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IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AD HOC COMMITTEE
OF EXPERTS TO EXAMINE THE FINANCES OF THE UNITED NATIONS AND
THE SPECIALIZED AGENCIES

Report of the Fifth Committee

Rapporteur: Mr. Gregor WOSCHNAGG (Austria)

1. At its 1321st, 1324th, 1325th, 1326th, 1327th, 1329th and 1332nd meetings held during the period 4-20 November 1969, the Fifth Committee considered two notes by the Secretary-General (A/C.5/1241 and A/C.5/1242). In document A/C.5/1241, the Secretary-General transmitted to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, a report submitted by the Chairman of the Joint Inspection Unit on the activities of the Unit during the period from 1 January 1968 to 30 June 1969. Document A/C.5/1242 concerned the supplementary arrangements for handling the reports of the Unit, as proposed in Economic and Social Council resolution 1457 (XLVII) of 8 August 1969. The Committee also considered the two related reports of the Advisory Committee (A/7728 and A/7738).
2. In transmitting the report of the Joint Inspection Unit covering the first eighteen months of its operations (A/C.5/1241) the Secretary-General recorded his appreciation of the contribution which the studies by the Inspectors had already made to the relevant parts of the United Nations, and his recognition of the constructive approach of the Unit to the tasks with which it had been entrusted.

3. The Advisory Committee on Administrative and Budgetary Questions, in its related report (A/7728), indicated the action it had taken so far on the reports received through the Secretary-General during the eighteen-month period covered by the over-all report, and expressed its appreciation of the contribution made by the Joint Inspection Unit to the work of the Organization. Furthermore, the Advisory Committee had been pleased that, during its current session, it had been able to have informal consultations with members of the Unit regarding matters of mutual interest. The Advisory Committee and the Unit had agreed on the usefulness of such discussions with a view to more effective co-ordination of activities, without restricting in any way the Unit's terms of reference.

4. During the discussion on this item, many delegations expressed their appreciation of the quality and usefulness of the reports and it was agreed that the Committee would suggest to the General Assembly that it adopt a resolution taking note, with appreciation, of the over-all report of the Joint Inspection Unit contained in A/C.5/1241 and of its contribution to the work of the Organization. The text of the resolution is set forth in paragraph 24 below.

5. The Secretary-General, in his observations regarding supplementary arrangements for the handling of reports of the Joint Inspection Unit (A/C.5/1242), stated that since, in accordance with General Assembly resolution 2475 (XXIII), a full and detailed report on the implementation of the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the specialized agencies was not due until 1970, he considered that the objectives sought by Economic and Social Council resolution 1457 (XLVII) could be achieved without the need for formal changes in the existing arrangements.

6. The Advisory Committee, in its related report (A/7738), agreed with the Secretary-General that no formal changes would need to be made at this time. Under the proposed supplementary arrangements, the Council would wish to receive full texts of the formal reports concerning activities coming under its general responsibility instead of summaries, as was at present the case. In view of the stress given by the Joint Inspection Unit to programme matters, including technical assistance activities, the Advisory Committee considered that the Council's request was well founded.

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7. With reference to the transmission of the reports without delay, the Advisory Committee stated in paragraph 6 of its report (A/7738), that it would ensure that such reports, together with the Secretary-General's observations, would be transmitted through the Committee for Programme and Co-ordination as soon as they were received by the Advisory Committee. For its part, it would transmit its observations thereon to the Committee for Programme and Co-ordination as expeditiously as possible with the reports and the Secretary-General's comments.

8. In the course of discussion on this item, a number of delegations expressed their concern with regard to the delay in the handling of the Inspector's reports which had prompted the Economic and Social Council to seek supplementary arrangements for their distribution. The reports were particularly valuable to the executive heads of the specialized agencies, as well as to the governing bodies and Governments concerned. It was therefore essential to ensure that the reports, conclusions and recommendations of the Inspectors be transmitted as expeditiously as possible to all concerned.

9. One delegation observed that, notwithstanding the terms of reference of the Joint Inspection Unit, it should be ensured that inspectors surveying the more important questions be representative of both the developed and the developing countries.

10. Several delegations raised the question of direct distribution of the reports of the Joint Inspection Unit to Member States. In paragraph 28 of its report (A/C.5/1241), the Unit stated that it felt that its reports concerning the United Nations should be distributed in their entirety to Member States, together with the comments of the Secretary-General. The Advisory Committee, in paragraph 11 of its report (A/7738), stated that, in its opinion, it was desirable that the text of these reports be made available to all Member States. However, in the case of reports which were of more limited interest because of their highly technical or complex nature, it would be uneconomical to circulate them in their entirety in all the official languages and with full distribution. In such cases, if the author of the report also provided a summary of his observations, conclusions and recommendations in a form suitable for general distribution, the full text of the report in the original language would be made available to delegations upon request. Accordingly, the Advisory Committee could exercise its judgement, on a case-by-case basis, as to the initial distribution of such reports.

11. Referring to paragraph 30 of the Advisory Committee's review of the budget estimates for 1970^{1/} in which the Advisory Committee calls attention to the

^{1/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 8 (A/7608 and Corr.1).

necessity for co-ordination in the work of investigating units, some delegations observed that any effort at co-ordination which would tend to restrict the independence of the Joint Inspection Unit or the Board of Auditors would be contrary to the spirit of the decisions establishing those bodies. The Unit was an independent body, and although it should work in close co-operation with the Advisory Committee, nothing should be done to **subordinate** the Unit to any other body. Co-ordination between the different investigating bodies would be achieved more effectively by means of consultation between those bodies on the basis of which each of the organs concerned could develop a better understanding of each others priority fields of investigation.

12. Other delegations observed that the Advisory Committee had performed a useful service in calling attention to the desirability of ensuring co-ordination between the investigating bodies. The independence of the Joint Inspection Unit was not called into question. However, it would be of real value if the bodies engaged in the investigating field would keep each other fully informed of their respective work programmes. Such co-ordination could be achieved on the basis of voluntary co-operation.

13. At the 1325th meeting of the Committee, one representative, commenting on the broader issue of the proliferation of control, inspection, co-ordination and management bodies, called attention to the basic question of whether the administrative costs of these bodies were in proportion to the savings they helped to achieve. He believed it would be useful to compile information in respect of these bodies with regard to their terms of reference, the amounts spent on them and the savings they helped to achieve.

14. Subsequently, the delegations of Brazil, Indonesia, Kenya, Nigeria, Pakistan, Philippines, Sudan, Syria, United Arab Republic, and the United Republic of Tanzania, submitted the following draft resolution (A/C.5/L.1000):

"The General Assembly,

"Noting the views set forth by the Advisory Committee on Administrative and Budgetary Questions in its First Report (A/7608, para. 80) as well as the concern expressed in statements by the Secretary-General (A/C.5/1233) and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/1234) about the need to avoid duplication of effort and waste of resources in the activities of control and investigative bodies and organs concerned with administrative and co-ordinative questions,

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"Noting also the views expressed in the Fifth Committee in this respect,

"Concerned that disproportionate expenditure of staff and financial resources may be occurring as compared to potential benefits in efficiency and economy,

"Concerned also to ensure a workable division of responsibility among the control and investigative bodies and organs concerned in the framework of a precise definition and alignment of their terms of reference under which the appropriate degree of independence of each such body and organ is preserved,

"Conscious of the need to establish and maintain a proper and considered relationship between the machinery for control and investigation, on the one hand, and the institutional machinery and functions, on the other hand,

"1. Requests The Secretary-General to prepare, in consultation with the organizations and bodies concerned, a report setting forth

"(a) the bodies and organs established for purposes of administrative and budgetary control, investigation, and co-ordination, with dates of inception for each;

"(b) the terms of reference of each such body and organ;

"(c) the annual expenditures for the financial years 1960 through 1969 for each body and organ concerned, in absolute terms and as an aggregate percentage of the total budget for the year;

"(d) the estimated outlay of manpower, by year, for preparation of data for the testimony before or consultation with each such body and organ, and as a proportion of total man-hours of the staff members concerned; and

"(e) an estimate of the economies made possible, by year, as the direct or indirect result of the activities and recommendations of each body or organ, as well as additional expenditures necessitated directly or indirectly by the activities or recommendations in each case;

"2. Requests the Secretary-General, in his capacity as the Chairman of the Administrative Committee on Co-ordination, to invite information and suggestions on this question from the executive heads of the specialized agencies, for inclusion in another report to be submitted whenever ready; and

"3. Expresses the hope that the commemoration of the twenty-fifth anniversary of the United Nations in 1970 will be the occasion for a new perspective and reconsidered approach to the administrative, budgetary, and

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financial problems of the United Nations in the context of renewed dedication and solemn commitment to the purposes and principles embodied in the Charter."

15. At the 1327th meeting of the Committee, the representative of the Ukrainian Soviet Socialist Republic proposed the deletion of the references to "para. 80" of the Advisory Committee's first report, which appeared between brackets in the second line of the first preambular paragraph of draft resolution A/C.5/L.1000. In addition, he proposed the addition at the end of the preamble of the following new paragraph (A/C.5/L.1003):

"Taking into account the need to strengthen and improve the whole machinery of the United Nations system for control and investigation of administrative and financial activities in the interests of economy and greater efficiency."

16. At the same meeting, the representative of the United Republic of Tanzania, referring to the Secretary-General's note on supplementary arrangements for handling the reports of the Joint Inspection Unit (A/C.5/L.1242) and the Advisory Committee's related report (A/7738) proposed that the Committee include the following paragraph in its report to the General Assembly on this item (A/C.5/L.1004):

"The Committee endorses the supplementary arrangements for handling the reports of the Joint Inspection Unit agreed upon at the joint meeting of the CPC and the ACC and endorsed by the Economic and Social Council in resolution 1457 (XLVII). The Committee agrees that co-ordination between the investigative and administrative organs like the ACABQ, the JIU, the Board of Auditors, and other organs, should be strengthened with a view to avoiding duplication and that this co-ordination should be brought about through mutual consultations."

17. At the 1329th meeting of the Committee, the representative of Nigeria introduced draft resolution A/C.5/L.1000/Rev.1 in which the reference to "para. 80" in the second line of the first preambular paragraph in A/C.5/L.1000 was deleted, as well as operative paragraphs 1 (d) and 1 (e). The sponsors had agreed to these revisions in order to clarify that it was not their intention to eliminate certain bodies but rather to collect information with a view to rationalizing the control and investigative activities of the Organization.

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18. At the same meeting the representatives of France and the United States of America suggested certain amendments (A/C.5/L.1005 and A/C.5/L.1006) to the draft text proposed by the United Republic of Tanzania in A/C.5/L.1004.

19. At the 1332nd meeting of the Committee the representative of Sudan introduced a second revision to the ten-Power draft resolution proposed (A/C.5/L.1000/Rev.2). A sixth preambular paragraph had been added to the first revision

(A/C.5/L.1000/Rev.1) in order to take into account the amendment proposed by the Ukrainian Soviet Socialist Republic (A/C.5/L.1003). In addition, with a view to meeting the suggestions made by certain delegations, the words "per year" were deleted in operative paragraph 1 (a) (iv), and other drafting amendments were made which had been agreed to by the sponsors.

20. The representative of the Ukrainian Soviet Socialist Republic withdrew his proposal (A/C.5/L.1003) since it had been embodied in the new draft resolution (A/C.5/L.1000/Rev.2).

21. Also at the 1332nd meeting of the Committee, the representative of Trinidad and Tobago, referring to the draft text proposed by the United Republic of Tanzania for inclusion in the Committee's report to the General Assembly (A/C.5/L.1004), stated that taking into account the amendments suggested by the representatives of France (A/C.5/L.1005) and the United States of America (A/C.5/L.1006), the sponsors which had participated in the drafting of the proposed text, with the agreement of the United Republic of Tanzania, had agreed on an acceptable text, and the Committee thereupon gave its approval to the following:

"Having considered the reports of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions, A/C.5/1242 and A/7738, respectively, the Committee endorses the acceptance by the Advisory Committee on Administrative and Budgetary Questions of the principle that the texts of all formal reports of the Joint Inspection Unit, with the exception of those in respect of individual specialized agencies, should be made available to all Member States. The Committee endorses the supplementary arrangements for handling the reports of the Joint Inspection Unit adopted by the Economic and Social Council in resolution 1457 (XLVII), and the further arrangements for ensuring this end which are set forth by the Advisory Committee in its report A/7738. The Committee, however, realizes that some inspection reports may be of so highly technical and complex a character that they may be of only limited interest to Member States. Accordingly, and without in any way infringing the right of access of Member States to these reports, the Committee accepts that the Advisory Committee should, in the first instance, determine the extent of normal distribution in the case of reports which, in the Advisory Committee's opinion, are of such limited interest. The

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Committee agrees that co-ordination between the investigative and administrative organs like the Advisory Committee on Administrative and Budgetary Questions, the Joint Inspection Unit, the Board of Auditors, and others, should be strengthened with a view to avoiding duplications and that this co-ordination should be brought about through mutual consultations, in which the Advisory Committee could play a central role. However, the Committee reaffirms the independence of operation conferred on the Joint Inspection Unit by its mandate."

22. The Committee adopted unanimously the revised ten-Power draft resolution A/C.5/L.1000/Rev.2 (see paragraph 24 below).

23. At its 1346th meeting, the Fifth Committee decided to recommend that the General Assembly adopt a resolution taking note of the Advisory Committee's report on its review of the administrative and budgetary procedures concerning the programme and budget of the International Telecommunication Union (A/7765) and requesting the Secretary-General to transmit this report, through the consultative machinery of the Administrative Committee on Co-ordination, to the legislative organ and the executive head of the International Telecommunication Union. The text of the resolution is set forth in paragraph 24 below.

RECOMMENDATIONS OF THE FIFTH COMMITTEE

24. The Fifth Committee therefore recommends to the General Assembly the adoption of the following draft resolutions:

Implementation of the recommendations of the Ad Hoc Committee
of Experts to Examine the Finances of the United Nations and
the Specialized Agencies

A

The General Assembly,

Takes note with appreciation of the report of the Joint Inspection Unit on its activities during the first eighteen months of its operations from 1 January 1968 to 30 June 1969, as transmitted by the Secretary-General.^{2/}

B

The General Assembly,

Noting the views set forth by the Advisory Committee on Administrative and Budgetary Questions in its first report,^{3/} as well as the concern expressed in statements by the Secretary-General^{4/} and the Chairman of the Advisory Committee on Administrative and Budgetary Questions^{5/} about the need to avoid a duplication

^{2/} See A/C.5/1241.

^{3/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 8 (A/7608 and Corr.1).

^{4/} A/C.5/1233.

^{5/} A/C.5/1234.

of effort and waste of resources in the activities of control and investigative bodies and organs concerned with administrative and co-ordinative questions,

Noting also the views expressed in the Fifth Committee in this respect,

Desiring to know the number of staff engaged in these activities and the amount of financial resources being expended by these bodies and organs in relation to the benefits in economy,

Desiring also to ensure adequate co-ordination of the activities of these bodies and organs in a framework under which the appropriate degree of independence of each such body and organ is preserved,

Conscious of the need to establish and maintain a proper and considered relationship between the machinery for control and **investigation**, on the one hand, and the institutional machinery and functions, on the other hand,

Taking into account the need to strengthen and improve the whole machinery of the United Nations system for control and investigation of administrative and financial activities in the interests of economy and greater efficiency,

1. Requests the Secretary-General:

(a) To prepare a report setting forth:

(i) The bodies and organs established for purposes of administration and budgetary control, investigation and co-ordination, with dates of inception for each;

(ii) The terms of reference of each such body and organ;

(iii) The annual expenditures for the financial years 1965 through 1969 for each body and organ concerned, in absolute terms and as an aggregate percentage of the total budget for the year;

(iv) The estimated outlay of manpower for the preparation of data for the testimony before or consultation with each such body and organ;

(b) To invite, in his capacity as the Chairman of the Administrative Committee on Co-ordination, the same information from the executive heads of the specialized agencies for inclusion in this report;

(c) To submit this report to the General Assembly at its twenty-fifth session through the Advisory Committee on Administrative and Budgetary Questions;

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2. Expresses the hope that the commemoration of the twenty-fifth anniversary of the United Nations in 1970 will be the occasion for a new perspective and reconsidered approach to the administrative, budgetary and financial problems of the United Nations in the context of renewed dedication and solemn commitment to the purposes and principles embodied in the Charter of the United Nations.

C

The General Assembly

Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions on the administrative and management procedures concerning the programme and budget of the International Telecommunication Union;

Requests the Secretary-General to transmit that report, through the consultative machinery of the Administrative Committee on Co-ordination, to the legislative organ and the executive head of the International Telecommunication Union.
