



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR DUMISANI S. KUMALO, PERMANENT REPRESENTATIVE OF
SOUTH AFRICA TO THE UNITED NATIONS, ON GOVERNANCE, OVERSIGHT
AND ACCOUNTABILITY IN THE UNITED NATIONS (ITEM 47, 113, 116, 117,
122, 123, 124, 132 AND 149), IN THE FIFTH COMMITTEE OF THE GENERAL
ASSEMBLY (New York, 12 December 2006)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda items 47, 113, 116, 117, 122, 123, 124, 132 and 149.

2. The Group of 77 and China wishes to thank the Acting Under Secretary-General for Management, Mr. Warren Sach, for his introduction of the reports of the Secretary-General. We also thank the Under-Secretary-General of the Office of Internal Oversight Services, Mrs. Inga-Britt Alhenius, for introducing its report on proposals for the strengthening of the Office.

3. The Group of 77 and China, furthermore, wishes to express its appreciation to the Chairperson of the Joint Inspection Unit, Ms. Deborah Wynes, for presenting the reports of the Joint Inspection Unit, which contains a very useful perspective of the oversight lacunae of the United Nations system. We also thank Mr. Ken Herman of the CEB Secretariat for introducing the comments of the Chief Executives Board on the report of the JIU. The Group wishes to thank the Chairman of the Advisory Committee, Mr. Rajat Saha, for his introduction of the reports of the Advisory Committee. The latter report is very comprehensive and provides a good basis for the negotiations.

Mr. Chairman,

4. The Group of 77 and China is on record as strongly supporting the strengthening of oversight and accountability in the Organisation. To this end, we have been supportive of the creation of the Ethics Office, the formulation of a whistle-blower policy, the adoption of International Public System Accounting Standards, and the implementation of a new Enterprise Resource Planning System.

5. We have supported measures to improve and strengthen the functioning of the Joint Inspection Unit, reviewed the mandate of the Office of Internal Oversight Services, and supported the establishment of a mechanism in the Secretariat to ensure the implementation of oversight recommendations. The Group further has strongly advocated for improvements in the procurement practices, greater accountability measures in the Secretariat and ethical conduct of the staff.

Mr. Chairman,

6. The Group of 77 and China wishes to re-emphasize our principled position that to suggest that a "small but representative group of Member States" can replace the role of all Member States in carrying out the oversight responsibilities of the General Assembly is to deny every Member of the United Nations the role due to them and to attempt to amend the equality of Member States that is enshrined in the Charter. Such attempts should be rejected categorically by the entire Membership.

7. It consequently is regrettable that proposals on governance that were rejected by the Assembly in May 2006 are again placed before Member States. We believe that this approach is

counter-productive to the common efforts of Member States to strengthen governance, oversight and accountability in the United Nations. The Group of 77 and China, therefore, at the outset wishes to reaffirm that we will not consider any proposal that is aimed at denying any Member State the right to pronounce on the administration of the Organisation and participate in its budgetary decisions. It is for this reason that we are pleased that the Secretary-General agrees with the Advisory Committee that, given the adoption of resolution 60/260, there is no merit to consider this issue further.

Mr. Chairman,

8. The General Assembly has been debating matters related to governance, oversight and accountability for several years. Many of the proposals before us today are not new and build on previous agreements reached in the Assembly. We thus believe that our consideration of the proposals on governance, oversight and accountability matters should be consistent with the initial intentions of the Assembly, as expressed in numerous resolutions, which were to strengthen the oversight bodies of the United Nations and improve the accountability framework of the Secretariat.

9. The Group of 77 and China therefore wishes to urge all Member States to join it in strongly reaffirming the equality of Member States, irrespective of the size of their financial contributions, and thereby rejecting any attempts to reintroduce divisive issues into our debate. By removing this contentious issue from the outset, we, as Member States, will be able to embark on a constructive debate on governance, oversight and accountability matters.

10. The reports of the Advisory Committee, the Joint Inspection Unit and the Office of Internal Oversight Services provide a useful outline of the proposals that we have to pronounce on, as well as those areas where the Secretariat, in consultation with the oversight bodies, will have to refine further. The Group of 77 and China supports a comprehensive approach to governance, oversight and accountability matters and believes that the proposals deserve our careful consideration. However, we realise that a pragmatic approach may be required at this stage and we look forward to reaching a good outcome before the end of this session.

Mr. Chairman,

11. On the governance review, it will be recalled that nearly four years ago, this Committee embarked on a debate regarding the importance of Governance and Accountability within the Organisation. The discussion was sparked, in part, by the statement of the Board of Auditors that it would be opportune for this Committee and the respective Administrations to consider if the present governance and accountability structures and principles complied with best practices. It was also sparked by corporate failures resulting at the time in the collapse of major private companies. These failures pointed to deficiencies in governance and accountability, as well as raised serious concerns about the independence of auditors and the commitment of many accountants to the ethical standards of their profession.

12. Whilst we understood that the Organisation was not vulnerable to exactly the same risks as the private sector, Member States agreed that it would be in the interest of the Organisation to identify and prevent possible deficiencies in governance, oversight and accountability. We also recognised that the United Nations is unique and that there is no blueprint that could be applied to it. The General Assembly, as a result, in resolution 57/278 called on the Secretariat to undertake a comprehensive review of the "governance structures, principles and accountability throughout the United Nations system".

13. Since the 57th session, the General Assembly has reaffirmed and further defined the scope of the governance review. In its resolution 59/264, it requested the Secretariat to strengthen the internal control framework, systematically implement the recommendations of the Board of Auditors and improve its financial reporting. In its resolution 60/254 the Assembly indicated that “the focus of the comprehensive governance review should be, inter alia, to clarify the roles and responsibilities of management with respect to supporting Member States”, and emphasized the “intergovernmental nature of the Organisation and its international character”.

14. It is therefore regrettable that the final product did not respond to the legislative framework set by the Assembly and pronounced on matters that fell outside of its scope, such as those related to the functioning of inter-governmental bodies, such as the Fifth Committee and the Committee on Programme and Coordination. We concur with the findings of the Joint Inspection Unit and the ACABQ that the report lacks empirical data, engaged in generalities and lacks an understanding of the intergovernmental nature and international character of the United Nations.

Mr. Chairman,

15. The Group of 77 and China agrees with the ACABQ that it is up to the Assembly to pronounce itself on those recommendations that fall within the province of intergovernmental organs. In this context, the Group wishes to stress that the Assembly in resolution 60/260 has already pronounced itself on proposals to limit participation of Member States in budgetary decisions by establishing “a small but representative body”. The Assembly in resolution 60/260 has also already pronounced itself on proposals to change the role and mandate of the Committee on Programme and Coordination.

16. The Group of 77 and China is supportive of the recommendation of the ACABQ to strengthen results-based budgeting and management, bearing in mind the provisions of General Assembly resolution 55/231 and other subsequent resolutions guiding the use of results-based budgeting in the Organisation. We look forward to considering the concrete measures once the Secretariat has completed its study.

17. On the observations of the ACABQ regarding the qualifications and terms of conditions of service of the members of expert bodies, the Group believes that the Assembly should consider concrete measures to improve the conditions of service of the ACABQ members, as well as improve the Secretarial support being provided to expert and oversight bodies.

Mr. Chairman,

18. Turning to oversight, the Group of 77 and China remains strongly supportive of the primary oversight role performed by the General Assembly. We also support the role and mandate of the Joint Inspection Unit, the Office of Internal Oversight Services and the Board of Auditors. It further is important to ensure that the internal and external oversight structures of the United Nations remain independent and have unrestricted access to the Assembly. We also strongly support efforts to ensure that oversight recommendations are implemented fully.

19. On the terms of reference of the Independent Audit Advisory Committee, the Group notes that the Board of Auditors, the Joint Inspection Unit and the Office of Internal Oversight Services, respectively, have highlighted several areas that require further consultations with the Secretariat. We consequently support the recommendations of the ACABQ and look forward to receiving the revised terms of reference at the first resumed 61st session. It is important that the revised terms of reference clearly reflects the expert role of the IAAC, as an advisory body to the General

Assembly, as well as clarifies its interaction with the oversight bodies and the Secretariat, and remains mindful of the independent nature of the internal and external oversight bodies. The General Assembly should elect the members of the IAAC and they should reflect regional representation.

20. The General Assembly at its 59th session reviewed and reaffirmed the mandate of the Office of Internal Oversight Services in performing monitoring, internal audit, inspection, evaluation and investigation. The Group looks forward to receiving the outcome of the review that the Office of Internal Oversight Services intends to undertake so as to strengthen its capacity to perform these functions. The Group of 77 and China also supports efforts to strengthen self-evaluation by programme managers and the central evaluation function of the OIOS.

Mr. Chairman,

21. The Group of 77 and China attaches the utmost importance to the strengthening of accountability in the Organisation as a means to ensure the effective and efficient implementation of legislative mandates and use of resources. The Assembly has repeatedly called upon the Secretariat to define accountability, including its mechanisms, and propose parameters and instruments for the rigorous enforcement of accountability without exception and at all levels of the Secretariat.

22. We note that the Advisory Committee supports the request of the Secretary-General to undertake an in-depth review of the Accountability Framework of the Secretariat. It would have been our preference to take concrete action on the Accountability Framework at this session and not to defer this important issue to a future session. We, however, expect that the review will take account of the outcome of the Assembly's consideration of the reform of the system of administration of justice, when proposing concrete sanctioning measures to be applied in cases of under- and non-performance. The review should also assess whether mechanisms, systems and processes in the Secretariat are effective and robust in areas, such as financial management, performance management, information management and internal controls, and whether they provide reliable and quality information to the Secretariat and Member States.

23. The Group of 77 and China concurs with the ACABQ that the Secretary-General is responsible for establishing a risk management framework and for managing risk in the Organisation. We also agree that the Secretary-General is responsible for the maintenance of an effective internal control regime and that the responsibility for internal control activities should be clearly assigned and build into the revised Accountability Framework. Managers should provide reasonable assurances that only appropriate transactions are authorised, executed and recorded and that errors are detected in a timely manner.

24. The Group maintains that the Organisation's audit function has to assess the effectiveness of the internal control regime and evaluate the adequacy and effectiveness of risk management in the Organisation. The Group expects that the Secretariat's study of risk management and internal control procedures will include detailed information on training requirements, supporting structures and information system requirements. Bearing in mind that the analysis is an essential step towards the development of a culture of accountability, the Group of 77 and China believes that the Assembly should consider the findings when it considers the outcome of the proposed review of the Accountability Framework.

Mr. Chairman,

25. In conclusion, the Group of 77 and China believes that it is in our collective interests to reach a decision that will provide a solid basis for future efforts to strengthen oversight and accountability in this Organisation. It is ultimately in our common interest to ensure that the Organisation fulfills its objectives and operates in an efficient and ethical manner. The United Nations, in our view, is collectively greater than the sum of its individual parts. It has no doubt achieved great successes and also had its share of failures. However, this United Nations is still the most appropriate instrument for ensuring that we meet the ambitious agenda that we collectively agreed to at the turn of this century.

I thank you.