



JOINT INSPECTION UNIT
of the United Nations System

CORPS COMMUN d'INSPECTION
du Système des Nations Unies

March 13th 2012

ACCOUNTABILITY

CHECK AGAINST DELIVERY

STATEMENT BY INSPECTOR M. MOUNIR ZAHRAN
CHAIRMAN
JOINT INSPECTION UNIT

Agenda item number 132 . Review of the efficiency of the administrative and financial functioning of the United Nations Fifth Committee, sixty-sixth session

Mr. Chairman, distinguished delegates,

I have the honor to introduce the JIU report titled, *Accountability Frameworks in the United Nations system* (JIU/REP/2011/5). This report was mandated by the General Assembly in its 64th session. Resolution 64/259 paragraph 4 requested the JIU to submit to the General Assembly for its consideration at the main part of the 67th session, a comparative analysis report on various accountability frameworks in the United Nations system.

The JIU provided a copy of the present report to the Secretary General late last year for his consideration in drafting his own report on accountability. Many of the bolded JIU suggestions and recommendations have been considered in his report.

The JIU is further heartened to see the positive reaction and willingness to implement the recommendations provided in the report of the executive heads of the 26 participating organizations as manifested in the CEB comments which is an addendum to this report. The CEB-Executive Heads noted its

appreciation for the benchmarks contained in the report and noted that the recommendations addressed to the executive heads will be taken up. The objective of the JIU report was to map out and assess the existing accountability frameworks in the United Nations system and to identify gaps where they exist. The report analysed components of accountability in organizations which do not possess a formal accountability framework. In addition the report identified good and best practices in developing and implementing accountability frameworks or its components.

The report identified the various components constituting accountability by evaluating the institutional practices of accountability realized by the United Nations system organizations even where there is no such a formal framework in place. The report stresses the complexity of the concept of accountability which goes beyond the requirement of having an internal control system or enterprise risk management process in place. Strong emphasis is put on the importance of realizing two pillars namely transparency and a culture of accountability which together constitutes the underpinning pillars for every accountability framework.

The report identifies 17 benchmarks which serve as a measurement and road map for assessing the degree to which accountability is realized. Although the assessment focuses on the organizations, the report also draws attention to the oversight responsibility of member states as an important factor in upholding accountability.

The report identifies 7 United Nations system organizations that so far possess formal stand-alone accountability frameworks. The organizations which have an

accountability framework are ILO, United Nations, UNDP, UNFPA, UNICEF, UNOPS and WHO. Missing from the frameworks of the United Nations, UNFPA and WHO was the identification of a culture of accountability as one of its pillars, and the frameworks of the UN, UNDP and UNICEF were good examples in the area of transparency and management responsibility for organizational accountability.

The culture of accountability needs further efforts to reach maturity across the United Nations system. Consistent application of discipline and awards are sorely needed. In the case of the United Nations, it lacks a comprehensive system of motivations and sanctions. Most important, a culture of accountability will only become fully developed once the senior managers lead by example and hold themselves publicly accountable.

Mr. Chairman,

I thank you and the members of the committee, and stand ready to answer any questions you may have.



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Agenda item number 132 . Review of the efficiency of the administrative
and financial functioning of the United Nations
Fifth Committee, sixty-sixth session, 13 March 2012

Mr. Chairman, distinguished delegates,

I am pleased to honor General Assembly resolution 64/259 which requested the JIU to review the effectiveness, coherence, timeliness and transparency of the current selection and appointment process of senior managers in the UN Secretariat and provide recommendations leading to enhanced transparency. Senior managers, for this report, are defined as the Deputy Secretary General, Under-Secretaries-General and Assistant Secretaries-General with the scope limited to the UN Secretariat.

Our findings include, inter alia, that for the most part, you, the member states, have no major concerns with the description of the selection and appointment process of senior managers; rather, your concerns are with the implementation of the process itself. It is seen as opaque, raising questions as to how the process really works.

We agree that the process is opaque. Our report makes this very clear. While we recognize the explicit discretionary power of the Secretary General in making senior manager appointments, as do you, we believe discretionary authority does not mean the Secretary General has carte blanche to avoid the process he, himself, has established; discretionary authority should not be used as an excuse to avoid transparency in that process. The challenge is to strike a balance between providing enough information to you so you are confident the process is open, fair and transparent without compromising the privacy of the candidates and jeopardizing the confidentiality of the deliberative process of either the interview panels or the Secretary General himself. We have recommended that the General Assembly direct the Executive Office of the Secretary General to set up and maintain on a monthly basis a dedicated website to convey specific information to you and we have recommended that the General Assembly endorse the guidelines contained in our report in tandem with the process outlined in the Secretary General's previous accountability report (A/64/640).

The Secretary General's comments on our report continue the existing process with no change and no improvement. We found the comments to be a clumsy attempt to justify an opaque process. There are caveats every step of the way to provide, not just flexibility in the implementation of the process, but total flexibility in NOT implementing the process. The catchwords used throughout: when feasible, as appropriate, generally, as needed, every effort is made, etc., have the result of rendering the various steps in implementing the process as meaningless. Thus we are more than disappointed with the business as usual approach. We are also concerned that the Secretary General's response on

our report (A/66/380 Add.1) focuses attention away from many of the important issues raised by the Inspectors by either ignoring them entirely or giving only slight mention and no remedy to, for example:

- the clear need to rationalize and streamline the number and title of Under-Secretary and Assistant Secretary General positions,
- the myriad other processes in place for senior appointments,
- groups of vacancies for senior field-based positions that are not advertised or notified to member states,
- the proper vetting of candidates, etc.

This listing is not exhaustive.

We believe we have presented clear and rational argumentation for improving the process, for making it more transparent and for maintaining the confidentiality needed. We know you have carefully studied both reports and we leave it to you to draw your own conclusions and decide how best to proceed.

Mr. Chairman, I thank you and the members of this committee, and will be pleased to receive your comments and to answer any questions you may have.



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STATEMENT BY INSPECTOR CIHAN TERZI
JOINT INSPECTION UNIT

Agenda item number 132 – Review of the efficiency of the administrative and financial functioning of the United Nations Fifth Committee, sixty-sixth session

Mr. Chairman, distinguished delegates,

I have the honour to introduce today the Report of the Joint Inspection Unit "Review of Enterprise Risk Management in the United Nations system", contained in document A/65/788.

ERM is an essential element of good organizational governance and accountability. It is a systematic and organization-wide approach, which supports an organization's achievement of its objectives by proactively identifying, assessing, evaluating, prioritizing and controlling risks across the organization.

JIU-ERM report aimed at providing balanced and refined information, analysis and recommendations on all aspects of ERM including: the concept of ERM and its relevance to United Nations organizations; ERM practices across the system; identification of best practices; basic definitions of risk management concepts and methods of implementation; and inter-agency cooperation, coordination and knowledge-sharing in the system.

Based on the extensive review of ERM literature, analysis of experiences and lessons learned, we identified 10 JIU-benchmarks and 3 recommendations towards successful implementation of ERM in United Nations organizations. We are recommending (recommendation-1) organizations to adopt and implement the first 9 benchmarks towards achieving best practice in the implementation of ERM. The report embraces a wide range of findings, analysis and suggestions regarding both theoretical aspects and successful implementations of benchmarks including provision of refined criteria, standards and benchmark implementation indicators towards achieving best practice for the use of organizations.

We are pleased that organizations mostly agree for the acceptance and implementation of the 9 benchmarks. Inevitably, full implementation of ERM benchmarks will require resources especially for the establishment of dedicated ERM support, use of special software and a wide range of training to create awareness, develop implementation knowledge and critical skills for proper application. We share the concern of the organizations that lack of resources can prevent speedy and effective implementation of ERM. Therefore we believe that provision of necessary resources by governing bodies is important.

Benchmark-10 calls for closer inter-agency cooperation and coordination, including the development of a common ERM framework, knowledge-sharing mechanisms, and management of common and cross-cutting key organizational risks. We recommend (recommendation-3) that the CEB through HLCM should adopt this benchmark and facilitate implementation.

We see from the note of the Secretary-General that organizations support recommendation-3, albeit with some reservations regarding the possibility of development of common policy and risk universe among the elements suggested in benchmark-10 due to lack of homogeneity of operations and mandates across agencies. We recognize that different structures and mandates of the organizations may require flexibility in the design and implementation of ERM policies but it should not prevent the establishment of a common policy approach. It is clear that, while it is necessary to adjust the ERM policy approach in accordance with the specific nature of each organization, there is a need for a system-wide approach and common framework, so as to ensure the speaking of a common language within the system. This would both serve the different needs of the organizations and also facilitate common understanding and closer collaboration to address risks effectively across the system. We believe that it is worth trying.

The ERM concept raises risk management to a strategic level, by covering the entire organization and all categories of risks. It responds to the need of governing bodies and management to understand an organization's top risk exposures which might affect the achievement of organizational objectives. In view of the importance of having an effective risk management process, and strategic implications of critical risks, it is imperative that governing bodies need to exercise their oversight role to ensure successful implementation. To this end, we recommend (recommendation-2) that governing bodies exercise their oversight role regarding the adoption of ERM benchmarks, the effectiveness of implementation and management of critical risks in their respective organizations.

Dear Chairman, distinguished delegates of the Committee,

We are happy to see from the report of the Secretary-General on implementation of General

Assembly resolution 64/259ö that the United Nations secretariat has defined an overall policy for ERM in line with JIU-ERM report and has already started utilizing JIU-benchmarks to progress implementation.

We strongly believe that endorsement of the JIU-ERM recommendations and benchmarks by this esteemed Committee would facilitate greatly the coherent and effective implementation of ERM across all United Nations organizations. To this effect, we would like to invite distinguished members of Committee to fully endorse and embrace these benchmarks as a critical tool for ensuring the full deployment of ERM for the benefit of the organization.

Thank you.