



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR CONROD HUNTE, DEPUTY PERMANENT REPRESENTATIVE
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, ON AGENDA ITEM
117: INVESTIGATIONS AND PROCUREMENT TASK FORCE, AT THE FIFTH
COMMITTEE DURING THE MAIN PART OF THE SIXTY-THIRD SESSION OF
THE GENERAL ASSEMBLY (New York, 23 October 2008)**

Mr Chairman,

I have the honour to speak on behalf of the Group of 77 and China on Agenda Item 117, entitled "Investigations and the Procurement Task Force".

The Group would like to thank the Chairman of the Audit Operations Committee of the Board of Auditors (BOA) Mr Olivier Myard for introducing the BOA's report on the Procurement Task Force (PTF), the USG for Internal Oversight, Ms Inga-Britt Ahlenius, for introducing the OIOS' annual report on the PTF, the Director of the Office of the USG for Management, Ms Nancy Hurtz-Soyka, for introducing the SG's note on the OIOS and BOA reports, the ASG for Legal Affairs Mr Peter Taksoe-Jensen for introducing the report on information sharing, as well as the Chair of the ACABQ, Ms Susan McLurg, for introducing the ACABQ's recommendations on these issues.

Mr Chairman,

At the outset, the Group of 77 and China would like to reiterate the great importance that it attaches to investigations. The effective conduct of investigations has a significant impact on the positive morale and well-being of staff and the Organisation.

There had been some concern over the conduct of investigations by the Procurement Task Force, and Member States had requested the ACABQ to institute a special Board of Auditors review. In this regard, the Group would like to extend its appreciation to the Board of Auditors for the work on its special audit, which was in addition to its annual reports. We also welcome the comments of the ACABQ, which helped to provide some additional context to the complex discussions on this area.

Mr Chairman,

The Group notes that the Procurement Task Force reported receiving 64 additional procurement related cases, in addition to the nearly 400 cases since its inception. As confirmed by the Board of Auditors, approximately 60% of all companies related to these cases were domiciled in North America and Europe. Considering that these countries represent less than 20% of the entire membership, this statistic poses concerns to the Group and we would like to request further information on the matter.

The Group notes the estimate by the Procurement Task Force that the overall value of the contracts in which irregularities had been suspected to be around \$630 million, although actual loss was much less, at \$25 million. At the same time, the Group notes the clarifications of Secretary-General in this regard. These figures are remarkable, and deserve closer scrutiny. We would like further information on the criteria applied to contracts before they were deemed to be tainted.

The Group also notes the comments and recommendations of the Procurement Task Force on vendor investigations. In particular, we agree that the Procurement Manual should be further

strengthened to prevent blacklisted companies from trying to re-enter the vendor system under other guises. We also note the recommendation to strengthen the sanctions regime against malfeasant vendors, as well as the Secretary-General's concurrence. This issue requires closer scrutiny as it relates to the Secretary-General's proposal on a comprehensive review on investigations.

Mr Chairman,

Turning to the report of the Board of Auditors, the Group cannot but agree with the view that investigations conducted by the Procurement Task Force suffered as a result of the circumstances under which it was created and then operated. We note in particular that during the investigations, the boundaries between an investigation, an audit and a disciplinary procedure were not always made clear to staff under investigation. It would be difficult to imagine any other outcome, given that the Procurement Task Force had been created outside of the usual budgetary review process, and pressed by certain Member States. The Group looks forward to a successful resolution of this anomalous situation.

The Group agrees with the recommendations of the Board of Auditors as well as the ACABQ that the rules and procedures applicable to all investigations should be standardised and consolidated under an instruction of the Secretary-General, and which should be systematically provided to staff being interviewed. We also agree that investigators should use the investigation procedure very cautiously, only when there are well-founded suspicions that rules have been broken and only after all other reasonable actions have been duly envisaged. This is critical as the vast majority of staff are well-meaning and have no ill intentions. Most of them will not experience an investigation during their careers. To sacrifice the interests of the many for the sake of a few would be difficult to accept.

At the same time, the Group notes the recommendation of the Board of Auditors on the transfer of caseload as well as skills and competencies of the Procurement Task Force into the Investigations Division. The Group would like to express its view that while the pending investigations should indeed be transferred properly, we would like to caution that any transfer of institutional experience should be subject to the existing regulations and rules of the Organisation, including those governing human resources management. The ACABQ's comments are instructive in this regard.

Regarding the recommendation that the investigative function in the UN as a whole should be reviewed, the Group notes that the General Assembly had already requested further information through its resolution 62/247 before it considered the necessity of such a review. Some of this information has been provided today in the report A/63/369, although it would appear that further clarifications are needed. Nevertheless, the Group stands ready to discuss the contents of this report.

Mr Chairman,

The Group agrees with the ACABQ that information sharing is a highly important issue, as it relates to Charter principles of the independence of international staff and the ability of other officials to carry out their duties effectively, as well as accountability for personal conduct. The Group also notes the administrative and legal implications of the issues contained in the report, and look forward to discussing it in the relevant forum.

I thank you.