



**STATEMENT
ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MS. KAREN LOCK, PERMANENT MISSION OF SOUTH AFRICA
TO THE UNITED NATIONS, ON “INVESTING IN THE UNITED NATIONS:
FOR A STRONGER ORGANISATION WORLDWIDE”, TO THE
FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
New York, 28 June 2006**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on “Investing in the United Nations for a stronger Organisation worldwide”.

The Group of 77 and China wishes to thank the Controller, Mr. Warren Sach, for presenting the reports of the Secretary-General, as contained in documents A/60/846/Add.5 and Add.7. The Group, furthermore, wishes to express its appreciation to the Chairman of the Advisory Committee on Administrative and Budgetary Questions for his introduction of the related reports of the Advisory Committee (A/60/903 and A/60/904).

Mr. Chairman,

The Group attaches great importance to the collective efforts of Member States to strengthen the oversight and auditing bodies of the United Nations. We believe that these are crucial matters that have to be reviewed in a comprehensive manner, in order to ensure that the decisions of the Assembly provide a solid basis for the functioning of the oversight bodies. It is therefore imperative that Member States receive the reports of the Secretary-General and the Advisory Committee in a timely manner so as to enable us to consider and treat the proposals with the seriousness that they deserve.

The General Assembly in its resolution 60/248 decided to establish the Independent Audit Advisory Committee (IAAC). However, at that time in December 2005 Member States were not able to finalise consideration of the proposed terms of reference for the IAAC due to time constraint and pressure on the Committee to conclude various other time-bound matters of great importance. Member States felt that the Secretary-General’s proposal required careful consideration so as to ensure that the final terms of reference would be robust enough to enable the Committee meet the desired objective of strengthening the ability of the General Assembly to discharge its oversight responsibility. We, however, acting under time-pressure, established the Committee without agreeing on its terms of reference, role, membership criteria and relationship with other parts of the oversight and governance systems. It further will be recalled that Member States were informed that the governance review, which would start in 2006, would consider these important aspects.

As Member States, we will have to assess how the proposed changes in one part of the system, if accepted, may strengthen other parts of the system, which is one of the reasons why the Assembly in resolution 60/248 requested the Secretary-General, in proposing the terms of reference, to ensure coherence with the outcome of the ongoing review of oversight. Bearing in mind that the outcome of the governance review and external evaluation of audit and oversight have not been issued or considered by the Advisory Committee and the Fifth Committee, we support the proposed deferral of the report (A/60/846/Addendum 7) to the 61st session when the Fifth Committee will also receive the outcome of the governance review and external evaluation. We also note that the Advisory Committee at that point will revert to the consideration of the proposed terms of reference for the IAAC, as well as its mandate, composition, selection process and qualification of experts. In the absence of any decision by the Assembly on the qualification of the experts, the composition of the Committee and the selection process, the rationale for the Advisory Committee's proposal to provide general temporary assistance is not clear and we would appreciate a clarification.

Mr. Chairman,

It will be recalled that Member States have requested that an external evaluation be undertaken to *inter alia* consider the operational and budgetary independence of the Office of Internal Oversight Services. We note that the findings of that external evaluation, as well as the comments of the Office of Internal Oversight Services thereon, have not been finalised for submission through the Advisory Committee to the Fifth Committee. It is for this reason that Member States have agreed this morning to provide general temporary assistance to the OIOS, as was done in December 2005, to ensure its effective functioning until we receive the findings of the evaluation and the assessment of the OIOS. The Group, therefore, is not clear as to the import of the observations of the Advisory Committee contained in paragraph 12 of its report. It is not clear if the observation relates to some of the proposals contained in the draft terms of reference of the IAAC that addressed its envisaged interaction with the OIOS vis-à-vis that of the ACABQ. We, while recognising that Member States will consider questions related to the resource requirements and independence of the OIOS in the 61st session, would appreciate a clarification of the relationship between the ACABQ's observations and the matter before us today.

Mr. Chairman,

Turning to the report on procurement reform, the Group wishes to reiterate the importance that we attach to improving the procurement system of the United Nations. Member States unfortunately have only received the report of the Advisory Committee, which has been working under tremendous pressure, on 27 June 2006 and will not be able to finalise negotiations on this important aspect in the remaining two days of the session. This view was conveyed to other Member States in our letter dated 20 July 2006.

We, therefore, do not believe that it is prudent to place Member States in a position where we are expected to take rushed decisions on matters that could potentially

impact on the management and oversight of billions of dollars, as well as the reputation of the Organisation. Member States will have to review this matter carefully in the 61st session and ensure that our decisions translate not only in a more transparent and effective procurement system, but also in one that reflects the international character of the Organisation. The Group, consequently, reserves the right to revert to this report in formal consultations in the 61st session when the Committee considers this matter.

We trust that the Secretariat, in the meantime, will prepare supplementary information to respond to Section V of General Assembly resolution 60/260 in which the Assembly set out elements to be responded to in the detailed report on procurement reform. In this regard, we expect concrete proposals to be submitted to the Assembly as it requested in paragraph 1 (g) of that section. We also note the comment of the ACABQ that some aspects of procurement reform are not well developed in the report (Addendum 5) and its expectation that other reform procurement measures will be elaborated in greater detail in future reports. We trust that the Secretariat will prepare supplementary reports that will enable Member States to take a more comprehensive approach when it reverts to procurement reform in the 61st session.

I thank you, Mr. Chairman.