Tribunal in settling cases and the recent

stabilization in their caseload, the system was still evolving and challenges remained. Her delegation was concerned that many complaints of harassment and discrimination had resulted from performance management issues. The reform of the internal justice system would be most successful if undertaken in tandem with the strengthening of such management. Her delegation appreciated the efforts of the Office of the United Nations Ombudsman and Mediation Services to address systemic issues and improve performance management by engaging senior leadership. She requested further information regarding the enforcement of the new requirement for ongoing feedback between staff and their first reporting officers, given that the previous requirement for the holding of midpoint reviews had not been fully implemented.

100. With regard to the Secretary-General's revised proposal for conducting an interim independent assessment of the system of administration of justice and the Advisory Committee's comments thereon, her delegation supported an analysis of access to the system, its cost-effectiveness and the intersection of the formal and informal systems. It respected the independence of the Dispute Tribunal and Appeals Tribunal but expected the assessment to consider their interpretation of their authority, to ensure against judicial overreach, and would discuss the matter in detail at the informal consultations. In particular, the issue of moral damages and the fact that some judgements of the Appeals Tribunal provided for the execution of Dispute Tribunal orders which were pending appeal, while, according to the General Assembly, such orders must not be executed, should be considered either as part of the assessment or sooner. Additional measures should be introduced to ensure that whistle-blowers who had been subject to retaliation had access to remedies and that retaliators were held accountable for their actions.

101. **Mr. Khalizov** (Russian Federation) said that his delegation had been unable to prepare for the discussion of the agenda item because of the late distribution of the related report of the Advisory Committee (A/69/519), which was in violation of the established rules and procedures. The Secretariat should ensure the timely issuance of documents in all languages simultaneously. His delegation would follow the matter closely and encouraged other Member States

to do likewise, in particular during the discussion of the draft resolution on the pattern of conferences.

Agenda item 132: Programme budget for the biennium 2014-2015 (*continued*)

United Nations Office for Partnerships (A/69/218)

102. **Ms. de la Roche** (Officer-in-Charge, United Nations Office for Partnerships), introducing the report of the Secretary-General on the United Nations Office for Partnerships (A/69/218), said that the Office oversaw the United Nations Fund for International Partnerships (UNFIP), the United Nations Democracy Fund and the Partnership Advisory and Outreach Service.

103. UNFIP served as the interface between the United Nations Foundation and the United Nations system. At the end of 2013, the cumulative allocations provided by the Foundation through UNFIP to projects implemented by the United Nations system had reached approximately \$1.3 billion, of which \$0.45 billion came from core Turner funds and \$0.85 was generated as co-financing from other partners. A total of 544 projects had been implemented by 43 United Nations entities in 124 countries. The Foundation had supported global health initiatives, in particular polio, measles, rubella and malaria campaigns; women's and girls' empowerment, in particular reproductive rights and economic empowerment; and sustainable energy and climate change initiatives.

104. The United Nations Democracy Fund had begun funding its seventh round of projects in 2013. A total of 46 projects had been funded at a cost of just under \$10 billion. The vast majority of the funds had gone to local civil society organizations in countries in both the transition and consolidation phases of democratization. The Fund had launched its eighth round of projects in November 2013 and had received over 2,000 applications by the deadline of 31 December 2013. By that date, the Fund had supported more than 500 projects in over 100 countries since its inception.

105. The Office had continued to administer the sub-account of the Permanent Memorial Committee, established to erect a permanent memorial at United Nations Headquarters to the Victims of Slavery and the Trans-Atlantic Slave Trade. It also worked with the United Nations Foundation to administer the Partnership Advisory and Outreach Service.

The meeting rose at 6 p.m.