

A SMALL, OUTDATED UNIT IN A BIG, FAST-CHANGING WORLD

The Joint Inspection Unit (JIU) was created following the recommendations of a high-level UN management reform committee in 1968 as:

" ... a small inspection unit, consisting of a limited number of specialists highly qualified in financial and administrative matters. These officials would visit the different services of the United Nations organizations ... to examine the way in which they operate and to propose any reforms they deem necessary."

"Second report of the *Ad Hoc* Committee of Experts to examine the finances of the United Nations and the specialized agencies," UN document A/6343 of **19 July 1966**, paras. 60-67.

The eight Inspectors, functioning at first on an experimental basis renewed at two-year intervals by the General Assembly, began preparing reports. However, in 1973 the US Congress, which has played a significant role in scrutinizing the JIU over the years, specifically sought an independent review and evaluation group for the UN system, without success, under its Foreign Assistance Act of 1973. A 1974 review by the U.S. General Accounting Office (GAO) concluded that:

" [existing oversight] groups do not seem particularly well suited to providing [Member States] the information needed. Only the JIU seems to possess a broad enough mandate to meet this need.

[The Department of] State, however, in choosing to promote the Unit rather than establishing a new body ... has not been able to reform and strengthen it. The Unit's independence can still be questioned ... Moreover, inspectors are not bound by any central guidance within their own group. This, coupled with the Unit's small size and lack of professional diversification, renders it incapable of adequately covering the range of programs and activities which should be continuously reviewed and reported on."

"Numerous improvements still needed in managing U.S. participation in international organizations," US General Accounting Office, B - 168767 of **July 18, 1974**.

UN system agencies agreed to convert the JIU to permanent status beginning in 1978. But they expressed concern with the very uneven quality of JIU reports and a lack of impact. It was agreed that the JIU should have significant additional professional and clerical staff in order to perform in-depth evaluation work, but alert diplomats in New York engineered a last-minute substitution of three more Inspectors instead. This greatly hindered any serious JIU evaluation work, but certainly

expanded the attractiveness of the JIU for job-seeking diplomats.

"Continuation of the [JIU] and proposed terms of reference: Report of the Secretary-General: Addendum," UN document A/31/75/Add. 1 of **21 April 1976**, and

"Possible changes in the mandate of the Joint Inspection Unit which would enable it to assist in carrying out external evaluation: Report of the Secretary-General, UN document A/C.5/31/21 of **1 October 1976**.

The official JIU Statute of 1978 at least laid down some specific guidance for the eleven Inspectors, who are assisted by an "Executive Secretary" and a small Secretariat, with half-a-dozen-plus professional and half-a-dozen-plus clerical staff. The Unit is based in Geneva, to be closer to the UN system specialized agencies in Europe. The UN Secretariat provides administrative support to the JIU, on behalf of all system agencies who "participate in" [i.e. pay for] the JIU. The JIU Statute provides that the Inspectors:

... shall have the broadest powers of investigation ... shall provide an independent view through inspection and evaluation ... shall satisfy [themselves] that the [UN system activities] ... are carried out in the most economical manner and that optimum use is made of resources available ...

... may propose reforms or make recommendations .. [but] ... shall not have the power of decision ...

... Acting singly or in small groups, ... shall make on-the-spot inquiries and investigations ...

... shall discharge their duties in full independence and in the sole interest of the organizations.

... shall determine standards and procedures for ... [their work];

... shall draw up, over their own signature, reports for which they are responsible ... [stating] their findings and propos[ing] solutions to problems ... to submit to the [governing bodies of the] ... organizations concerned."

"Joint Inspection Unit Statute", United Nations, Geneva, **1978**, Articles 5-8, 11, 16-20.

Since 1978, public sector oversight work has become much more professional, both worldwide and in the UN system, emphasizing management audits, internal evaluation systems, and, as part of increasing inspector general functions worldwide, expert investigations of fraud, waste, and abuse.

The JIU, however, never established a clear professional role for itself, resisting the above disciplines and instead carrying out a mishmash of "inquiries" which are often mere "mission reports," with some desk work added. Further, the JIU has, over the past decade, averaged only about eight brief reports each year (i.e., not even one report for each of the eleven Inspectors). The JIU reports usually have limited relevance and validity, use poor methodologies, and therefore have little impact, as discussed in the following analysis. Thus, the JIU does not exercise effective oversight, and in fact

detracts from an accountable and effective UN (and UN system) by blocking the establishment of a truly dynamic, credible, and professional system-wide oversight unit.

The JIU's "Achilles heel" is the process for appointing its Inspectors. The JIU Statute specifies that the Inspectors, all of whom must be from different countries:

"... shall be chosen from among members of national supervision or inspection bodies, or from among persons of a similar competence on the basis of their special experience in national administrative and financial matters, including management questions ... [and] shall serve in their personal capacity."

"Joint Inspection Unit Statute", United Nations, Geneva, **1978**, Article 2.

[Note: almost all the JIU Inspectors have come from the extremely vague "similar competence" category, with "special experience" being their years of UN mission or other diplomatic service.]

The Statute also specifies that Member States [actually the various "regional groups"] shall select countries to propose candidates. This is actually a long-established process of dividing up general UN advisory or other "posts" among the Member States in the regional groups. A cursory review by senior UN officials follows before the new candidates' names are submitted to the General Assembly for appointment. The process is very non-transparent, and provides little if any careful scrutiny of nominees' expertise, related achievements, and professional fitness for the posts.

Unfortunately, the selection of JIU Inspectors has been almost entirely "diplomitized." The selection criteria quoted above provide giant loopholes. Many Inspectors have cast themselves as "experts" because they served on UN advisory bodies like the ACABQ or the CPC. But in those bodies they are merely part of a large group expressing opinions, rather than professional oversight specialists actually conducting in-depth management reviews. If the candidates lack even this advisory background, they simply but very loosely assert that they are "administration and management" people, by virtue of their many years of service spent within their national diplomatic corps or foreign ministry.

Maurice Bertrand, who actually was the only fully professional and effective member of the JIU during its long history, observed in a broader context the pervasiveness of this "diplo/manager" mind set at the UN:

"A distinguished professor of international law once deplored the fact that 'the League of Nations has been abandoned to the diplomats', but the UN Secretariat is much

more dependent on the national diplomatic bureaucracies. They derive invaluable flexibility and power from having additional posts as their disposal ... to confer favors but also to displace unwanted staff. ... the incentives are all the greater because many UN posts, especially the senior ones, are much sought after because of the [high] scales of pay ... and the prestige they carry.

A diplomatic ideology has even developed at the UN, [that] there is no higher dignity than that of Ambassador, holders of this title being by definition capable of taking up any high-ranking post, even in a technical field. This naturally generates a bias in favor of 'generalists' at the expense of other professionals."

Maurice Bertrand, "The recruitment policy of United Nations staff", in Chris de Cooker, ed., International Administration: Law and Management Practice in International Organisations, UNITAR, Martinus Nijhoff, Dordrecht, the Netherlands, 1989, II.2/1-9, pp. II/2 and /3.

[Note: Mr. Bertrand served as a JIU Inspector from 1968-1985.]

In fact, of the some 60 JIU Inspectors since 1978, it appears that only two, both from France, and especially Mr. Bertrand, who did much influential work on UN personnel, programming, and reform matters as cited in preceding sections, were fully-qualified professionals "from national supervision or inspection bodies" as the JIU Statute specifies.

The majority of Inspectors have produced little during their five- or ten-year stays, arriving in the Unit near retirement age, and viewing the JIU as a handsome financial preparation for their "golden years", a VIP post to enjoy, and a "reward" for long years of work in their national diplomatic service.

The JIU Inspectors are not UN staff members (and thus not subject to its rules and code of conduct), but serve at the UN senior Director level. They earn some \$200,000 in salary and allowances per year (specifics vary according to currency and cost-of-living fluctuations) -- thus amounting to some \$2 million each, in total, for their usual ten-year tour, plus a handsome pension, excellent medical coverage, a large travel allowance, other allowances, home leave travel every two years, and residence in Geneva. Inspector posts are therefore avidly sought. However, the JIU is undoubtedly the highest-paid and most expensive unit in the entire UN system on a per-capita basis.

Criticisms of JIU performance have been made time and time again by expert observers, the organizations who pay for the JIU, and the General Assembly itself for more than a quarter of a century. The JIU Inspectors basically operate as an eleven-member "Board of Directors," rather ludicrously supervising the work of half-a-dozen professional staff. In 1977 Yves Beigbeder provided the first of his three assessments of JIU operational progress and value. He noted that:

"[In choosing Inspectors, the selection] criteria have seldom been met. In 1968, 3 of the inspectors were former diplomats, and the other five former national civil servants. Only the French inspector belonged to a "national supervision or inspection body." In 1978, there were eight diplomats, two education specialists, and the same French Inspector. ... if this situation is allowed to continue, the Unit will lose the character of a body of trained and experienced specialists in management, public administration and finances. ...

The Unit published 74 reports between 1968 and 1972. ...

... It can take up to three years for a [JIU] recommendation to be approved by the governing body and another two years before it is implemented. ... The full impact of the Unit cannot be assessed until a systematic evaluation process is implemented.

The [JIU] is a unique control instrument in the U.N. system. ... Neither the dissatisfaction of most Secretariats about the Unit nor the general support ... of most member States is based on a cost/benefit analysis. Most Secretariats resent the interference and the increasing demands of the Unit ..."

"The Joint Inspection Unit of the United Nations: The first ten years (1968-1978)," International Journal of Government Auditing, **July 1979**, pp. 11-14, 20.

[Note: see also his further assessments of 1987 and 1997 below.]

The US GAO issued its second report to the U.S. Congress on strengthening UN audits and evaluations in 1979. Again it stressed that an independent unit for UN-wide review and evaluation, of appropriate size and competence, should be established. It noted the JIU's new permanent status achieved in 1978, but concluded that the JIU's limited staff could not provide the capability needed, and that the UN system organizations overall had not progressed far with their own internal evaluation work.

US General Accounting Office, "Improving financial management in the United Nations by strengthening audits and evaluations," ID-79-56 of **September 24 1979**.

However, in 1979 a momentous change in UN system oversight happened -- almost. Canada, then a member of the UN Board of Auditors, made sweeping proposals to modernize UN audit functions, including establishment of an Auditor General, enhanced audit scope, a systems-based audit approach with highly professional staffing, and making the UN Board of Auditors an audit committee on behalf of the General Assembly, which would also "coordinate" its work with the work of the JIU.

"Note verbale dated 14 September from ... Canada to the United Nations ... Secretary-General," UN document A/C.5/34/L.3 of **17 September 1979**.

In a UN system only beginning to establish modern oversight methods, this reasonable proposal for UN accountability sent shock waves far and wide, and in 1981 it was squelched in favor of the *status quo*. In 1981 the Secretary-General, the Board of Auditors (Canada had finished its term on the Board), and the JIU all expressed their firm (and vested interest) belief that

gradual changes to the status quo would be a far better solution. Twenty-five years later, the UN General Assembly still does not have the fundamental mechanisms of an Auditor General and an audit committee to guide, utilize, and encourage UN system oversight work.

"Organization and professional practices of the Board of Auditors: Report of the Secretary-General," UN document A/35/175 and /176 of **19 June and 21 September 1981**.

Meanwhile, not all UN system organizations had accepted the JIU Statute and participation in paying for its work. An assessment provided for the World Intellectual Property Organization (WIPO) stated in 1981 that:

" ... [the JIU emphasizes] the independence of individual Inspectors and [does not have] an agreed basic philosophy of inspection. ...

It is difficult to assess the results achieved by the Unit [since] ... neither the Unit nor the participating organizations seem to have kept a record of the Unit's recommendations or of action taken thereon. ...

... it is not evident that [after twelve years] ... the Unit, with its present functions and method of operation, is of any real value to organizations whose tasks are highly specialized and clearly defined ... and subject to close supervision by their governing organs ...

... the contribution that WIPO would have to pay, and the staff time that WIPO would have to devote to the Unit's activities ... would be justified only if WIPO could expect real and substantial benefits ... Since this does not appear to be the case, it would appear to be preferable for WIPO to remain one of the seven organizations which are not formally associated with the Unit."

"The Joint Inspection Unit: Memorandum prepared, at the request of the Director General, by Harry Wilmot," WIPO Governing Body document AB/XII/2, Annex M, **1981**, paras. 21, 19, 42 and 46.

[Note: Mr. Wilmot was extremely familiar with the JIU, having served as the Executive Secretary in charge of the JIU Secretariat in the 1970s]

Two basic, and very troubling, flaws of actual JIU work processes also came into public view. In testimony before the Fifth Committee of the General Assembly in 1981, the Chairman of the JIU stated that the JIU had sought an upgrading of its professional staff posts because of the very complex work to be done, and that:

"The tasks of JIU staff were those of Research Officers. In addition to possessing extensive knowledge and abilities in various different fields ... the Officers [were] backed up by the Inspectors in their work and drafted studies themselves, giving their own views on the most important aspects of administrative and financial issues.

What was more, the Unit comprised only a very limited number of Inspectors. Not having a great deal of time to work with, they had to be able to rely on a highly capable and competent staff which could cope unflinchingly with its heavy responsibilities."

"Summary record, Fifth Committee," UN document A/C.5/36/SR.24, **1981**, paras. 16-17. [emphasis added]

[Note: The answer to "who does the work?" in the JIU has not changed ever since, as shown by recent JIU budget documentation discussed later in this JIU

subsection]

Second, in 1985 a Swedish Employers' spokesman at the International Labour Organization's Governing Body stated that:

" ... [concerning the JIU report on ILO] recruitment policy ... he ... wished to make a statement to be recorded fully in the minutes ...

the report was incomplete ... the only consultation with the [International Labour] Office had been of the most perfunctory kind, and in consequence there many errors of fact in the report. The description of the situation within the Office was biased, to put it mildly. What was more serious was that ... the Inspectors exceeded their authority. It was not for them to question the rules and policies officially adopted ... by the ILO ... but only to see whether these rules were being efficiently and economically implemented ...

Unfortunately [this report was] ... not an isolated incident. Earlier in the year ... another [JIU] report ... dealt with the ILO's major programme on social security. The author of that report -- it was only one person outside the Unit -- had recommended that more resources be allocated to [that programme.] ... the JIU was out of order in this case too and the precedent set of the Unit questioning budgets and budget priorities was a very dangerous one.

Only two of the 11 Inspectors had ... experience of the kind required by the statute ... and one had [some] previous experience. Otherwise all of them were exactly the kind of persons one met in United Nations delegations. The Unit's composition was decided by governments. ... Their average age was 56; only one was under 50.

The ILO had received little if any return on all the money it had spent on this Unit. An overhaul of the JIU and its present procedures was obviously needed if similar occurrences were to be avoided in future. Unless there was such a review ... the Employers thought that ILO acceptance of the JIU statute should be withdrawn. ..."

"Minutes of the 228th Session," ILO document GB 228/PV, **November 1984**, pp. XI/3 - XI/6. [emphasis added]

The JIU had also become the butt of public jokes. At an FAO Conference in 1985, the Deputy Director-General, in a farewell speech, told the following story:

" ... I am well aware, as Shakespeare said, in effect, that if everybody got what they deserve no one would escape being whipped. Which brings me to my final FAO Conference story.

I was once on a mission on a boat -- you will not find it in the official records -- together with high officials of the other organizations of the UN system. The boat was captured by pirates. Despite our claims to diplomatic immunity, they announced that they were going to whip us and then throw us into the shark-infested sea, but they said that out of respect for our age and rank we could, before being whipped, have one thing of our own choice put on our backs to mitigate the pain. The man from the [WHO] asked for some medicinal oil ... The man from the WFP [World Food Programme] asked for some reconstituted butter ... The man from the United Nations proposed to have all the General Assembly resolutions on coordination ... The man from the UNDP asked for ... the latest catalogue of ... projects. The UNESCO man asked to be wrapped in a copy of the *Washington Post*. The JIU Inspector, who happened to be with us on the same boat, protested, however, that he was different from the rest of us, and in fact had a license of his own to whip us! The pirates, however, were not impressed. ... so the JIU inspector then shouted out that he was independent of everyone and would not feel any pain whatever anyone did. Quickly I said, 'Him.' 'What do you mean, him?' said the chief pirate. 'Him, the JIU inspector' -- who was still shouting 'You can't touch me, you can't

hurt me.' 'It's him I want on my back,' I said.

Laughter

Since you laughed, the story is not quite finished. We were then thrown to the sharks. Afterwards, the JIU inspector's colleagues, who had admired his holy and chaste life, prayed to have a vision of him wherever he was now. They were granted their wish. They were amazed to see him sitting in an armchair caressing a beautiful blond lady from the FAO Secretariat who was sitting in his lap. They expressed their shock and disapproval of such behaviour by a JIU inspector, but he protested, 'No, no, you don't understand. She is not my reward. I am her punishment!'

I have been your punishment long enough and it is time for me to go."

[Minutes, First Draft], FAO Conference, Twenty-Third Session, Plenary, 19th meeting, FAO document C 85/PV/19 of **25 November 1985**.

In June 1986 the US GAO issued a third report, which was the most in-depth assessment ever made of the JIU. It concluded that:

" ... While some of its reports have been useful, the Unit's credibility has been harmed by uneven report quality. ... JIU does not systematically follow up on its report recommendations ... the responsibility of [the] agencies for addressing JIU reports is unclear and fragmented. Consequently, the agencies have tended to set aside reports without taking specific action. ...

From analyzing 25 reports issued during 1983 and 1984, GAO concluded that 19, or 76 percent, did not fully satisfy standards that [the Department of] State has identified as necessary for quality assurance. ...

[Member States] have regarded inspectors' qualifications as an important factor influencing the quality of the Unit's work. However, appointed inspectors continue to lack experience in the inspection and evaluation fields. ...

U.N. system officials cite inadequately supported and vague recommendations as reasons that many are not implemented. A follow-up review of 6 of the 25 reports mentioned above showed that only one of 51 recommendations ... had been implemented.

JIU and US officials contend that well-researched reports containing sound recommendations have been set aside without substantive action. GAO found this as well as long delays in responding. ...

Since 1980 the Unit has not conducted any evaluations, i.e. studies designed to determine the relevance, effectiveness, and impact of activities in light of their objectives.

GAO recommends that the Secretary of State ... instruct U.S. representatives to engender support to require JIU to

provide the ... General Assembly with a multi-year work programme ...

develop and implement comprehensive written guidelines for conducting inspections and evaluations and drafting reports, ...

establish a formal recommendation follow-up system and expand JIU's annual report to include sections on ... accomplishments ...

United States General Accounting Office, More can be done to strengthen the U.N. Joint Inspection Unit, GAO/NSIAD-86-141 of **June 1986**, "Executive Summary." [emphasis added.]

The "Group of 18" high-level experts cited the importance of monitoring, evaluation and inspection in their 1986 report. They noted that the work performed by the JIU and some of the reports should be improved upon, and urged Member States to select as inspectors people qualified in personnel management,

public administration, inspection and evaluation. The group specifically recommended that JIU do more evaluation work and be renamed "The Joint Inspection and Evaluation Unit" and its statute revised accordingly.

United Nations, Report of the Group of High-Level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, A/41/49, 1986, pp. 24-25, and Recommendation 63.

[Note: the recommendation failed, reportedly due to a stubborn South American delegate who insisted instead that the Unit should simply be abolished.]

An article by Ghéballi in 1986 explored how the JIU, an instrument so rich in potential, had become so dulled after two decades. He emphasized in particular the "diplomatisation" of its membership, its sparse evaluation efforts, and the weak follow-up of JIU recommendations, which made the JIU an organization searching for its "second wind." He concluded with the hope that the decline of its effectiveness and credibility would not be irreversible.

Victor-Yves Ghéballi, "L'evolution du corps commun d'inspection des nations unies," Annuaire francais de droit international, XXII, 1986, pp. 439-453.

In 1987 Yves Beigbeder made his second assessment of JIU performance. He observed that, a decade later, the UN system specialized agencies still had doubts about JIU usefulness. While the organizations probably felt that the JIU was not needed, most member states supported it, but with criticisms and suggestions for improvement. In particular, JIU reports had uneven relevance and quality, and were prepared by individual inspectors with uneven qualifications. There were also problems in implementing JIU recommendations. He concluded that:

"Consideration should also be given to joining external auditors and inspectors into one expanded panel ... This would require that all inspectors possessed the same high level of professional expertise (in management) as external auditors (in auditing.)...

The UN organizations need the services of a competent, influential, and credible JIU. To this end, JIU should become what it was meant to be: a high quality body of independent management experts."

Yves Beigbeder, Management problems in United Nations organizations: Reform or decline?, Chapter 6, "Management review: the Inspectors," Frances Pinter, London, 1987, pp. 65-78.

The General Assembly, although supporting the JIU concept, was very much a part of this pressure process during the 1980s and early 1990s. It urged, variously:

- improvement in report quality and effectiveness;
- a more collective approach by the Inspectors;
- making the reports more timely;
- reporting annually on the implementation of the JIU's

recommendations;

- putting less narrative and more analysis into the reports;
- doing more evaluation work and providing evaluation advice; and
- giving greater attention to priority issues of governing bodies and to management, budgetary and administrative questions.

"Joint Inspection Unit," General Assembly resolutions, *inter alia*, 39/242 of **18 December 1984**, 40/259 of **18 December 1985**, 42/218 of **21 December 1987**, 43/221 of **21 December 1988**, 44/184 of **19 December 1989**, 47/201 of **22 December 1992**, and 48/221 of **23 December 1993**.

These were important and valid points. However, it was ludicrous to hear the General Assembly earnestly lecturing Member States (i. e., themselves) to no avail, as in 1988, that it:

"Underlines the importance of applying the highest standards in selecting candidates for appointment as inspectors ... [as required by the JIU statute] and of giving special emphasis to experience in national or international financial matters, including management questions, and, where possible, knowledge of the United Nations or other international organizations;

Also underlines, in this respect, the importance of the consultations process for reviewing the qualifications of the proposed candidates [in accordance with the JIU statute.]"

"Joint Inspection Unit," General Assembly resolution 43/221 of **121 December 1988**, paras. 13-14.

[Note: Even the General Assembly had apparently given up any hope of achieving the first and foremost qualification clearly expressed in the JIU Statute, since it did not even bother to cite Article 2, "members of national supervision or inspection bodies."]

A 1987 JIU "evaluation" of its work, required by the General Assembly (eight pages in its annual report) was extremely superficial. The Unit asserted that it had made "internal studies" since 1982 of "immense value," but the report did not discuss them further. JIU's "impressive array" of subjects yielded reports that were difficult to assess with any confidence. The Unit had learned, however, that a good report may not be enough. Nevertheless, organizations could help by suggesting more topics. JIU reports, of course, must be clear, objective, cogent, and precise, and must determine, analyse, and examine situations. The JIU would nonetheless make some changes, and would "reach out" to its collaborators to meet them halfway.

"Report of the Joint Inspection Unit," Chapter VI, "An assessment of the results of the activities of the Joint Inspection Unit," UN document A/42/34, **1987**.

The General Assembly received this collection of truisms, and further pressed the Unit to report the guidelines for its work, as specifically required by its Statute, which the JIU did,

very cryptically, in 1988. The Assembly also urged the Unit to greatly improve its individual reports and to follow up systematically on actions taken on its recommendations.

The Unit attempted follow-up assessments for several years, but with diminishing enthusiasm, and in the mid-1990s it simply announced that it would end such reporting. It now produces perhaps the most non-transparent and uninformative annual reports to be found in any public organization anywhere in the world (as discussed further in the subsection which follows.

"Report of the Joint Inspection Unit," Annex, "Guidelines of the Joint Inspection Unit," UN document A/43/34, **1988**.

The annoyance of the UN system organizations with the JIU was also increasing. A budgetary committee of the UN system's Administrative Committee on Co-ordination (ACC, now the Chief Executive's Board) met in 1988 to discuss severe budget cuts and austerity measures required in the organizations. Although the JIU objected, they felt that jointly-financed units, too, should make reductions. The CCAQ proposed (unsuccessfully) that the JIU staff be reduced by four professionals, and that:

"...ACC invite the General Assembly to re-examine the number of Inspectors serving at any time, with a view to progressively reducing their number from the maximum of 11 now permitted under the Statute to eight, as provided for at the time of the Unit's inception. Concurrently, the supporting staff could be further reduced."

"Report of the sixty-ninth session of the Consultative Committee of on Administrative Questions (Financial and Budgetary Questions)," document ACC/1988/13 of **28 September 1988**, paras. 6-14.

Klaus Hübner commented in 1990 that the Group of 18 and US GAO reports definitely showed that the JIU could be strengthened, and that a "de-diplomatisation" was required as well, as proposed by Ghéballi. He also criticized the very inadequate and extremely defensive self-evaluation made by the JIU in 1987 (see above), which made clear that the external criticisms of the JIU were justified.

Klaus Hufner, "JIU - Joint Inspection Unit" in Handbuch Vereinte Nationen, Rüdiger Wolfrum, C.H. Beck, München, **1991**, pp. 393-399.

Another European analysis in 1991 identified some very important questions posed by the JIU inadequacies:

" The JIU has produced 274 reports and notes ...

Nevertheless, ... [its] work has been repeatedly criticized. In some [reports, problems include] lack of clarity ... of analyses and recommendations which are often superficial ... [which] further affects the Unit's credibility as a research body producing efficient and solid work.

The paradox of the JIU is that while it was originally created to improve ...

financial matters ... a number of additional problems were engendered by it. ... from an administrative and managerial point of view, [its recommendations] ... are frequently not implemented or deferred. In addition, report follow-ups are not systematic.

Péricles Gasparini Alves, "United Nations Joint Inspection Unit: A critical analysis," Graduate Institute of International Studies, Geneva, **6 May 1991**.

The General Assembly requested the ACABQ to examine JIU functioning and make recommendations for improving its productivity and performance in 1992. The brief ACABQ report criticized JIU reports as research rather than action-oriented documents. It noted criticisms of limited JIU value from many UN system agencies, and suggested that JIU should provide more relevant reports and management analysis. It also stated that JIU performance should be carefully followed to determine progress, before providing the additional staff resources that JIU sought. It cited in particular the significant criticism by several participating organizations that:

"... in many instances either the recommendations contained in the JIU reports were too general or their implementation would entail financial resources not available. Thus even when a recommendation was ... [accepted], implementation is either difficult to measure in specific terms, or not always possible due to financial constraints."

"Joint Inspection Unit: Report of the Advisory Committee on Administrative and Budgetary Questions," UN document A/47/755 of **7 December 1992**.

The ACABQ also requested data from the JIU on the implementation rate of its recommendations. The Unit informed the Committee that, since inception, it had produced some 275 reports and notes with a total of some 1,400 recommendations. The Unit stated that it could not determine the extent to which all these recommendations had been implemented. But in a feeble attempt, the Unit provided the ACABQ with:

"... JIU Report Implementation Sheets in respect of nine JIU reports. In three cases, the Unit noted that some implementation (less than 50 per cent) had taken place; in two instances, the category "other" (e. g. hard to tell)" was checked. In three cases the major recommendations had been approved by the intergovernmental bodies but no implementation had occurred yet. In one case more than 50 per cent of the recommendations contained in the report had been implemented."

"Joint Inspection Unit: Report of the Advisory Committee on Administrative and Budgetary Questions," UN document A/47/755 of **7 December 1992**.

A series of in-depth *Washington Post* articles on UN problems in 1992 included one on the difficulties of eliminating worthless or redundant activities. The article cited former UN senior official Brian Urquhart as observing that "There are huge vested interests there," and concluded that abolishing units is one thing that the UN had proven chronically unable to do. In that context, the report included a section on the JIU and a candid discussion with a JIU Inspector. It stated that:

"The inspection unit itself has come in for its share of criticism. In fact, according to officials who monitor UN management, [Siegfried] Schumm is the only current inspector whose reports have been of any real value.

... [the Unit's] ... mandate is to check on efficiency in the U.N. system and the proper use of resources. But it hasn't been an aggressive watchdog, critics say.

... Last year it issued [only] four reports ... [A] study, currently being prepared by a Polish inspector, examines how the U.N. Secretariat takes care of its artwork.

In a telephone interview, Schumm acknowledged criticism that 'we're not very efficient' and said a U.N. cost-benefit analysis of the Unit was 'disastrous for us.' He said it was up to member states to put forward better-qualified and younger candidates.

'I have nothing against ambassadors and such people, but I have serious doubts whether they're equipped to deal with technical problems,' said Schumm, a former German treasury official. 'You can't ask some people who are over 70 to do highly technical jobs.'

In a meeting with U.N. budget analysts in June, participants said, the inspectors lobbied for a salary increase."

Branigan, William, "North and South stand worlds apart on reform: U.N. record on change fuels skepticism," Washington Post, **September 23, 1992**.

In the mid-1990s the criticisms of the JIU became even more blunt. The Thornburgh report to Secretary-General Butros Ghali of March 1993 emphasized the inadequacy of Secretariat means to combat fraud, waste, and abuse, and observed that:

"... While the internal and external audit functions, sometimes but not always coordinated, are understaffed, the Joint Inspection Unit (JIU) drains off nearly \$4 million a year into such questionable efforts as the recently completed study on "Managing Works of Art in the United Nations."

I realize that the JIU is a creature of the General Assembly and has become, in large part, a convenient patronage "dumping ground," but surely some sense of proportion must be maintained when it comes to dealing with serious integrity problems within the Organization. In the short run, this dilemma could be addressed by your simply foregoing the opportunity to nominate further JIU members, thereby *de facto* phasing out their operations over a period of time, as I recommended to you last year. This, of course, requires a political judgement beyond the scope of this report."

"Report to the Secretary-General of the United Nations", by Dick Thornburgh, Under-Secretary-General for Administration and Management, **1 March 1993**, p. 30.

Two distinguished experts and Secretariat veterans, Erskine Childers and Brian Urquhart, discussed the JIU in the context of UN finance and management issues in 1994, and concluded with clear suggestions (which were never adopted) for accountability to overcome the weak appointment process for JIU inspectors:

"At its best, the JIU, developed by its pioneering first Chief Inspector Maurice Bertrand, has provided invaluable service, for example in reports ... on Personnel and Accountability and Oversight in the Secretariat. The problem is that the quality of its reports has been far too uneven, seriously eroding its repute and the attention which organizations ... may give its findings.

This problem lies squarely and indisputably with member-governments, in recurring neglect of their own stipulations for the Inspectors as people ... [from] national

or international inspection bodies or [with] equivalent experience, i. e., in personnel and management . . .

Presidents of the General Assembly should routinely attach, to every [inspector] nomination . . ., a copy of the JIU Statute Article 2 which stipulates the minimum qualifications. The Secretary-General is consulted during the nomination process and thus shares in responsibility. 'Old boy networking' notwithstanding, member-states should be held accountable for any failure to find, among 184 countries' administrations and large corporations, top-quality people for these valuable eleven posts."

Erskine Childers, with Brian Urquhart, "Renewing the United Nations system", Development Dialogue 1994:1, Dag Hammarskjold Foundation and Ford Foundation, Upsala, Sweden, 1994, pp. 147-148.

Another former senior UN official, Ronald Spiers, also found the JIU wanting. He stated succinctly that

In addition to basic reforms to . . . increase efficiency, an Inspector General is needed to uncover the waste, fraud, and abuse that occurs in any large organization. The existing Joint Inspection Unit has often done useful work, but it is generally employed as a sinecure for superannuated ambassadors seeking high pay and travel in exchange for occasional papers on marginal subjects. As a result, it is not very effective.

Ronald I. Spiers, "Reforming the United Nations," in Roger A. Coate, ed., U.S. policy and the future of the United Nations, Twentieth Century Fund, New York, 1994, pp.19-40 [22.] [emphasis added.]

[Note: Mr. Spiers served an Under-Secretary General of the United Nations in New York in the early 1990s.]

In 1995 an *International Documents Review* article briefly discussed six current JIU reports, and noted five more current and several older JIU reports that were "before the Assembly." But, in a description that captured the JIU's plight of lost credibility with its main masters -- Member States in the Fifth Committee, it stated that:

"Pathetic debate

The debate on the JIU reports was pathetic. After the introduction of the reports on 28 November, just one country, Algeria, took the floor. . . other delegations were heard on 4 December. Very little of substance was said. Algeria spoke of the need for greater support of the JIU . . . Japan . . . urged studies on streamlining, contracting and restructuring . . . The Norwegian delegate also expressed support and called on the Fifth Committee to guide JIU. The United States pointed out that in general member States gave "scant attention" to JIU reports . . . and called for more reports on reform. . . Azerbaijan focused entirely on the fact that [a JIU] report on cooperation with regional organizations had not made clear that Nagorny Karabakh was an integral part of its territory."

"Joint Inspection Unit, only system-wide oversight body, raps knuckles all around -- even its own," International Documents Review (New York), **11 December 1995**, p. 4.

[Note: as is the case with such tepid annual discussions of JIU work in the Fifth Committee, most of the few speakers (except Norway and Azerbaijan in this case) come, by no coincidence, from the JIU Inspectors' home countries. In fact, the home country of the Inspector who is serving a one-year term as JIU Chairman, in this case Algeria, followed a tradition of delivering effusive compliments to JIU and its leadership.]

In marked contrast, it should also be noted that the Fifth Committee regularly has very animated discussions on the reports, recommendations, and follow-up actions of the Board of Auditors.]

In her excellent analysis of United Nations operational realities in 1995, Rosemary Righter also noted that:

"For years Western governments have complained about the lack of accountability prevailing in UN organizations, but in practice they have tolerated a degree of opacity that would be considered totally unacceptable for any civil service in a democracy

Regular but far from comprehensive external auditing is carried out by national auditing offices ... [but their reports] ... of mismanagement and malpractice ... have frequently been ignored. ... The UN's Joint Inspection Unit ... has made some inroads on bureaucratic malpractice. But the JIU, a creature of the UN General Assembly which appoints its staff of inspectors, is too small – and too amateur, since the General Assembly has taken to offering inspectorates as 'plums' to retiring diplomats rather than to experts in finance or administration -- to provide the kind of service that would restore public confidence in the UN's running of its affairs. Its best reports are formidable, but the worst ... have made the JIU itself a target for reform."

Rosemary Righter, Utopia lost: The United Nations and world order, Twentieth Century Fund, New York, **1995**, pp. 280-281.

Leon Gordenker, another incisive and long-time UN observer, found much to criticize in the JIU and related UN external oversight bodies. (This topic will eventually be greatly expanded on in the subsequent subsection of this archive on External "expert" bodies .) At a press conference, Gordenker introduced his new report on UN management reform, which called for the pruning of UN structures that were redundant, obsolete, or wasteful. He found that:

" ... the composition of the [ACABQ, JIU, ICSC], and the Board of Auditors, manned by governmental nominees, suggested that they lacked objectivity and neutrality and 'these structures have an obvious aura of redundancy and perhaps also hidden agendas.' ...

Professor Gordenker said that his report provided some criteria for simplifying the Organization, something that many reports on reform had not made explicit. For instance, he listed some deficiencies which could make an organization a candidate for elimination: if it was corrupt, disreputable, free-wheeling, too costly, obsolete, redundant and if it had a hidden agenda. Using those criteria ... some organizations could be eliminated [which] would lead to some savings. ...

Speaking on oversight and the budget, he said that there were several bodies involved. 'The question is whether this really contributes to anything except an ability for governments to slow down the whole process of work.' The bodies include the [CPC,] ACABQ, JIU, Board of Auditors, and the ICSC. They duplicated each other's work or activities carried out elsewhere."

"Press conference sponsored by United States on report by World Peace Federation on UN reform," UN, **21 November 1996**.

[Note: the report itself, discussed elsewhere in this website, is Leon Gordenker, The UN tangle: policy formation, reform, and reorganization, WPF Reports number 12, The World Peace Foundation, Cambridge, Mass., 1996.]

The General Assembly was also increasingly unhappy with the JIU. A 1996 resolution requested the Unit to report again on its internal standards and guidelines, to concentrate its work programme on the efficiency of services and proper use of funds, and to make "practical and concrete" recommendations and to follow up on those of that were approved by the organizations, It also -- for the umpteenth time -- urged Member States to pay "special attention to the selection of qualified inspectors."

"Joint Inspection Unit," General Assembly resolution 50/233 of **31 July 1996**.

The most serious threat to the Inspectors' continued enjoyment of "the good life," however, came in a unanimous rebellion by the JIU's direct customers, the Secretariats and executive heads of the UN system organizations. Their joint committees on financial and budgetary matters had long been critical of JIU performance. In 1995, in calling for cuts in JIU budgeted travel and other expenditures, they stated that:

"Organizations were concerned about the cost benefits of many of the Unit's studies and believed that the output of an average of seven to ten reports per year did not justify the large investment."

"Report of the 82d session of the Consultative Committee on Administrative questions (Financial and Budgetary," 13-17 **February 1995**, document ACC/1995/6, paras. 24-28.

In 1996 the ACC's operational subcommittee noted, in much more detail, its past concerns about JIU functioning: inadequate consultations with agencies on choice, timing, and practicality of its reviews; the costs to the agencies of responses to JIU review requests for information, data and comments; the need for JIU to use its resources cost-effectively to address priority concerns of the system; and concern that JIU was duplicating the work of other internal and external oversight bodies. Members also noted their concern with:

" ... the quality ... of JIU reports and recommendations. ... superficial [JIU] recommendations of little value since they did not reflect a clear appreciation of the issues ... [and] the time lag incurred by JIU in taking up a subject, which made the resulting study of little use ...

There was general agreement that the work of the JIU did not currently justify the level of investment by the system to its budget, to the resources required for responding to JIU studies, and to the subsequent cycle of consultations with governing bodies and reporting. Whereas the mandate of the JIU remained relevant, its structure and functioning required serious review ..."

"Report of the Consultative Committee on Programme and Operational Questions on its Ninth Session," document ACC/1996/16 of **26 September 1996**, paras. 86-91.

[Note: the data issue was particularly annoying because the agencies had dutifully responded to many massive requests from JIU for detailed data and analysis, only to learn later that the JIU scarcely considered them in its resulting

reports, or that the reviews had simply been abandoned for one reason or another.]

Most importantly, in a "high-level" meeting of September 1996, the CCAQ reiterated criticisms of JIU made at a 1995 meeting: poor quality reports; an inadequate process for selecting Inspectors; dubious relevance of JIU studies; an emphasis on research rather than evaluative or management audit content; problematic working methods; duplication with other bodies; and a top-heavy structure. They added that:

"Moreover, the Committee considered that the impact of the JIU recommendations ... on the proper use of funds and the improvement of efficiency ... was negligent or non-existent, especially when compared with an average cost of ... \$400,000 [per JIU report.]

Considerable changes in [UN system oversight mechanisms] ... over 30 years ... had often rendered JIU services superfluous. The excessive time and resources tied up in interaction with the JIU aggravated ... 'oversight overload,' ... particularly since many reports were irrelevant to organizations' mandates.

Notwithstanding the political dimension involved in the selection and appointment of Inspectors, the Committee considered that the Member States must apply the same standards of professionalism, competence and efficiency to the appointment of Inspectors as were applied to other auditing functions.

Noting the urgent need for reappraisal of the role and function of JIU not least in the light of the number of discussions taking place in organizations considering withdrawal from the JIU and in light of the above ... the Committee ... [proposed] to ACC that:

The Chairman of ACC ... recommend to the President of the General Assembly that the five forthcoming vacancies in the JIU be frozen pending the review referred to below ...

ACC should request the General Assembly to institute an independent review [focused on] ... the relevance, effectiveness, and cost-efficiency of JIU studies ... [leading to] recommendations to the General Assembly on the future role of JIU, the optimal resources needed to fulfill that role, and the opportunities provided by outsourcing studies. Such a review might be carried out by a group of Auditor-Generals or former Auditor-Generals of selected Member States."

"High-level meeting of CCAQ as a whole: Summary conclusions," document CCAQ/W/1996/10 of **23 September 1996**, paras. 14-20. [emphasis added]

The mention of "organizations considering withdrawal from the JIU" included two major agencies -- the ILO and UNESCO. The ILO proposed withdrawing in 1995 (to take affect with a two-year delay in late 1997, as required by the JIU Statute), while UNESCO sought in 1996 to "significantly reduce" its contributions to the JIU budget for the next biennium.

"Other financial and general questions", ILO document GB265/143.3.E96/v.4, **1996**, and

"Summary of conclusions of the [ACC] at its first regular session of 1997", ACC/1997/4 of **29 April 1997**, para. 87.

In late 1996, the heads of all the UN system organizations,

meeting as the Administrative Committee on Co-ordination (ACC), noted the CCAQ meeting's conclusions. They requested the UN to invite the General Assembly to institute an independent review of JIU by a group of national auditors-general. Pending the outcome of that review, the UN would also consult on possible cost-containment measures, including postponing elections of Inspectors at the then-current General Assembly, since they would only take effect in 1998.

"Summary of conclusions of the [ACC] at its first regular session of 1997", ACC/1996/20 of **3 December 1996**, para. 54.

The Inspectors roused themselves from their usual torpor under all these assaults, and focused on their own "home field advantage" with their diplomatic colleagues in the General Assembly's Fifth Committee. In May 1996, the head of the JIU Secretariat, a former, longtime, diplomat in New York, criticized several Member States and the Secretary-General's position on JIU budget requests, and -- in contrast -- thanked the "Group of 77" developing countries for supporting the JIU's refusal to join a then-urgent UN austerity programme.

The representative of Canada intervened immediately to object to the JIU's representative sitting in judgment on Member States, and hoped that the JIU would eventually join the cost-cutting effort (it later did have to acquiesce.) The exchange showed, however, how aggressively JIU would seek to mobilize its political support.

"Budget committee ...," Fifth Committee, UN press release GA/AB/3078 of **17 May 1996**.

The JIU followed with a report to the General Assembly arguing that an earlier (but unspecific) agreement had been struck to "strengthen" the Unit as a political *quid pro quo* for the establishment of a strong OIOS. While paying lip service to the need for better Inspectors, this JIU report launched a stunning set of *tu quoque* attacks. The Unit blamed Member States for tepid support of the JIU; UN system organizations for not helping to choose JIU review topics and for not properly using JIU reports sent to them; and stated that the JIU should not be "singled out" for poor oversight coordination.

In particular, the JIU report urged that it be given "the right to select its own staff in order to assure their "loyalty to the JIU" (which ignores these staff's UN oath of office to "serve the United Nations only.") It also asserted that it had "suffered" from difficulties in recruiting, and an inability to choose well-qualified staff with the mix of skills it required. More JIU independence was needed.

"Note by the Secretary-General: Note from the JIU ... containing its views on the strengthening of external oversight mechanisms ...," UN document A/51/674 of **13 November 1996**, paras. 1-18, 30-32 ,
"Statement by the Chairman of the [JIU," Fifth Committee, **22 October 1997**,
and
"Fifth Committee concludes discussing budget section," Fifth Committee, UN document release GA/AB/3182 of **3 November 1997**.

In March 1997 the JIU launched a full-scale political counterattack at the resumed General Assembly session:

"[The representative of Tanzania, on behalf of the "Group of 77" developing countries and China] said that the [UN] Board of Auditors should be constituted to better reflect the composition of the General Assembly and enable the participation of different accounting systems ...

[He] also said that any resolution [on strengthening oversight] should ... present proposals for strengthening all oversight bodies.

... On the JIU, he said immediate action should be taken to ensure its operational and budgetary independence. More details would be proposed in informal consultations.

...

[The representative of Cuba] said that the {Board of Auditors' membership should be expanded to represent all regional groups and auditing systems in the world. ... The Board should supervise the [OIOS], especially in the case of fraud or mismanagement. The Assembly should adopt specific measures on the composition and selection of the inspectors of the JIU, as well as on the strengthening of the Unit."

"Board of auditors ... Committee reviews UN efficiency, oversight mechanisms", Fifth Committee, UN document GA/AB/3138 of **17 March 1997**.
[emphasis added.]

These sudden and sweeping proposals ignored three important facts. There was no required UN report on the administrative and financial implications involved in the proposed actions; the proposals would require changes in the JIU Statute, opening an enormous "Pandora's box" of complications which no one would want; and worst of all, the above sweeping changes in oversight certainly could not and should not have been resolved in a non-transparent, "informal consultations" process.

"United Nations Finance manual," Article XIII. Regulation 13.1 (and Rule 113.1) "Resolutions involving expenditures."

Subsequent negotiations (with heavy direct participation and "corridor diplomacy" by the JIU) continued on in 1997 and 1998. Meanwhile, the UN's top manager reported to the ACC that he had conveyed its conclusions to the President of the General Assembly. However, by then the General Assembly had already invited five countries to put forth candidates (four of whom were already serving Inspectors), and therefore the elections could not be postponed. However, the proposal for an external review of JIU functioning was "being actively pursued." ACC then reiterated the need for an independent review of the JIU.

"Summary of conclusions of the [ACC] at its first regular session of 1997",

There was a final try to make the JIU accountable at the General Assembly session in the autumn of 1997, with some quite specific proposals to improve its operations. However, no overall consensus could be reached on who should conduct a thorough review of the JIU. Some favored another study by the ACABQ, some wanted a panel of "independent experts," and almost no one favored a proposal by the JIU that (once again) it should review itself. The issue was eventually postponed and then dropped.

Finally, in November 1999, the General Assembly adopted a new, and very brief and capitulatory resolution on the JIU. It reaffirmed the status of the JIU as "the only independent system-wide [oversight] body," and stressed again the new self-serving mantra that JIU impact is a "shared responsibility of the Member States, the Unit and the ... participating organizations." The resolution also took note "with appreciation" of the Unit's recent annual reports and work programmes, and endorsed the vague "improvements made" in JIU functioning.

"Joint Inspection Unit," General Assembly resolution 54/16 of **19 November 1999**.