



CENTER FOR UN REFORM EDUCATION

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On 8 June 2007, the Fifth Committee concluded its second resumed session. Amid the issues taken up by the Committee during the session, the Center for UN Reform tracked the negotiations on the strengthening of the oversight mechanisms of the United Nations, as well as negotiations on the budgetary requirements for the restructuring of the Department of Peacekeeping Operations (DPKO) based on the proposal of the Secretary General ([A/61/858](#)).

TERMS OF REFERENCE OF THE IAAC AND THE STRENGTHENING OF THE OIOS

On 8 June 2007, Fifth Committee delegates finally closed discussions on the draft resolution for the strengthening of the OIOS. The draft resolution also contains the terms of reference (TOR) for the Independent Audit Advisory Committee.

The TOR approved for the IAAC represent a compromise between all parties. Disagreements amongst Member States concerned the extent of independence of the Committee, and the criteria of membership and *modus* of election of its candidates.

With respect to the *modus* for the election of the members of the Committee, the idea of instituting a nominating committee was abandoned. Member States will instead propose 10 candidates, based on regional and geographical representation for the General Assembly's approval. It is envisaged that regional groups will propose their candidates for the IAAC. The draft resolution recommends that the candidates be evaluated and attested through consultations with an external relevant institution, such as the International Organization of Supreme Audit Institutions (INTOSAI). The evaluation of the candidates would be made available to all Member States. Even though the draft resolution does not contain strong language in this regard, western countries would have wished for such referral to be obligatory, it is highly likely that candidates who have been attested and evaluated, by INTOSAI or other analogous organizations, will have a better chance to be voted on the Committee.

In regards to the possibility of re-election of members, which the western countries had opposed during consultations, it was decided that members will be appointed on the Committee for a term of three years with the possibility to have their membership renewed once. Members will thus be able to serve a maximum of 6 years each, with the exception of the first members elected, 2 of which will be appointed for 4 years with the possibility to renew their membership.

TOR for the IAAC will be reviewed in 3 years time and adjustments made when necessary.

As far as the strengthening of the Office of Internal Oversight Services, Fifth delegates agreed to the revised estimates as suggested by ACABQ. Thus, a few more posts have been approved for the audit and investigation section of the OIOS.

The discussion on the revision of the funding arrangements of the OIOS, which greatly contribute to the inefficiency of the office in carrying out its audit tasks, was deferred to the 62nd session of the GA.

Problems with OIOS funding arrangements:

During the general discussion at the Fifth Committee, the Under Secretary-General of the OIOS, Ms. Inga-Britt Ahlenius underlined how the main obstacle to OIOS independence is problems surrounding its funding arrangement for operations. According to the report on funding arrangements ([A/61/810](#)), two main issues need to be tackled in order to guarantee OIOS operational independence:

- The OIOS budget is subject to the review of the Department of Management which OIOS has oversight responsibility for;
- The OIOS negotiates funding for a third of its activities with the entities it is chartered to audit.

Such a funding mechanism has a negative impact on the independence of the internal audit activity since the funding condition allows the auditee to influence, if not control, the audit process. For further details, please see: [Fifth Committee Report: Week of 7-11 May 2007](#).

The GA is expected to adopt the resolution shortly.

REFORM OF THE DEPARTMENT OF PEACEKEEPING OPERATIONS

On 6 June 2007, Fifth Committee delegates began general discussions on the restructuring of the Department of Peacekeeping Operations (DPKO) and financing of the Organization's peacekeeping support account. The report of the Secretary General containing the proposals on how to strengthen the capacity of the United Nations to manage and sustain peace operations ([A/61/858](#)) was introduced by Under Secretary-General for the Department of Management, Alicia Barcena Ibarra.

- [Statement by USG for Management on restructuring DPKO](#).

Under Secretary-General for Peacekeeping Operations, Jean-Marie Guehenno was also present. He aligned himself with the remarks made by USG Barcena Ibarra and stressed the fact that the proposals contained in the SG report, [A/61/858](#), do not represent a rupture from the old peacekeeping operations management system but are based on recommendations advanced through the course of many years, such as those contained in the [Brahimi Report](#) and many others. He reassured Member States that the restructuring of the Department of Peacekeeping Operations is not intended to separate DPKO and Peacekeeping in general from the Secretariat. He added that the Department of Peacekeeping Operations (DPKO) and the new Department of Field Support (DFS) would work in close coordination within the framework established by the Secretariat and based on mandates approved by Member States.

The Under Secretary-General for Internal Oversight Services, Inga-Britt Ahlenius, introduced the Office of Internal Oversight Services (OIOS) Report on the Audit of DPKO management structures ([A/61/743](#)).

- [Statement by USG for Internal Oversight Services on Audit report of DPKO management structure](#)

The Chairman of the ACABQ, Rajat Saha, introduced the ACABQ report issued on 1 June 2007, [A/61/937](#). The report comments on the SG's proposals and funding requests for the rearrangement of DPKO ([A/61/858](#) and [A/61/858.Corr.1](#)).

ACABQ recommendations:

The ACABQ report based on the Secretary-General's report on strengthening the capacity of the United Nations to sustain peace operations ([A/61/858](#)), comments on the proposals of the Secretary General for the restructuring of the Department of Peacekeeping Operations.

Among other recommendations, the ACABQ report warns Member States that the new organizational structure envisaged by the SG may present some major management challenges. In particular, the unusual arrangement of having the head of the Department of field support report to and take direction from the head of the Department of Peacekeeping Operations could create potential complications with respect to chain of command, accountability, coordination and maintenance of an adequate system of checks and balances.

The report also found several lacunae in the SG report while adding that structural change should not be seen as a substitute for managerial improvement. Outdated systems, inefficient and duplicative work processes, together with insufficient management attention are as much to blame for the difficulties the UN encounters in addressing the peacekeeping challenges than lack of personnel or inefficient structures. Further, the ACABQ report requests the SG to propose specific time-bound strategies to improve work processes and procedures. It also suggests that an analysis be carried out regarding the gains in efficiency and effectiveness, if any, resulted from past reforms enacted in the UN Logistics Base in Brindisi.

It also recommends that, in the context of the proposed budget for the support account for 2009/2010, Member States request the SG to review the work processes in relevant departments and DPKO with an objective to streamlining staffing and avoiding duplication of work.

Pending the outcomes of the analysis and further proposals on the improvement of work processes, the ACABQ deems it prudent to recommend provision for general temporary assistance positions rather than the establishment of posts in order to avoid institutionalizing functions that may not be required in the long term.

The ACABQ also warns that the substantial delegation of authority would result from the implementation of the SG proposal

and it should be accompanied by clearly-spelled out authorities and explicit accountability measures.

The budgetary resources for the rearrangement of the DPKO suggested by the ACABQ for approval run short of \$23,990,200 as opposed to the sum requested by the SG (\$ 254,500,100).

Fifth Committee delegates agreed to approve the resources asked by the Secretary General to implement its proposals as per ACABQ recommendations. The draft resolution will be submitted to the GA for adoption shortly.

For a full account of the general discussion and further background on the issue and related documents:

- [Budget Committee takes up Secretary-General's proposals aimed at strengthening peacekeeping, in face of growing demand, complexity](#) *DPI Report, 6 June 2007*

OTHER ISSUES

- [Budget committee takes up review of special political missions](#), *DPI Report, 1 June 2007*
- [Budget committee takes up draft text on financing for Lebanon force](#), *DPI Report, 8 June 2007*

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