
1. Mr. Jayantilal Karia, Director of the Accounts Division in the United Nations Office of Programme Planning, Budget and Accounts, provided a briefing on the efforts under way to harmonize business practices across the United Nations system. In his presentation he highlighted that the main goal was to harmonize existing routines and coordinate implementation of agreed approaches to realize efficiencies and effectiveness, as well as to facilitate the delivering as one at the country level by improving cooperation on how business transactions were conducted within the United Nations system organizations. He informed that issues under the authority of the Executive Heads were being addressed within the CEB. Business practices proposal that went beyond the authority of the Executive Heads, would be submitted for a decision by the General Assembly and other legislative bodies, as appropriate.

2. At its 13th session in March, the High-Level Committee on Management (HLCM) had reviewed a list of business practices and established priorities areas to be developed for consideration at its next meeting in the fall. A Steering Committee, that met via video conferences every few weeks to review the status, had also been established. Projects had further been agreed upon by the four HLCM networks – the Finance & Budget Network, the Human Resources Network, the Information Communication & Technology Network and the recently established Procurement Network. Broad areas being addressed by HLCM and its networks included: (i) Cross cutting issues such as Enterprise Resources Planning Systems (ERPS), international standards such as International Public Sector Accounting Standards (IPSAS), and security management; (ii) Harmonized methods of Results Based Management (RBM), best practices for framework of internal controls, asset management, common framework for risk assessment and fraud and corruption prevention, common methods for evaluation mechanisms and methodologies; (iii) Common/compatible data warehouses to ensure that statistical data is consistent, meaningful and transparently available; (iv) Human resources management issues such as common contractual arrangements, mobility, staff development and training, performance management systems linkage with RBM systems; (v) Financial management issues: Harmonized accounting policies, practices and guidance for IPSAS adoption in the UN system, harmonized IPSAS training for the whole system, harmonized financial regulations and rules and financial management procedures, harmonized treasury practices; and
(vi) Harmonized financial regulations and rules – the UN was presently working with the UNDG organizations, i.e. UNDP, UNICEF, UNFPA, and WFP, to harmonize regulations and rules. Once this project is completed, the next step will be to use that to harmonize within the rest of the UN system Organizations.

3. Strong support was provided for the pursuit of the approach as outlined by Mr. Karia and for the harmonization of business practices already under consideration. The ad hoc way in which the business practices of the organizations of the United Nations system had evolved over the past sixty years was considered to have lead to a lack of accountability and to have created obstacles for recipient countries. It was, in this regard, recalled that the presentations of the One UN pilot project countries at the consultations on 21 June had noted business practices as a problem for United Nations deliverance. It was underscored that a “multi-headed” United Nations could not function efficiently and that the High-level Panel’s recommendations on business practices should, therefore, be implemented effectively.

4. It was, however, underscored that the harmonization of business practices did not start or end with the recommendations in the High-level Panel’s report. Member States were of the view that management, human resources and business practices issues should be considered within the preview of the relevant governing bodies of the United Nations system and drew to attention that the Fifth Committee had already adopted a series of decisions on these issues. The primary oversight role of the General Assembly and the Fifth Committee concerning administrative and budgetary matters was stressed. It was emphasized that the current informal consultations should not in any way detract from the ongoing consideration of these issues in the Fifth Committee and should not infringe on its role to take decisions on such matters.

5. Overhauling the business practices was considered to be a step towards a unified and coherent United Nations that should be discussed in CEB, the Executive Boards of United Nations organizations and country teams to deliver results. The work conducted to date was recognized and the Secretary-General and all Executive Heads were encouraged to proceed swiftly within the already existing mandates and to endorse an action plan with defined targets and timelines on harmonization and reform of United Nations system business practices in CEB’s fall session. Support was expressed for paragraph 15 of the Secretary-General’s report on the Recommendations contained in the report of the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment (A/61/836) which stated that “As much of the work falls within the purview of the CEB High Level Committee on Management, which encompasses representatives of all the agencies, funds and programmes of the United Nations system, a comprehensive progress report from CEB on its work in harmonizing business practices may be helpful to the General Assembly in facilitating its consideration of these matters.”

6. The role of the CEB, as highlighted in the High-level Panel’s report, was said to be a matter of concern. The view was expressed that the Boards activities should be confined to the mandates of the Heads of the United Nations Secretariat and United Nations system organizations and their governing bodies. It was recalled that the CEB had been ascribed a coordination role for the Senior Management of the United Nations system. Any effort to transform it into a policy making body was considered to be overstepping the parameters of the CEB’s mandate. It was felt that a mechanism of intergovernmental oversight of the CEB should be given due consideration in the course of any review of the Board, as the General Assembly was ultimately responsible for deliberating, deciding
on and overseeing management related matters. The role and mandate of the Committee for Programme and Coordination (CPC) in monitoring and evaluation matters was, furthermore, affirmed.

7. The Secretary-General was encouraged to add procurement reform to the list of issues the CEB considers. Interest was also expressed for regular updates by the Secretary-General on progress made by UNDG and the CEB with regards to simplification and harmonization, as requested in General Assembly resolution 59/250 on the TCPR.

8. CEB’s decision to call upon UNEG to establish the substantive parameters and process for the evaluation of the One UN at country level pilot projects was noted. It was, furthermore, stated that an independent system-wide monitoring and evaluation mechanism would enhance transparency and that the establishment of such a mechanism by 2008 should therefore be supported.

9. It was, moreover, drawn to attention that the General Assembly was in the process of a comprehensive Human Resources Management reform and the necessity to review human resources management polices was, therefore, questioned. While some issues had been agreed upon during the 61st session of the General Assembly, most notably in Resolution 61/244, agreement on other issues were expected to be taken in upcoming meetings of the Fifth Committee.

10. The equitable, geographic representation, particularly at the senior management level, was an issue to which high importance was attached. Clarification was sought on the criteria utilized in the selection of senior management. The United Nations Secretariat was in this connection called upon to improve its level of reporting to Member States on issues related to staffing and human resources management. It was stated that merit should be the bedrock for the selection of staff, also at senior level. The view was further expressed that the staff mobility scheme should be updated and performance based mobility should be encouraged.

11. It was recalled that the General Assembly had taken a number of decisions in resolution 61/239 to strengthen the International Civil Service Commission (ICSC). Consideration of the role of the Commissions was, therefore, regarded as having been closed by the General Assembly and there was, consequently, not thought to be any need for a review by an external panel. The recommendations in High-level Panel’s report, in this regard, were suggested to be detached from realities on the ground as the ICSC was not meant to serve as an instrument for defining human resources policy, but to clarify technical aspects of areas such as contracts or conditions of service. It was stated that the Fifth Committee is the only body that could legislate and approve human resources management polices.

12. Support was provided for the Results Based Budgeting (RBB) and RBM frameworks as important tools to be relied upon by the United Nations system in accordance with relevant resolutions of the General Assembly. More work was, however, thought to be needed to fully implement these concepts and it was considered important that staff be better trained to ensure the effective utilization of these frameworks by United Nations system organizations. It was noted, with concern, that the recommendations in the High-level Panel’s report linked the implementation of IPSAS to questions of funding, which were felt should be strictly allocated on the basis of the host countries development needs and national priorities. It was, in this regard, drawn to attention that the Fifth Committee had already considered proposals related to the implementation of IPSAS and a new
ERPS. The Fifth Committee would, further, receive and consider several reports during the 62nd General Assembly session on accountability, RBM, evaluation and monitoring as well as on the progress made towards implementing of resolution 60/283 on new accounting standards and new ICT systems.

13. In bringing the session to a close, the Chairman (Ambassador Jean-Marc Hoscheit, Permanent Representative of Luxembourg) thanked Mr. Karia for his briefing, noted the work in progress and declared that there may need for complementary information at a later stage. He, also, informed participants that as many delegations would be in Geneva for ECOSOC the next informal consultations were preliminarily scheduled for the last week of July.