



STATEMENT DELIVERED BY AMBASSADOR DUMISANI A. KUMALO, PERMANENT REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, AT THE MEETING OF THE INFORMAL WORKING GROUP OF THE PLENARY ON SECRETARIAT AND MANAGEMENT REFORM (New York, 7 February 2006)

Mr. Co-Chair,

I have the honour to speak on behalf of the Group of 77 and China on the question of Secretariat and Management Reform. The Group appreciates the ongoing efforts of the Co-Chairs to facilitate dialogue between Member States and the Secretariat on the reform proposals. We believe that the meetings have provided us with a valuable opportunity to move beyond the broad statements of intent, which are contained in the World Summit Outcome Document, to the specifics of the entire reform exercise. It is important that the Secretariat has a clear and balanced sense of what the collective Membership expects from them. This will facilitate the negotiations by Member States.

The Group at the last meeting provided its preliminary views on the overall approach to the negotiations process, as well as its expectations of the Secretariat, the Co-Chairs and the Bureau of the Fifth Committee. It also listened very carefully to the elaboration by the Deputy-Secretary-General of the proposed elements that may be included in the report of the Secretary-General, as well as the points raised by our negotiating partners. It became clear at the last meeting that there is a need to elaborate further on the objectives of the exercise, how it fits in with existing processes, and the scope of the proposals and the review exercise.

Mr. Co-Chair,

Before turning to specific elements of the proposed outline, the Group believes that it is important to reflect on some of the broader issues raised by the Deputy-Secretary-General, our negotiating partners and yourselves at our last meeting. We address these points before the report of the Secretary-General is introduced to the Fifth Committee, through the ACABQ.

The United Nations since 1997 has been undergoing significant reform efforts aimed at making it more effective, efficient and responsive to the needs of Member States. The reform measures were based on detailed proposals received from the Secretary-General, as well as from numerous Task Forces and Panels that were created to advise the Secretariat on a wide-range of issues. Member States by consensus have adopted several reform measures to strengthen the human resources management system, procurement practices, financial management, accountability framework, performance management system, oversight system, and the budgetary processes. We furthermore have continuously evaluated the progress made by the Secretariat in the implementation of the various reform measures and made refinements where needed.

In recognition that reform is an ongoing process and not an end in itself, the World Summit Outcome Document has clearly set the parameters for the objective and scope of the review exercise. The objective of the review is to enable the United Nations to effectively and efficiently implement the mandates bestowed upon it. This includes implementing the reform measures that Member States have considered and reached consensus on over the past ten years. The reform measures consist of various elements and building blocks and we expect the Secretariat to implement all of them. To include only some of those elements at the expense of others in the report will seriously undermine the process of consensus decision-making. The proposed "outline" of the report" seems to suggest that the numerous reform efforts of the past ten years have been deficient and that the building blocks for reform are now irrelevant. This approach we observe is not in line with the objective and scope defined by the World Summit Outcome Document and we expect that the Secretariat will amend the outline of the report to address these concerns.

During the previous meetings, the Secretariat and our partners, firstly, referred to the need for a "strategic" decision before we embark on a "technical" consideration of the proposals. This seems to suggest that Member States should sign-up to a broad expression of intent without scrutinizing the merits or details of the proposals. It will be difficult for the Secretariat to implement the decisions of Member States if we have not reached a common understanding on what these should entail. It also only complicates our future assessment of the reforms and defers negotiations on difficult aspects to a later stage. Furthermore, Member States have taken a "strategic" decision when we agreed to embark on the review exercise and requested the Secretary-General to submit an assessment and proposals for our consideration. It follows therefore that we now have to consider the substantive and technical aspects of the

proposals, in order to ensure that reform remains meaningful and correlates with already existing reform efforts.

To achieve the desired results, the Group of 77 and China, therefore, expects that the report will provide a detailed assessment of the implementation of the existing policies, regulations and rules, including a historical overview of previous reform efforts and the status of the ongoing reform efforts. The report should include an analysis of whether or not the “shortcomings” in existing regulations and rules are due to the letter of the regulations and rules or the practices emerging from their implementation. The report, furthermore, should include detailed, sound and justified proposals, including specific amendments, if any, to the regulations and rules and how these will contribute to a more effective implementation of mandates. It is also important to point out that the elements listed in the proposed “outline” are not new. Many of them have been the subject of debate and scrutiny by the General Assembly and its technical and expert bodies. It therefore will be useful to include in the report the views of the technical bodies of the General Assembly, which have been seized with these questions for several years.

Secondly, it was suggested that a “strategic” decision should be taken outside of the framework of the Fifth Committee. We believe that these pronouncements go against the guiding principles outlined by the Co-Chairs in the letter of 11 January 2006, which we all agreed to and consequently should have, once and for all, laid the question to rest and therefore the counter-productive nature that may arise thereof. Member States have agreed to respect the respective roles and mandates of the Fifth Committee and the ACABQ. The Fifth Committee has established and amended the staff and financial policies, regulations and rules. The Committee, in accordance with its mandate, will have to consider any proposals to introduce new or amend and abolish the existing policies, regulations and rules. The Group of 77 and China is ready to consider the substance of all proposals based on their merits. This consideration can only be done within the context of the Fifth Committee and on the basis of detailed proposals. It can also only be meaningful if the review respects the intergovernmental nature of the Organization and the oversight role of the General Assembly, which it has mandated to the Fifth Committee. We request the Secretariat and urge our partners to avoid embarking on a process that will lead to unnecessary procedural discussions and delays.

Preliminary comments on the proposed “outline” for the report

The Group wishes to thank the Deputy-Secretary-General for the elaboration on the elements contained in the proposed “outline” for the report. The purpose of these meetings is to focus the preparations of the report and we consequently expect that the “outline” will be amended to reflect the guidance provided to the Secretariat at the meetings of 30 January and 7 February 2006. In this regard, those elements that have been rejected by Member States in previous negotiations should not be included. Furthermore, some Member States first introduced some of the elements contained in the “outline” during previous negotiations, including the recent budget negotiations. Those proposals did not find consensus at that time and it will be counter-productive for the Secretariat to attempt to re-package and submit these proposals as their own, as this will undermine the objective of the reform process.

It, furthermore, will be useful if the Secretariat in the report could include information on the General Assembly resolutions that respond to each of the elements, as well as the follow-up action and reporting requested by the General Assembly and the status of implementation by the Secretariat. We believe that such an assessment will respond to the request of the World Summit Outcome Document and place the entire review exercise in the appropriate context.

In response to paragraph 162 of the World Summit Outcome Document, we expect that the Secretariat will include information on the existing mechanisms available to the Secretary-General in order to fulfill his Charter responsibility. The report should include information on the usage of the existing mechanisms, reasons for less than full utilization, measures to ensure accountability to the General Assembly, and examples of how the mechanisms will work in practice if accepted by the General Assembly. It is important that the Secretariat moves beyond broad statements and present detailed and well-justified proposals.

Turning to the elements related to the review of staff policies, regulations and rules, it is important to place the elements in the context of the ongoing efforts to reform the human resources management system and policies, as well as the system of administration of justice. Member States, through the Fifth Committee, have been considering the four broad elements outlined in the paper, as well as many other important issues that together have formed the building blocks for human resources management (HRM) reform since 2001. It is not clear why some of the building blocks are reflected in the outline and others are not. It is also not clear how the outline is responding to the request to assess the staff regulations and rules, which we, during the negotiations in August 2005, were told were outdated. It is further not clear how the reference to a “field-orientated Secretariat” and related proposals correspond to the reforms initiated as a result of the Brahimi Panel’s recommendations, as well as the adoption of General Assembly resolution 57/300 and its provisions on operational activities.

It is important to recall that the Secretary-General in 2000 submitted a comprehensive report to the Fifth Committee on the reform of the various elements of the human resources management system. The Fifth Committee in 2001 adopted a sixteen-part resolution that formed the building blocks for reform of the HRM system. During the 57th and 59th sessions, Member States, through the Fifth Committee, pursued the implementation of various measures and amended the reform elements where required. The Secretariat has been requested to provide a progress report to the General Assembly at its 61st session on its implementation of the building blocks of HRM reform. In addition to the reform efforts, the Fifth Committee, during these years, has also revised the staff regulations and rules on a number of occasions, including as recently as December 2005 to address the issues of financial disclosure and misconduct.

Turning to specific elements on HRM reform, firstly, the Fifth Committee has been considering the review of the existing contract regime and it is not clear how the proposed element fits in with the ongoing review efforts and the proposals that the Fifth Committee is supposed to receive from the International Civil Service Commission (ICSC) in 2006. Starting from the premise that similar jobs should be equally compensated, we support the harmonization of contracts that will respond to the long- and short-term needs of the Organization, as well as simplifying the system of contracts and reducing the number of contracts. We, however, are not clear how the introduction of one type of contract for staff and another for non-staff would simplify the system. We have recently seen that the implementation of the 100, 200 and 300 series contracts, which were supposed to respond to the long- and short-term needs of the Organization, have been problematic and led to different benefits for staff working along side each other in the field. The Fifth Committee, as a result, was considering corrective measures in 2004 and 2005 based on proposals by the Secretariat. It is imperative to ensure that careful consideration is given to the rationale and practicalities of any proposal before amending the contract regime so as to avoid similar difficulties a few years down the line. Furthermore, in order to ensure a meaningful reform, this consideration cannot take place in isolation of the reports of the ICSC, the review of HRM reform measures and the reform of the system of administration of justice, which the Fifth Committee will receive in October 2006.

Secondly, the Group has consistently been calling for a more fair, transparent and equitable recruitment and placement system that would ensure that the international character of the Organization is reflected in the composition of its staff. In this context, the Fifth Committee in 2001 adopted reforms to the system and requested the Secretariat in 2004 and 2005 to provide assessments of the impact of the reforms. It is not clear how this element in the "outline" correlates with the assessment, which the Fifth Committee will receive in October 2006. Furthermore, the practical implications of the proposed "proactive approach" and "accelerated procedures" will have to be clarified in the context of the assessments requested by the General Assembly in its resolution 59/266. The World Summit Outcome Document underscored the importance of improving the geographical balance in the Secretariat and we expect the Secretariat to act on this provision.

Thirdly, it is not clear how the proposal to move towards a "fully rotational system" correlates with the existing efforts to enhance mobility in the Organization. The Fifth Committee has approved "voluntary" mobility based on proposals received from the Secretariat and guidance by the ICSC. There are many practical considerations when it comes to moving from "voluntary" to "compulsory" mobility. The Fifth Committee in resolutions 55/258, 57/305 and 59/266 have addressed these considerations. Resolution 59/266 requested the Secretariat to submit to the Fifth Committee at its 61st session a strategic plan containing indicators, benchmarks, time lines, and clear criteria for the mobility policies, as well as an indication of the financial implications of the mobility policies. It is not clear if the latest proposal is in response to the request of the General Assembly. We wish to caution against any rushed or less than comprehensive approach that may ultimately undermine the successful implementation of the mobility policies.

With regard to the elements related to the assessment of the financial policies, regulations and rules, the Group of 77 and China wishes to point out that some of the elements referred to by the Deputy-Secretary-General were first proposed by either our negotiating partners or in earlier versions of the Outcome Document. These elements did not find consensus and we would expect that the Secretariat not attempt to repackage and re-submit them to Member States. It would also not be appropriate for the Secretariat to reflect on the inter-governmental nature of the budgetary process. We consequently believe that the first, fourth and sixth bullets under this heading should not be included in the report of the Secretary-General.

Furthermore, the perception that the financial policies, regulations and rules have not been reviewed and amended in the last few years is not accurate. It will be recalled that in 1998 the CPC and the Fifth Committee undertook a comprehensive review of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME). The Secretariat, as a result, amended the relevant PPBME rules and the new PPBME regulations and rules were issued in 2000. In 2000, the Fifth Committee changed the budget system of the Organization by moving towards Results-Based Budgeting. The performance reporting system has subsequently been amended. In 2003, the Fifth Committee approved the

budgeting and planning experiment, which replaced the four-year Medium Term Plan with a two-year Strategic Framework. This was done in an attempt to better align resources with programmes, as well as enhance the budget preparation process. The Committee will take a final decision on the experiment in the 62nd session when it has gone through two full cycles of implementation. It is clear that reform has been a work in progress and the objective of the review requested in the World Summit Outcome Document is not to undermine the ongoing processes.

On the proposed elements for increasing transparency in the Organization, the Group is supportive of efforts to ensure greater accountability towards the General Assembly. This is a question that the Fifth Committee has been seized with for several years. It, in this context, in 2005 considered measures to improve the accountability framework of the Organization and it will remain seized with the matter in March 2006. The Committee will also in 2006 receive a progress report from the Secretary-General on efforts to improve outsourcing practices and reform the procurement system, including increasing market access of businesses from developing countries. It further will consider the outcome of audits and investigations undertaken by the internal and external oversight bodies of the procurement system, as well as review the implementation of the comprehensive ITC strategy. It, therefore, is imperative that any assessment of these areas will have to be cognizant of ongoing reform efforts. On procurement, we wish to stress the paramount role of the General Assembly in overseeing procurement matters and are not supportive of any attempts that may either circumvent or infringe upon this mandate.

The Group of 77 and China is of the view that the proposed elements aimed changing the content of the Annual Report, consolidating reporting requirements, changing the financial performance information, outsourcing or off-shoring administrative processes, and upgrading information technology infrastructures do not clearly fall within the scope of the review exercise. The elements also seem to reflect a move towards a more corporate approach and are not appropriate given the unique nature of this inter-governmental Organization. For example, the annual report of the Secretary-General is intended to provide Member States with an assessment of the progress made towards implementing mandates. It will not be useful to amend the report so as to correspond with the type of reporting provided by private entities to their shareholders. It further may duplicate the existing reporting mechanisms to inter-governmental bodies. It, therefore, may be more useful to improve the quality of information contained in the first and second financial reports, as well as ensure that the reports are submitted earlier to the General Assembly than mid-December of each year as is the current practice. Furthermore, the proposal to provide information on financial performance throughout the course of the biennium will only be useful if it is used for internal management purposes. Providing such information to Member States outside of the usual reporting cycle may not be useful and seems to border on micro-management.

With regard to the proposal to redefine the role of the Deputy-Secretary-General, the Group wishes to stress that the report should include an assessment of the original purpose for creating the function, evolution and performance of the function, the contribution towards improving cross-sectoral activities and programmes, as well as of necessity to continue with the function. The Group, furthermore, holds the view that Member States will find it useful to receive an assessment of the existing measures that are aimed at improving the selection, development and performance of senior managers. In this context, the Group believes that serious consideration should be given to ensuring that senior managers are recruited from a wider geographical base and that posts are not reserved for nationals from any one region.

Lastly, the Group believes that the staff buy-out proposal deserves careful deliberation by Member States. It is for this reason that the World Summit Outcome Document requested a detailed proposal on the framework, including an indication of costs involved and mechanisms to ensure that it achieves its intended purpose. The Secretariat, furthermore, should ensure that the proposal reflect the objective of the exercise, which was set out in the World Summit Outcome Document. The purpose of the one-time staff buyout is not to facilitate the implementation of the reform package, as stated in the proposed "outline", but to improve personnel structure and quality. The exercise should be voluntary in nature and the report should present an indication of how it will correlate with the performance appraisal system, as well as with the internal justice system.

Mr. Co-Chair,

In conclusion, the Group of 77 and China has prepared a [table](#) setting out the type of information that would be useful to Member States in considering the assessment of the Secretariat. The attached table is based on some of the elements contained in the "outline" document, but we hope that the final table will correspond to revisions that the Secretariat will have to make to the proposed "outline" based on the guidance that it has received from Member States today and on the 30th of January 2006. We are submitting the table, in response to the invitation of the Co-Chairs to Member States to be as clear as possible with the Secretariat regarding the type of information that would facilitate our decision-making. We trust that our attempt will be seen in the spirit of our Group contributing to the process of reaching consensus on these important issues.

I thank you.

