



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY JANIL GREENAWAY, MINISTER COUNSELLOR, PERMANENT MISSION OF ANTIGUA AND BARBUDA, AT THE UNDP/UNFPA EXECUTIVE BOARD - ITEM 10: INTERNAL AUDIT AND OVERSIGHT (New York, 24 January 2008)**

1. The Group of 77 and China thanks UNDP for the document DP/2008/16, on an integrated UNDP Accountability System which includes a "draft accountability framework" and an "enhanced oversight policy." We also thank the UNFPA for the report of the Executive Director on the UNFPA's Oversight Policy, contained in document DP/FPA/2008/4.
2. The Group of 77 and China recognizes the efforts on the part of UNDP and UNFPA to improve accountability systems, and encourages the funds and programmes to continue these efforts, in accordance with guidance provided by the Executive Board and the 2007 TCPR resolution. In this ongoing process of improvement of accountability and oversight, we hope the UNDP and UNFPA will continue to engage extensively with member states, the Executive Board, and with the programme country governments.
3. Mr. President, the Group of 77 and China stresses that the ultimate objective of improved accountability and enhanced oversight should be to increase development effectiveness at the country level, resulting in significant progress in achieving development goals and objectives, in accordance with the national priorities of programme countries. Therefore, the overall context of poverty eradication and sustainable development must always be kept in mind.
4. Mr. President, development programmes remain nationally owned and demand driven, while UNDP works with country governments in determining agreed-upon development results. An enhanced accountability system, therefore, should also include improved accountability for programmatic or development results on the part of all stakeholders, including UNDP and donors.
5. Mr. President, the Group of 77 and China reaffirms its commitment to strengthening the independence of oversight bodies of funds and programmes of the UN development system, as well as the oversight role and function of the Executive Boards.
6. In this regard, and in accordance with Executive Board decision 2007/29, the Group of 77 and China would like to see a clearer and more straightforward approach to the definition of accountability and related concepts, as called for in the decision.
7. With regards to enhancing UNDP's oversight policy, the Group of 77 and China sees the need for a clearer and more detailed outline of the conditions and criteria under which internal audit reports will be disclosed.
8. When the Executive Board discussed Internal Audit and Oversight at the annual Board meeting in June 2007, the Group of 77 and China asked UNDP to clarify what specific kinds of information would be considered for sharing and what would be the modality or procedure followed. We also called for a further examination on the proposal for disclosure of internal audit reports, and we expressed strong concerns regarding this approach. These concerns still remain.
9. Furthermore, Mr. President, we are still unclear on the role of the programme country in this process, and on whether or not programme countries would be consulted on disclosures that

pertain to operations at the country level and on the extent of these disclosures.

10. Mr. President, the Group believes that UNDP and UNPFA should not disclose information contained in their internal audit reports, particularly country programme-related audit reports, without the permission of the Executive Board. Such requests should first be based on a justifiable need for disclosure and put to the Executive Board for its consideration. There should also be means of insuring that the requester of such confidential information can be held accountable.

11. Mr. President, the integrity of country programmes and related documents must be ensured, with clear safeguards to prevent the politicization of the development work of the UN. As we said in our statement at the annual meeting in June last year, we believe that audit serves a very important role and it should also provide an assessment of the extent to which the UN development programmes reflect national priorities and national development strategies. It should also assess the quality of technical assistance and the impact and outcomes of UN development assistance at the country level.

12. The Group of 77 and China would like the UNDP to provide more information to allow for a better understanding on the modalities of implementing an enhanced oversight policy, including the means or assurance of confidentiality with respect to the treatment of internal audit reports. We would also like further information on possible guarantees that information disclosed would be utilized in a strictly judicious manner that would prevent general disclosure, as well as options for the Board should such confidentiality be breached.

13. In conclusion, Mr. President. The Group of 77 and China reiterates its position that the overarching principle of UN operational activities is national ownership and leadership of the process, products and results by the programme countries. Again, we would like to thank UNDP for its increased attention to this issue, and look forward to further improvements.

Thank you Mr. President.

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