



**STATEMENT BY MS. JANIL GREENAWAY, MINISTER COUNSELLOR,
DELEGATION OF ANTIGUA AND BARBUDA, ON BEHALF OF THE GROUP
OF 77 AND CHINA, AT THE SECOND REGULAR SESSION OF THE
UNDP/UNFPA EXECUTIVE BOARD, ON AGENDA ITEM 10: INTERNAL AUDIT
AND OVERSIGHT (New York, 10 September 2008)**

Mr. President,

1. The Group of 77 and China would like to thank the UNDP, UNFPA and UNOPS for the presentations and the documents before us for consideration and action. We recognize the efforts on the part of the organizations to improve accountability systems, and encourage the funds and programmes to deepen these efforts, in accordance with guidance provided by the Executive Board and the 2007 TCPR resolution. In particular we note the organizations' response in terms of producing a more detailed and clear outline of the conditions and criteria under which internal audit reports will be disclosed, and at the same time we underscore that such disclosures should be the extreme exception and not the norm.

Mr. President,

2. This is a crucial point in the discussions on the Accountability Systems and Oversight Policies of the organizations. The Board has been discussing this issue for over a year now, and during that time we have learnt, by way of experience, that the status quo with regards to the issue of disclosure of confidential documents is strongly undesirable and counter productive to the work of the organizations. For this reason, the Group would like during the course of this week for the Board to be able to approve a policy on which we are all in agreement.

3. The proliferation of requests for disclosure of internal audit reports (IARs), defined as confidential documents and internal management tools of the organization's administration, and the granting of such requests by the organization, have shown that a clear and strict policy with full Board oversight is urgently needed.

4. We have undertaken extensive consultations in good faith with the organizations and Board members following the Executive Board's oral decision at its first regular session in January. At a very crucial point of our discussions further disclosures were made and the Executive Board notified after the fact.

Mr. President,

5. IARs are internal management tools. What is now becoming a trend of requests for and disclosure of such reports highlights the need for a policy based on greater oversight by the Board, and for Board Members to be engaged in determining the validity of a request for disclosure. This also underscores the need for the Board and, in particular the programme country concerned to become fully involved in the decision for disclosure.

Mr. President,

6. Developing countries feel a great sense of frustration with regards to this issue because of the importance we place on accountability and oversight. At the heart of the Group's position on this matter is the importance of trust-building, confidence-building, and safeguarding the policy dialogue

with programme countries.

7. A strong and strict policy must act as an incentive for the organization to pursue with renewed vigor the principles of accountability, but most importantly must prevent politically motivated selections of audit reports for disclosure, respect confidential documents for what they are and encourage respect for the principle of confidentiality. We continue to see the need for 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 if confidentiality is breached.

8. Moreover, the General Assembly mandates that the fundamental characteristics of the operational activities for development of the United Nations system should be their universal, voluntary and grant nature, their neutrality and their multilateralism. Development assistance should in no way be tied to political conditionality. Yet there is a sense, whether real or perceived, that the provision of financial support to the funds and programmes is conditional on disclosure of confidential documents, among other things. For the Group of 77 and China such conditionality is absolutely unacceptable.

9. In conclusion, 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 be kept in mind.

10. Finally, we trust that we will be able to bridge the gaps on this issue so that we can arrive at consensus on the documents before us.

Thank you.