



General Assembly

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Agenda item 116

Review of the efficiency of the administrative and financial functioning of the United Nations

Outsourcing practices

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on outsourcing practices (A/55/301), submitted pursuant to General Assembly resolution 54/256 of 7 April 2000. During its consideration of the report, the Committee met with representatives of the Secretary-General who provided additional information and clarification.
2. The Advisory Committee recalls that the General Assembly, in its resolution 54/256, endorsed the United Nations guidelines on outsourcing set out in the report of the Secretary-General (A/53/818, sect. III), pending consideration of a report to be submitted to it at its fifty-fifth session defining, in a more detailed way and with justification, the criteria for decisions on which activities and services should or should not be outsourced.
3. The Committee notes that in response to that request the Secretary-General has chosen to establish guidelines which would serve as criteria for programme managers on activities that may be considered for outsourcing. The four criteria enumerated in his report (A/55/301), namely, cost-effectiveness and efficiency; safety and security; maintaining the international character of the Organization; and maintaining the integrity of procedures and process, must be considered when evaluating whether an activity is suitable for outsourcing.
4. Consequently, according to the Secretary-General, for an activity to be fully or partially outsourced it must be demonstrated that it can be more economically and at least equally efficiently done by an external source; and that the outsourcing would not compromise the safety and security of delegations, staff or visitors or the international character of the Organization or the public perception thereof; and would not result in a breach of established procedures and process.
5. The Committee requested clarification on the scope of application covered by the report, but did not receive an adequate reply; this clarification should be provided to the Fifth Committee.