

*Check against delivery*

**ON BEHALF OF THE EUROPEAN UNION**

**STATEMENT BY ENNO DROFENIK**

**COUNSELLOR**

**PERMANENT MISSION OF AUSTRIA TO THE UNITED NATIONS**

**Item 122, 124, 128, 129 and 136: Investing in the United Nations:  
Detailed Report**

**FIFTH COMMITTEE**

**New York, 16 June 2006**

## Investing in the United Nations: detailed report

I have the honour to speak on behalf of the European Union. The Acceding Countries Bulgaria and Romania, the Candidate Countries Turkey, Croatia\* and the former Yugoslav Republic of Macedonia\*, the Countries of the Stabilisation and Association Process and potential candidates Albania and Serbia, and the EFTA country Iceland, member of the European Economic Area, as well as Ukraine and the Republic of Moldova align themselves with this declaration.

Mr. Chairman,

We would like to thank the Controller Mr. Warren Sach for presenting us with the detailed report on "Investing in the United Nations". We are aware that two further addenda on procurement and accountability will be forthcoming, and we will address these issues at the appropriate time. We also thank the Chairman of the ACABQ for his presentation of the report of the Committee.

The report of the Secretary-General corresponds to the mandate set out at the World Summit 2005, namely to make proposals to the General Assembly for its consideration on the conditions and measures necessary for him to carry out his managerial responsibilities effectively. While we regret that the detailed elaboration of some reform proposals is not before us as an outcome of the voted resolution of last May, we believe that the report still provides enough substance for a meaningful discussion on management reform.

Mr. Chairman,

Please allow me to highlight some of the priorities of the European Union:

The European Union endorses the establishment of a Chief Information Technology Officer, who will be responsible for co-ordinating the ICT initiatives within the Secretariat and who will ensure that an adequate ICT perspective is incorporated in all major managerial decisions. While we understand that the organisational structure still needs to be developed we would like to emphasise the need for a largely independent position within the Secretariat.

We support the replacement of the Integrated Management Information System. The IMIS system has been developed in-house and has served the Organisation relatively well in the past. In light of the increasing demands on the system, the proposed introduction of new accounting standards and a growing number of shortcomings vis-à-vis available off-the-shelf solutions, the replacement has become a necessity. It should be the first major task of a new Chief Information Technology Officer to accurately establish the user-needs for a new system and to prepare the invitation for tenders.

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\* Croatia and the former Yugoslav Republic of Macedonia continue to be part of the Stabilisation and Association Process.

The European Union supports the introduction of International Public Sector Accounting Standards. The current United Nations Accounting Standards no longer address the needs for a modern, transparent and accountable Organisation. The switch to new accounting standards is overdue and will benefit the Organisation and all member states.

One of the main priorities of the European Union remains increased efficiency, effectiveness and accountability in budgetary implementation. We need to be aware that there are too many restrictions upon the senior management of the Organisation in terms of how it is authorised to manage and deploy the resources at its disposal. While such restrictions generally fail to achieve adequate control and accountability, they do put an undue strain on efficient programme delivery. In order to give the Secretary-General the necessary tools to implement the budget efficiently and to fully preserve the prerogative of the General Assembly, we have to implement the limited discretion decided in the budget resolution 2006-2007.

The Secretary-General is making two proposals to address these concerns: Firstly, a proposal to transfer up to 10 percent of the resources between the sections of one budget part. Secondly, a proposal to establish three different staff categories and allowing for discretion on reclassification, redeployment and conversion within and between them.

While both proposals are very modest in nature and fall behind the original SG proposals, they go into the right direction. The European Union supports these proposals. Their adoption will finally implement the request for limited discretion agreed in the budget resolution 2006-2007. In line with the parameters agreed we must ensure that the Secretariat is fully accountable to the General Assembly for any use of its discretion. We believe that any changes to the present system need to preserve the prerogative of the General Assembly to consider and approve resources.

ACABQ raises some pertinent questions about the scope of the discretion to be granted to the Secretary-General and the accountability procedures under which it would operate. The ACABQ asks the Secretary-General to provide clarification on these points. The European Union is of the view that it is within the purview of member states to specify the scope of discretion and the accountability mechanisms which accompany it and we are ready to provide language to do this. We are looking forward to a constructive debate in the informal consultations.

In the context of improved transparency and accountability the European Union supports proposals to improve the current reporting mechanisms. We are looking forward to get more clarification on the proposed new annual report in the informal consultations and support whole-heartedly the ACABQ recommendation to the Secretary-General to concentrate on developing a comprehensive financial and programme report for the General Assembly. The European Union also endorses the related proposal for developing a policy for public access to UN documentation.

The European Union welcomes the proposal for consolidation of peacekeeping accounts. Such a measure would ensure the liquidity of individual missions, facilitate the prompt reimbursement of troop contributing countries and make assessments fewer and more predictable. We are looking forward to receiving more information on the relevant technicalities in the informal consultations. We have learned from the ACABQ report that the proposal has been amended with a view to ensuring the linkage between assessments and Security Council mandates through quarterly assessments. The European Union considers that this modification improves the initial proposal of the Secretary-General and reiterates its request for maintaining detailed information about each peacekeeping operation.

Mr. Chairman,

We are committed to achieve results on these proposals by the end of the second resumed session. While we are fully aware of the heavy workload the Committee is facing, we would like to recall that most of the proposals have been discussed by member states for months and that a detailed Q&A session with the Secretariat has taken place in the latter part of the first resumed session. We are confident that with the necessary spirit of compromise and co-operation we will be able adhere to our schedule. We should try to avoid procedural debates and move without undue delay to the discussion of the substantive proposals in front of us. The European Union is willing to work constructively with all member states towards a successful outcome of our considerations.

I would simply like to reiterate that the European Union is eager to discuss the substance of these proposals and keen to listen to the views of colleagues on the substance – we must in the end find a solution which is acceptable to all. We stand ready to discuss further the substance of the EU position both within the Committee and bilaterally as necessary.

Thank you, Mr. Chairman