

conference

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ROME

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Twenty-fifth Session

Rome, 11 - 30 November 1989

REPORT OF THE ACABQ

In a decision adopted at its 63rd Plenary Meeting, on 22 November 1989, the UN General Assembly requested the Secretary-General of the United Nations to transmit to the Director-General of the Food and Agriculture Organization the text of the Report of the Advisory Committee on Administrative and Budgetary Questions (A/44/711/Add.1) with its wish that it be placed before the FAO Conference.

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Agenda Item 126

ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS
WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC
ENERGY AGENCY

Report of the Fifth Committee

Rapporteur: Mr Etien NINOV (Bulgaria)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 22 September 1989, the General Assembly decided to include in the agenda of its forty-fourth session, and to allocate to the Fifth Committee, the item entitled:

"Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency;

"(a) Report of the Advisory Committee on Administrative and Budgetary Questions;

"(b) Harmonization of the statutes, rules and practices of the administrative tribunals of the International Labour Organisation and of the United Nations".

2. For its consideration of the item, the Fifth Committee had before it the report of the Advisory Committee on Administrative and Budgetary Questions (A/44/711 and Add.1) and the reports of the Secretary-General on

the feasibility of establishing a single administrative tribunal (A/42/328) and on the harmonization of the statutes, rules and practices of the administrative tribunals of the International Labour Organisation and of the United Nations (A/43/704 and A/C.5/44/1 and Add.1).

3. The Committee considered the item at its 15th, 23rd, 37th, 40th, 43rd and 45th meetings, on 20 and 27 October and 14, 15, 17 and 21 November 1989. Comments and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/44/SR.15, 23, 37, 40, 43 and 45).

II. CONSIDERATION OF PROPOSALS

4. At the 43rd meeting, on 17 November, following informal consultations, the representative of the Federal Republic of Germany introduced a draft decision (A/C.5/44/L.5).

5. At the same meeting, the Fifth Committee adopted draft decision A/C.5/44/L.5, without a vote (see para. 8, draft decision I).

6. At the 45th meeting, on 21 November, following informal consultations, the representative of the Federal Republic of Germany introduced a draft decision (A/C.5/44/L.6).

7. At the same meeting, the Fifth Committee adopted draft decision A/C.5/44/L.6, without a vote (see para. 8, draft decision II).

III. RECOMMENDATIONS OF THE FIFTH COMMITTEE

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft decision:

DRAFT DECISION II

Report of the Advisory Committee on Administrative and Budgetary Questions

The General Assembly

(a) Takes note with appreciation of the report of the Advisory Committee on Administrative and Budgetary Questions on administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency; 1/

(b) Requests the Secretary-General to refer the report of the Advisory Committee to the executive heads of the organizations of the United Nations system, through the Administrative Committee on Co-ordination;

(c) Decides to transmit the report of the Advisory Committee to the Board of Auditors, the Panel of External Auditors, the Committee for Programme and Co-ordination, the International Civil Service Commission and the Joint Inspection Unit for information;

1/ A/44/711.

(d) Decides to support the intention of the Advisory Committee to revert to its former practice of in-depth studies of individual agencies of the United Nations system every other year with a view to making appropriate recommendations whenever required;

(e) Invites the Advisory Committee to consider the possibility of conducting, within available resources, in-depth studies of administrative and budgetary aspects of topics of system-wide concern;

(f) Takes note with appreciation of the addendum to the report of the Advisory Committee 2/ concerning the relationship between the World Food Programme, the Food and Agriculture Organization of the United Nations and the United Nations;

(g) Requests the Secretary-General to transmit the addendum to the Director-General of the Food and Agriculture Organization of the United Nations and expresses its wish that it be placed before the Conference of the Food and Agriculture Organization of the United Nations at its current session.

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ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS
WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC
ENERGY AGENCY

Report of the Advisory Committee on Administrative
and Budgetary Questions

Addendum

Relationship between the World Food Programme, the Food
and Agriculture Organization of the United Nations
and the United Nations

The Advisory Committee on Administrative and Budgetary Questions wishes to draw the attention of the General Assembly to the observations and recommendations on the relationship between WFP, FAO and the United Nations that the Advisory Committee made in its recent report to the Committee on Food Aid Policies and Programmes (CFA) of the World Food Programme at its twenty-eighth session (WFP/CFA:28/3-B). The observations and recommendations, as contained in paragraphs 27 to 38 of the above-mentioned report, are annexed to the present addendum.

ANNEX

Excerpts of paragraphs 27 to 28 of the report of the Advisory Committee on Administrative and Budgetary Questions to the Committee on Food Aid Policies and Programmes at its twenty-eighth session (WFP/CFA:28/3-B)

27. In paragraph 8 of its report on the audited accounts of the World Food Programme for 1986-1987 (WFP/CFA:27/8 Add.4), the Advisory Committee stated the following:

"8. In the course of its meeting with the Executive Director, a number of concerns were brought to the Committee's attention about relations between WFP and FAO, involving not only the WFP accounts but other issues as well. The Advisory Committee intends to follow-up on this matter by meeting with WFP, FAO, and the United Nations during its Autumn 1989 session, and to report to the CFA at its twenty-eighth session. To this end, the Advisory Committee recommends that appropriate consultations take place among WFP, FAO, and the United Nations, and that information be submitted to the Advisory Committee with a view to resolving the outstanding difficulties between WFP and FAO."

28. In October 1989, the Advisory Committee met separately with the Executive Director of WFP, with representatives of FAO and of the United Nations; it is clear that problems continue to exist in the relationship between FAO and WFP.

29. The Advisory Committee points out that this state of affairs is not new. In paragraph 14 of its report on the Audited accounts of the World Food Programme for 1982-1983, the Committee stated:

"14. The Advisory Committee has commented in the past on internal disagreements between WFP and FAO (see, for example, para. 11 of the ACABQ report on WFP Administrative Budget estimates for 1984-1985). Given that the FAO Representation appears to be a symptom of a further deterioration in the relationship between FAO and WFP, the Advisory Committee strongly endorses the recommendation of the External Auditor that "urgent steps should be taken to resolve outstanding differences between FAO and WFP over the interpretation of responsibilities and rights ..." (Para. 72, (1) (vii))...."

30. In 1984 the Joint Inspection Unit (JIU) prepared a report on Personnel problems in the World Food Programme (JIU/REP/84/8). In paragraph 3 of that report it is stated that the structure of WFP "does not in itself entail any insuperable inconveniency. But, the basic documents have also established complex and very particular relationships between WFP and FAO and this imbrication of responsibilities which are not always clearly defined creates very serious interpretation and management difficulties".

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31. At its nineteenth session in May 1985 the CFA considered a joint report of the Secretary-General of the United Nations and the Director-General of FAO on the work of the United Nations/FAO Joint Task Force on WFP Relationship Problems (WFP/CFA:19/8). The Task Force was established to review existing problems in the provision of support services to WFP and its report called for additional flexibility and authority to be exercised by the Executive Director of WFP in the areas of personnel, audit, accounting, finance, and contracts. The CFA welcomed the report and requested that its provisions be implemented without delay (WFP/CFA:19/22, para. 79).

32. Although a significant improvement in the relationship between WFP and FAO could have been expected as the result of the work of the Joint Task Force, the Advisory Committee has observed, in the years since 1985, that this has not been the case.

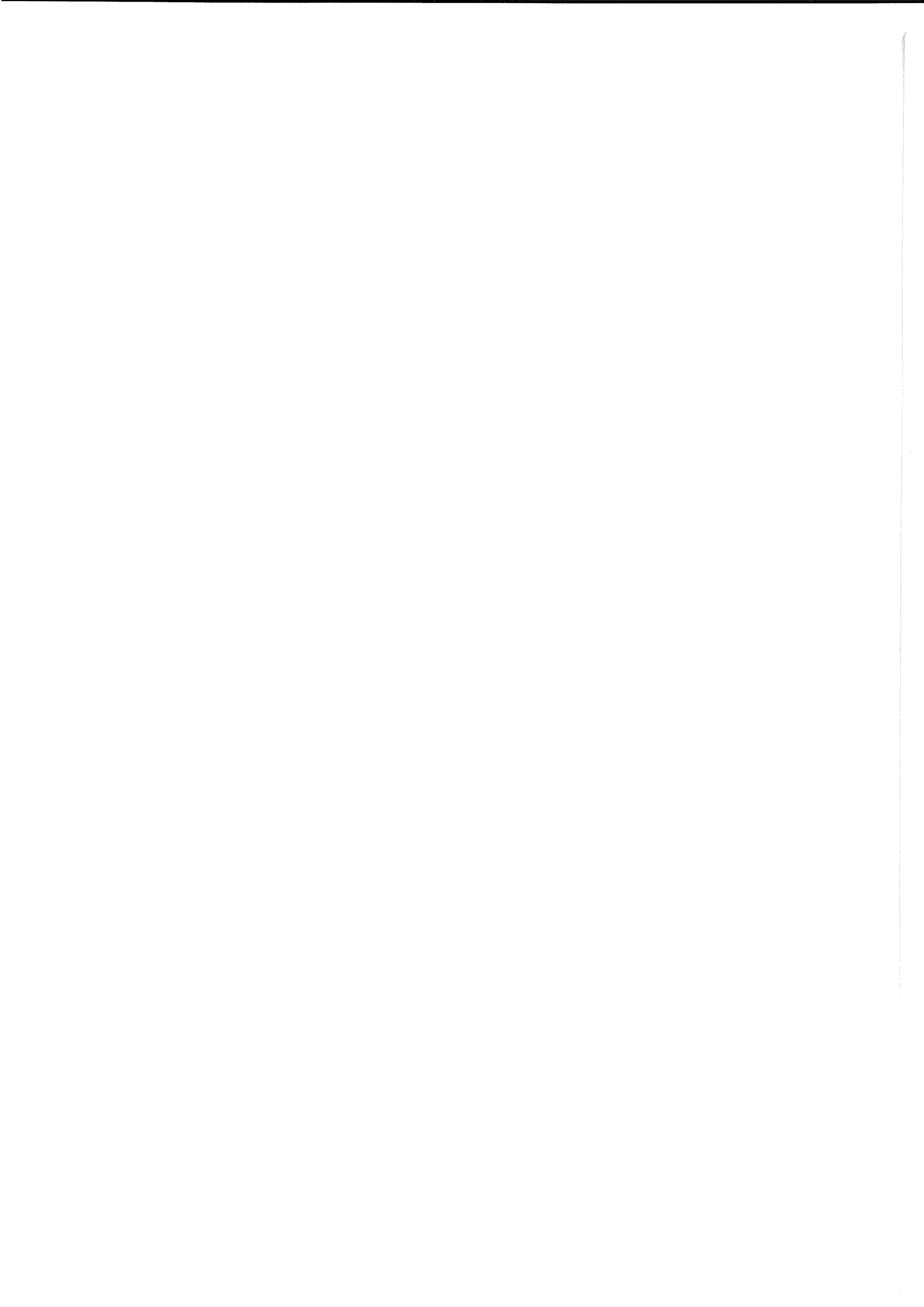
33. The most recent symptom of this deteriorating relationship has been the dispute over the certification of the WFP accounts for 1986-1987. In the opinion of the Advisory Committee this dispute need not have arisen and would not have arisen if a healthy working relationship had existed between FAO and WFP.

34. The Advisory Committee joins the FAO Finance Committee in its hope "that the matter would continue to be discussed between the FAO and WFP representatives so that the Director-General's responsibility for the certification of the WFP's Accounts for 1988-1989 could be exercised in a fully satisfactory and timely manner".

35. In this connection, the Advisory Committee was informed by representatives of FAO that it was their intention, in the near future, to submit to WFP a revised, and substantially reduced list of documentation required for certification. The Advisory Committee trusts that this will form the basis for mutual agreement on what could constitute a reasonable solution to the problem.

36. Should this not be the case, and should there be no solution by the twenty-eighth session of the CFA (December 1989), the Advisory Committee recommends that the CFA take immediate steps to ensure that the accounts for 1988-1989 can be certified and submitted for external audit. One possible course of action could be for the CFA to request the external auditor of WFP, who is also the external auditor of FAO, to study the situation with a view to establishing what should reasonably be required for the accounts to be certified. Since Article XX of the Additional Financial Procedures provides for the accounts together with the external auditor's certificate to be submitted to the CFA, it would seem reasonable to assume that the CFA has the authority to request the external auditor to undertake such studies as it may deem necessary, with the costs to be borne by WFP.

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37. As stated above, the ongoing dispute over the WFP accounts is only the latest manifestation of the malaise affecting relations between the two organizations. In the opinion of the Advisory Committee, up to now the secretariats concerned have not been capable of improving the situation. The various disputes have used up valuable secretariat time and have been an expensive distraction from the objectives entrusted to the organizations by Member States. In the opinion of the Advisory Committee, Member States now need to take steps to ensure optimal use of the resources they are entrusting to these organizations.

38. To this end, the Advisory Committee recommends that the CFA request the Director-General of FAO and the Secretary-General of the United Nations to engage an eminent person or persons to study the UN/FAO/WFP relationships and to make such recommendations as may be deemed necessary.