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Chairman: Mr. Bródi (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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The meeting was called to order at 10.15 a.m.

Agenda item 118: Programme budget for the biennium 2008-2009 (*continued*)

Standards of accommodation for air travel
(A/63/524 and A/63/715)

1. **Ms. Hurtz-Soyka** (Director, Office of the Under-Secretary-General for Management), introducing the report of the Secretary-General on standards of accommodation for air travel (A/63/524), said that it had been prepared in accordance with resolution 42/214 and decisions 44/442, 46/450 and 57/589 of the General Assembly and provided detailed information on the exceptions authorized by the Secretary-General to the standards of accommodation normally applicable under the regulations and rules of the Organization. Tables in the report provided a comparison of the number of trips made in first and business classes for the periods 1 July 2004-30 June 2006 and 1 July 2006-30 June 2008, for both the United Nations and other United Nations entities.

2. Overall, there had been a slight increase in the total number of exceptions granted in the two-year period ended 30 June 2008 as compared to the previous periods, mainly owing to exceptions made for eminent persons, persons donating services free of charge and travel by security officers. Fewer exceptions had been made for medical conditions, lack of availability of normal standards of accommodation for travel, arduous journeys and the travel of the President of the General Assembly. The Secretariat would continue to monitor the granting of exceptions closely.

3. **Ms. McClurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/63/715), said that, while the Advisory Committee recommended that the General Assembly should take note of the Secretary-General's report it found the purely statistical presentation to be of limited use. It therefore recommended that future reports should contain an analysis of the reasons for the increases and/or decreases in the number of exceptions, taking into account such issues as industry trends and security requirements.

4. **Mr. Abdelmannan** (Sudan), speaking on behalf of the Group of 77 and China, said that the Group believed that the Secretary-General should exercise his discretionary authority in granting exceptions to the

normal standards of accommodation for air travel and supported the Advisory Committee's view that, given the increase in the number of exceptions for the period under review, all requests should be carefully scrutinized. The Secretary-General should establish clear criteria for granting exceptions, particularly for upgrading security officers to first class.

5. The Group looked forward to a comprehensive report from the Secretary-General, in line with the recommendation made by the Advisory Committee in its earlier report on the review of standards of travel and entitlements in the United Nations system (A/62/351). The report should take into account the recommendations of the Office of Internal Oversight Services audit review of all categories of exception, awaited by April 2009.

Financing of the United Nations Institute for Training and Research (A/63/592 and A/63/744)

6. **Mr. Boyer** (Manager, Multilateral Diplomacy Programme of the United Nations Institute for Training and Research), introducing the report of the Secretary-General on the financing of the core diplomatic training activities of the United Nations Institute for Training and Research (UNITAR) (A/63/592), recalled that the report had been submitted in response to the request made by the Economic and Social Council in its resolution 2008/35. As the principal training body of the United Nations, the Institute trained over 80,000 individuals per year. It had expanded its programmes and doubled its income in the previous five years. The Institute's estimated funding for the current biennium, forecast to exceed the actual expenditure for the previous period by 28 per cent, would come mainly from earmarked contributions. The Institute's financial situation was positive, except in the case of core diplomatic training.

7. Core diplomatic training, a distinctive function of the Institute, covered international cooperation and multilateral diplomacy and was aimed at Member State civil servants whose work related to the United Nations. In 2006-2007, individuals from 186 Member States had benefited from such training. However, the progressive decline in non-earmarked contributions over the previous two decades had left core diplomatic training chronically underfunded. Furthermore, although Member States continued to request the training offered by the Institute, they chose to direct

financial contributions at their own national training efforts for diplomatic personnel.

8. While core diplomatic training was recognized as valuable, was universally available and would be difficult to replace, the Institute was no longer in a position to cover the existing deficit associated with the programme. Despite devoting a large share of non-earmarked contributions to it, and despite endeavouring to raise additional funds for it from the private and philanthropic sectors, the Institute faced a funding shortfall of \$1,200,000 for core diplomatic training.

9. As most permanent missions lacked dedicated funds to improve the capacity of diplomats to perform their multilateral duties, a reduction or elimination of the Institute's core diplomatic training facilities risked affecting Member State representatives, particularly those of developing and least developed countries. It would also run counter to the wishes regarding the Institute's training expressed by the General Assembly in its resolution 62/210 and by the Economic and Social Council in its resolution 2008/35. Accordingly, the General Assembly might wish to consider providing the Institute with an annual subvention of \$600,000 in the context of the proposed programme budget for the biennium 2010-2011, so that the current level of core diplomatic training activities could be maintained.

10. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/63/744), said that the Advisory Committee commended the Institute for its progress in implementing reform and recognized the importance of core diplomatic training. However, believing that the Institute should only undertake activities once funding had been assured, the Advisory Committee recommended prioritization of the activities of the core diplomatic training programme, with a view to aligning them with available resources and utilizing those resources as effectively as possible.

11. On the understanding that the Institute would undertake such prioritization and intensify its fund-raising efforts, the Advisory Committee recommended approval of an annual subvention for the biennium 2010-2011 on an exceptional basis. It also recommended that the Institute should explore cost-

sharing arrangements for the training services that it provided to other United Nations entities.

12. The Advisory Committee, bearing in mind that the General Assembly had affirmed the voluntary nature of the funding for the Institute on several occasions and taking into account its own recommendations and observations, recommended against approval of the proposed amendment of paragraph 2 of article VIII of the statute of the Institute to include a subvention from the regular budget of the United Nations.

13. **Mr. Abdelmannan** (Sudan), speaking on behalf of the Group of 77 and China, said that the Group attached importance to the issue of financing the Institute, recognizing its indispensable role in promoting international cooperation and multilateral diplomacy through the provision of core diplomatic training. Despite increased demand, that training programme had suffered chronic underfunding because of a decline in voluntary non-earmarked contributions. The Group was concerned that a lack of reliable and sustainable resources could halt the programme and called for every effort to be made to avert that possibility. The Secretary-General's report (A/63/592) provided some useful proposals to address the Institute's funding needs.

14. The Group recalled that the Economic and Social Council, in its resolution 2008/35, had urged that training and capacity development activities should be accorded a more visible and larger role in support of the management of international affairs and that the General Assembly, in its resolution 62/210, had reaffirmed the relevance of the Institute, in view of the growing importance of training and capacity development within the United Nations. Indeed, 97 per cent of the Member States had benefited from the Institute's core diplomatic training in recent years. In response to those resolutions, the Secretary-General had requested an annual subvention of \$600,000 in the context of the programme budget for the biennium 2010-2011. The Group considered that the proposal could provide a basis for addressing the shortfall in funding for core diplomatic training and wished to find a sustainable solution to the Institute's funding needs.

15. **Ms. Norman** (United States of America) said that her delegation appreciated the Institute's role in training diplomats and offering instructional courses. However, it strongly opposed granting subventions to

bodies that the General Assembly had decided should be funded through voluntary contributions. She hoped that further efforts could be made to increase such contributions to the Institute and looked forward to continuing discussions on the matter.

16. **Mr. Yamada** (Japan) said that his delegation appreciated the Institute's efforts to meet the rising demand for core diplomatic training courses and hoped that it would continue to fulfil its mandate with due regard to the provisions of its statute. However, his delegation was deeply concerned at, and strongly opposed, the Secretary-General's recommendation to provide the Institute with an annual subvention of \$600,000 in the context of the proposed programme budget for the biennium 2010-2011 and to amend paragraph 2 of article VIII of the statute of the Institute to include a subvention from the regular budget of the Organization. The rules governing the financing of the Institute were explicit and had been followed and supported by both the Institute and the Member States.

17. The Secretary-General's proposals were incompatible with the principle, affirmed in the statute of the Institute, that its expenses should be met from voluntary contributions. Furthermore, approving a subvention for the next biennium at the present time presupposed approval of resources from the proposed regular budget for the biennium 2010-2011, which was still the subject of consultation. Expenditure for the next biennium, regardless of the amount, should be considered in a comprehensive manner at the main part of the sixty-fourth session of the General Assembly. Lastly, the management of the Institute's resources should be carefully scrutinized. The Secretary-General's report raised many questions concerning the Institute's formulation of a programme of work and budget for the biennium 2008-2009.

Agenda item 117: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Report of the Independent Audit Advisory Committee on vacant posts in the Office of Internal Oversight Services (A/63/737)

18. **The Chairman** drew attention to the report of the Independent Audit Advisory Committee on vacant posts in the Office of Internal Oversight Services (OIOS) (A/63/737).

19. **Mr. Abdelmannan** (Sudan), speaking on behalf of the Group of 77 and China, said that it would be more appropriate for the Committee to discuss the issue of vacant posts within OIOS at the second part of the resumed sixty-third session of the General Assembly, in the broader context of its consideration of the management of OIOS, in order to make an informed decision with the benefit of an overview of the situation, and in order to avoid a piecemeal approach. The Group believed that the Secretary-General should comply with General Assembly resolution 63/265, which requested him to make every effort to fill the vacancies concerned as a matter of priority, and that the recruitment process must be fair, transparent and in compliance with the relevant provisions of the applicable United Nations rules.

20. **Ms. Krahulcová** (Czech Republic), speaking on behalf of the European Union, the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Albania; and, in addition, the Republic of Moldova and Ukraine, expressed support for the decision to consider the matter of vacancies in OIOS at the first part of the resumed sixty-third session and welcomed the readiness of the Independent Audit Advisory Committee to take action in accordance with the terms of reference established for it by the General Assembly in resolution 61/275.

21. The European Union recalled the General Assembly's request to the Secretary-General, made in its resolution 63/265, to make every effort to fill the vacancies concerned as a matter of priority. High vacancy rates and insufficient staff could adversely affect the ability of OIOS to fulfil its functions and adhere to its programme of work. As the Independent Audit Advisory Committee had indicated, immediate action was needed to fill vacancies in the OIOS Investigations Division, given the transfer to it of 175 cases from the former Procurement Task Force. Care should be taken to ensure that all vacancies were filled in a streamlined and expedited manner, taking into account the assessment of the Independent Audit Advisory Committee, Article 101 of the Charter of the United Nations and the relevant resolutions of the General Assembly.

22. **Mr. Plunkett** (Canada), speaking also on behalf of Australia and New Zealand, said that, as the Organization needed effective, efficient and operationally independent oversight, the role of OIOS

in its governance was important, and gave the Member States confidence that resources were being used appropriately. The three delegations were concerned that over 27 per cent of the posts authorized for OIOS remained vacant, and agreed with the Independent Audit Advisory Committee that the situation could expose the Organization to greater risk by affecting the ability of OIOS to implement its programme of work. They urged the Secretary-General and the Under-Secretary-General for Internal Oversight Services to fill the posts concerned, particularly those at Director level, expeditiously.

23. **Mr. Gürber** (Switzerland), speaking also on behalf of Liechtenstein, expressed great concern at the adverse effect of unfilled vacancies on the capacity of OIOS to fulfil its mandate. The posts concerned must be filled expeditiously. Recalling that the Independent Audit Advisory Committee had referred in its report to a disagreement between management and OIOS regarding appropriate recruitment and selection methods for Director-level posts, he said that the operational independence of OIOS, as established by the General Assembly in its resolution 48/218 B, was vital. In that connection, he also recalled that the report referred to the Secretary-General's delegation of authority to the Under-Secretary-General for Internal Oversight Services for certain appointments, as described in administrative instruction ST/AI/401.

24. By submitting the report in question for the consideration of the Committee, the Independent Audit Advisory Committee was responsibly discharging the functions conferred on it by the General Assembly in its resolution 61/275. The Member States should also act responsibly to ensure that OIOS could fulfil its oversight function effectively and efficiently. Accordingly, the Committee should not delay informal consultations regarding the matter.

25. **Mr. Rashkow** (United States of America) said that the Committee should address the serious and important issues raised in the report of the Independent Audit Advisory Committee. The vacancies should be filled without delay, while ensuring respect for the operational independence of the oversight bodies when dealing with personnel matters.

26. **Mr. Sugiura** (Japan) recalled that the General Assembly, in its resolution 63/265, had previously expressed concern over the number of vacancies in the Investigations Division of OIOS and called for them to

be filled as a matter of priority. The worrying vacancy situation which was the focus of the report of the Independent Audit Advisory Committee should be addressed rapidly and within the bounds of the current regulations, rules, procedures and practices, in order to ensure that the activities of OIOS could be undertaken effectively and efficiently.

27. **Mr. Loy Hui Chien** (Singapore) said that the long-standing problem of vacant posts in OIOS was troubling and would damage the ability of that body to carry out its work. That situation, already referred to by the General Assembly in its resolution 63/265, had not improved, and did not reflect well on the management of OIOS. In order to comply with the resolution in question, posts should not be kept vacant by a deliberate decision of management.

28. Having learned almost simultaneously of the dispute surrounding the selection and recruitment of the director of the OIOS Investigations Division and of the release on the Internet of some 600 internal OIOS reports, some labelled "strictly confidential", his delegation expressed its disquiet, requested clarification of the situation and urged the Secretariat to take action. As OIOS played an important part in ensuring accountability and transparency in the Organization, the effect of its problems should not be allowed to spread.

29. **Mr. Lim Ki-keun** (Republic of Korea) said that OIOS played a crucial role in ensuring the effective and efficient operation of the Organization and recalled that its operational independence had been affirmed by the General Assembly in its resolution 48/218 B. He regretted the problems described by the Independent Audit Advisory Committee in its report. It was unfortunate that the disagreement between the administration and OIOS over the manner of appointments had not been resolved internally. He hoped that the problem of unfilled vacancies would be rapidly resolved.

The meeting rose at 11 a.m.