



General Assembly

Distr.
GENERAL

A/45/714
20 November 1990

ORIGINAL: ENGLISH

Forty-fifth session
Agenda item 117

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL
FUNCTIONING OF THE UNITED NATIONS

The United Nations intergovernmental structure and functions
in the economic and social fields

Report of the Secretary-General

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 13	2
II. GROWTH AND DEVELOPMENT OF UNITED NATIONS ECONOMIC AND SOCIAL SECTORS AND PREVIOUS RESTRUCTURING EXERCISES	14 - 30	5
A. Growth and expansion of the system	14 - 19	5
B. Previous restructuring exercises	20 - 23	7
C. United Nations evaluation of the intergovernmental structure and functions	24 - 30	8
III. LESSONS OF THE PAST	31 - 36	10
IV. RESTRUCTURING IN THE 1990s	37 - 41	11
V. RECOMMENDATIONS AND CONCLUSIONS	42 - 85	12
A. Intergovernmental machinery	46 - 50	13
B. Subsidiary bodies in the economic and social sectors ..	51 - 56	14
C. Secretariat	57 - 85	16

I. INTRODUCTION

1. In its resolution 40/237 of 18 December 1985, the General Assembly decided to establish a group of high-level intergovernmental experts to identify measures for further improving the efficiency of the administrative and financial functioning of the United Nations, which would contribute to strengthening its effectiveness in dealing with political, economic and social issues. The report of the Group 1/ was considered by the General Assembly at its forty-first session along with the comments of the Secretary-General (A/41/663) and other related reports. In his comments, the Secretary-General noted the "direct relationship between possible changes in the intergovernmental machinery and modifications in the size, composition and work of the Secretariat staff". He further noted that these reforms were being called for at a time when the Organization was facing its most serious financial crisis and urged that ways be found to deal successfully with its root causes, which were primarily of a political nature.

2. Following its consideration of the report of the intergovernmental experts, the General Assembly adopted resolution 41/213 of 19 December 1986, which endorsed the recommendations agreed upon by the Group. Pertinent to the present report were recommendations 2 and 8, which concerned the intergovernmental machinery and secretariat in the economic and social sectors. Recommendation 2 (b) had invited the Economic and Social Council to hold only one session per year while recommendation 8 called for an in-depth study of the intergovernmental structures in the economic and social fields.

3. Both recommendations 2 and 8 were brought to the attention of the Economic and Social Council by the Secretary-General (E/1987/2) in the light of paragraph 1 (e) of resolution 41/213, which requested that the Council, assisted as and when required by relevant organs and bodies, in particular the Committee for Programme and Co-ordination, should carry out the study called for in recommendation 8.

4. In order to carry out the requested study, the Council decided in its resolution 1987/112 to establish a special commission open to the full participation of all Member States on an equal basis. The Special Commission met between 1987 and 1988 and submitted its report (E/1988/75) to the Economic and Social Council at its second regular session in 1988. While the Special Commission did carry out the in-depth study entrusted to it, it was unable to reach agreed recommendations.

5. At its second regular session in 1988, the Council considered the question of revitalization and adopted a set of interrelated measures (resolution 1988/77) aimed at improving its functioning and enabling it to exercise more effectively its functions and powers as set out in the Charter of the United Nations and relevant resolutions of the General Assembly. These recommendations sought to enhance the Council's policy formulation function through an in-depth and more focused discussion of major policy themes on the basis of a multi-year work programme and improved documentation, as well as through contributions from the organizations of the system. Other related measures concerned its monitoring and co-ordination functions, operational activities for development and its organization of work.

The resolution requested the Secretary-General to submit proposals on the structure and composition of a separate and identifiable secretariat support structure for the Council.

6. In submitting his report on the implementation of resolution 1988/77 (E/1989/95), the Secretary-General pointed out that the objectives of the resolutions could be realized only if its provisions were implemented in a coherent manner and Member States and organizations of the United Nations system co-operated fully. While emphasizing his intentions to meet the special responsibilities placed on the Secretariat by Economic and Social Council resolution 1988/77, the Secretary-General reiterated the importance of the political will on the part of Member States if the Council were to regain its credibility and prestige. Without such a change, efforts to improve the functioning of the Council would be ineffective.

7. Since then, the Council has considered two further reports from the Secretary-General (E/1990/14 and E/1990/75) and has adopted a series of resolutions (1989/114 and 1990/69 and decision 1990/205) as part of its continuing efforts to revitalize the Council. In his last report to the Council on this subject (E/1990/75), the Secretary-General stated that while this process initiated by the Council two years ago had resulted in a number of improvements (sharper focus in its work through a reorganization of its working methods, better presentation of documentation, more analytical reports and a reduction in the overall volume of documentation), such a process necessarily had its limitations. The Secretary-General pointed out that the Council, particularly in the light of its co-ordination function, was part of a chain of intergovernmental meetings. Appropriate changes and improvements would need to be introduced in the overall intergovernmental framework in order for the Council and the United Nations to realize their full potential in the economic and social sectors.

8. The Secretary-General further pointed out that, in spite of the positive results emanating from the implementation of resolutions 1988/77 and 1989/114, there still remained a need to change the perception of the role of the Council in order to enhance its effectiveness. He asked Governments to make better use of the Council, the Secretariat to provide more analytical and more focused documentation and the Council to give more professional and functional consideration to issues on the agenda. In this context, the Secretary-General said that the Council might wish to allow the present arrangements (resulting from the revitalization process) to consolidate themselves before reviewing the process further, possibly in 1992.

9. Simultaneously with the process of revitalization of the Economic and Social Council, the Member States have been considering the question of United Nations intergovernmental structure and functions in the economic and social fields as a follow-up to the report of the Special Commission of the Economic and Social Council that had carried out the in-depth study of the United Nations intergovernmental structure and functions in the economic and social fields (E/1988/75). This resulted in the adoption by the General Assembly of resolution 43/174 of 9 December 1988. In this resolution the General Assembly requested the Secretary-General to consult with all Member States and seek their views on ways and means of achieving a balanced and effective implementation of recommendations 2

and 8 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, taking into consideration all relevant reports, including the report of the Special Commission of the Economic and Social Council on the In-depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields, as well as the outcome of the discussions in 1989 on the revitalization of the Economic and Social Council, and to submit to the General Assembly at its forty-fourth session a detailed report in order to enable Member States to consider and take appropriate action with a view to enhancing the effectiveness of the intergovernmental structure and its secretariat support structures as well as programme delivery in the economic and social fields.

10. In his note to the forty-fourth session of the General Assembly (A/44/747), the Secretary-General pointed out that major intergovernmental deliberations were scheduled to take place in 1990 that were expected to develop approaches, identify priority concerns of the international community and indicate the manner in which the United Nations could best respond to them.

11. As the outcome of these deliberations will have critical implications for the United Nations intergovernmental structure and functions, the Secretary-General felt that it would be appropriate to await their results and to integrate them in his recommendations with regard to both the intergovernmental machinery in the economic and social sectors and the secretariat support structures. He further noted that the restructuring of the secretariat structure was a continuous process that must take into account, inter alia, decisions with respect to the intergovernmental machinery.

12. With regard to the secretariat support for the Council, its resolution 1988/77 had requested the Secretary-General to submit proposals on the structure and composition of a separate and identifiable secretariat structure for the Council. In its subsequent resolution 1989/114, the Council had indicated specific elements in this regard. In his note (A/44/747), the Secretary-General recalled the emphasis Member States had placed on the importance of enhancing the authority of the Director-General for Development and International Economic Co-operation, as well as the responsibilities entrusted to the Director-General in General Assembly resolution 32/197 of 20 December 1977. In keeping with the overall responsibility of the Director-General, the Secretary-General informed Member States of his decision to assign to him the responsibility for providing the substantive support as called for in Economic and Social Council resolution 1988/77. He further indicated his intention to keep the secretariat structures under review.

13. The General Assembly, in its resolution 44/103 of 11 December 1989, took note of the view expressed by the Secretary-General in his note that more time was required for submission to the Assembly of the detailed report requested in resolution 43/174. It further decided to review the efficiency of the administrative and financial functioning of the United Nations in the economic, social and related fields, including its secretariat support structures, at its forty fifth session, taking into account the major intergovernmental conferences scheduled to take place in the beginning of the 1990s. In the same resolution, the General Assembly requested the Secretary-General to report on the follow-up and

implementation of this resolution at the forty-fifth session. In this context, attention is also drawn to Economic and Social Council resolution 1990/69, which indicated that Member States expected from the Secretary-General, in the light of General Assembly resolutions 44/103 and 43/174, a report on the revitalization of the United Nations in the economic and social fields to the Assembly at its forty-fifth session, in order to enable further consideration and appropriate action on the matter.

II. GROWTH AND DEVELOPMENT OF UNITED NATIONS ECONOMIC AND SOCIAL SECTORS AND PREVIOUS RESTRUCTURING EXERCISES

A. Growth and expansion of the system

14. Over the past 40 years, the United Nations intergovernmental machinery in the economic and social fields has evolved in response to the changing needs of the international community and the obligations of the United Nations under its Charter. The mandate for the work of the United Nations in the economic and social fields is found in Article 1 of the Charter and more specifically in Article 55, which states:

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

- a. higher standards of living, full employment, and conditions of economic and social progress and development;
- b. solutions of international economic, social, health, and related problems; and international cultural and educational co-operation; and
- c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

15. The General Assembly and, under its authority, the Economic and Social Council have the responsibility of carrying out these tasks in the economic and social fields. Moreover, the Charter, in Article 58, entrusted to the United Nations the responsibility to make recommendations for the co-ordination of the policies and activities of the specialized agencies. 2/ The Economic and Social Council was given the mandate to enter into agreements with the specialized agencies and to co-ordinate their activities. The provisions of the Charter, together with the relationship agreements that were subsequently concluded between the United Nations and the specialized agencies, clearly reflected the intention that the agencies should participate in promoting the purposes of the Charter as a whole.

16. Growth has taken place within the United Nations as new programmes and intergovernmental machinery emphasizing new areas of concern with economic, social and humanitarian issues were established. In the early period of the United Nations, the first programmes of this type were humanitarian and dealt with children (United Nations Children's Fund (UNICEF)), the Palestine refugees (United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)) and refugees in general (Office of the United Nations High Commissioner for Refugees (UNHCR)). In the early 1960s, the number of independent countries grew considerably as a result of decolonization. The newly independent countries looked to the United Nations for technical assistance at the field level and consequently operational activities for development increased. Similarly, as concern for economic and social activities related to the developing countries began to gain increasing importance on the international agenda from the mid-1960s, special programmes were formed relating to trade and development (United Nations Conference on Trade and Development (UNCTAD)), industrial development (United Nations Industrial Development Organization (UNIDO), now a specialized agency), financing of technical co-operation (United Nations Development Programme (UNDP)), food assistance (World Food Programme (WFP)), population (United Nations Fund for Population Activities (UNFPA)), research and training (United Nations Institute for Training and Research (UNITAR)) and disaster relief (Office of the United Nations Disaster Relief Co-ordinator (UNDRO)).

17. As a result of international conferences in the 1970s, new programmes were adopted, which, in some cases, led to the creation of new organizational entities such as the United Nations Environment Programme (UNEP), the World Food Council (WFC), the United Nations Centre on Transnational Corporations (UNCTC), the Branch for the Advancement of Women in the Centre for Social Development and Humanitarian Affairs, the United Nations Centre for Human Settlements (Habitat) and the United Nations Centre for Science and Technology for Development. This rapid expansion at the global level was accompanied by an equally impressive growth of activities at the regional level, a trend that has continued in the 1980s.

18. By the end of the 1970s, the United Nations, together with the specialized agencies, had put into operation an array of institutional arrangements with a programme of work covering practically all questions being dealt with by administrations of individual countries, with headquarters in different locations and with activities dispersed throughout the world at both the regional and national levels. Today these arrangements encompass the 14 specialized agencies, GATT and IAEA, and the approximately 150 bodies that constitute the United Nations intergovernmental structure in the economic and social fields.

19. The United Nations intergovernmental structure is a complex and dynamic one that is continuing to evolve. Its functions range from the supervision of operational activities, including the co-ordination of the programmes of organizations in the United Nations system, to the request and review of research, the setting of standards and elaboration of normative goals for the international community and its role as forum for the discussion and negotiation of substantive issues in the economic and social domains.

B. Previous restructuring exercises

20. As the United Nations intergovernmental structure has grown and the range of its activities widened, it has had to grapple with endemic institutional problems relating to co-ordination, coherence of action, overlapping and duplication, as well as problems relating to effectiveness and efficiency. These types of problems have been addressed, for the most part, in an equally ad hoc and incremental manner. Reform has been a more or less continuous process. There have been junctures, however, at which Member States have felt it necessary to look at the functioning of the intergovernmental structure as a whole and make more systemic kinds of changes leading to overall or partial restructuring of the existing institutional arrangements.

21. One such juncture was reached in 1970, when the General Assembly adopted resolution 2688 (XXV) of 11 December 1970 on the capacity of the United Nations development system. This resolution embodied the 1970 consensus concerning how UNDP should operate and relate to the specialized agencies and other parts of the system. The country programming approach, and all the implications for operational activities, was put into motion by this resolution. The concept of UNDP as a central fund for the United Nations system can also be traced to the 1970 consensus.

22. Another major effort to restructure the United Nations system took place in 1977 when the General Assembly adopted resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system. This restructuring exercise was intimately linked to the new international economic order programme, which originated at the sixth and seventh special sessions of the General Assembly, held in 1974 and 1975. The resolution mandated a large number of changes, some structural, in the functioning of the United Nations, including the creation of the post of Director-General for Development and International Economic Co-operation. This resolution also mandated changes in the operation of the General Assembly, the Economic and Social Council and other forums for negotiations. Some of these changes, including some reforms relating to the Economic and Social Council, have never been implemented. Others affecting structures for regional and subregional co-operation, operational activities, planning and programming, inter-agency co-operation and secretariat support services have been put into place.

23. A third and more recent attempt at restructuring, which to date has not resulted in significant change, but which is nevertheless significant, was the work of the Special Commission on the In-depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields (E/1988/75). The Special Commission, which was open to participation to all Member States, held nine sessions between March 1987 and May 1988 but was unable to reach any substantive conclusions. The main reason for lack of progress was the fundamental divergence in viewpoints of different groups of Member States over the objectives and contents of the reform. The Special Commission had been created in response to recommendation 8 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations. 1/ As is well known, the work of the Group of High-level Experts has led to a variety of changes and reforms in the functioning of the United

Nations. But these reforms, by and large, have not affected the functioning of the United Nations in the economic and social sectors. Such reforms were to be based on the conclusions reached by the Special Commission. Even though the Special Commission could not arrive at agreed conclusions, the intensive discussions of restructuring undertaken by Member States did result in certain understandings that may have implications for the future.

C. United Nations evaluation of the intergovernmental structure and functions

24. During the past 40 years, a number of studies and evaluations at the request of the Member States or by the Joint Inspection Unit have been carried out on the functioning of the intergovernmental structure. Recommendations emanating from such studies have influenced the decisions arrived at in earlier reform efforts referred to above. The most recent of such studies carried out by the Group of High-level Experts, in the report referred to above, concluded in its paragraphs 16 and 18:

As new tasks have emerged without old ones being solved, the agenda of the United Nations has shown sustained growth. This expansion in the agenda has led to a parallel growth in the intergovernmental machinery, which has in some cases resulted in duplication of agendas and work, particularly in the economic and social fields. The efficiency of the Organization has suffered through this process and there is a need for structural reform of the intergovernmental machinery.

Besides eliminating obvious duplication in the agendas and programmes of work, there is also an urgent need for improved co-ordination of activities undertaken both within the United Nations itself and throughout the United Nations system. This is particularly valid for activities within the economic and social sectors, and encompasses the work of the various secretariats as well as of the intergovernmental machinery. The structure of the present system makes co-ordination of activities a difficult undertaking. The large number of mechanisms established for co-ordination testify to this.

25. Over the years, evaluations have focused on different aspects of the activities of the United Nations. Some are concerned with the operations of the United Nations system as a whole in the economic and social areas while others are more limited in scope. The fact that the evaluations arrived at broadly similar conclusions is significant.

26. One of the first important evaluations, entitled "A Study of the Capacity of the United Nations Development System" (DP/5), was completed in 1969. The main conclusion of the study was that change of a fundamental nature was imperative. The development system of the United Nations was considered to be a "non-system" lacking a "central brain". It went on to say that extreme decentralization had made co-ordination at the headquarters level difficult and that the situation at the regional and field levels was no better. The capacity study concluded that the two main criticisms of the United Nations development system, that it was too slow

and was not making the best use of its resources, were justified. It made a number of recommendations to rationalize the United Nations development system, to make the Economic and Social Council a genuine co-ordinating force in international development and to consolidate certain governing bodies and staffs. This study provided an essential input for the 1970 consensus referred to above.

27. In 1974, Martin Hill, a former Assistant Secretary-General for Inter-Agency Affairs, produced a study for UNITAR entitled "Towards Greater Order, Coherence and Co-ordination in the United Nations System" (E/5491). It was noted that co-ordination problems were unavoidable in a growing and dynamic international system to be characterized by a lack of cohesion, a proliferation of intergovernmental organs and voluntary funds, the quasi-impossibility of comparing plans and budgets and a "jungle" of regional and subregional structures. Furthermore the situation seemed to be getting steadily worse.

28. The same year, at the request of the General Assembly, the Secretary-General established a group of experts on the structure of the United Nations system. In paragraph 16 of its report, 3/ the Group of Experts noted that the United Nations system was "more a product of historical circumstances than of a rational design". Among the changes proposed by the Group of Experts were a new approach to the treatment of economic and social issues by the General Assembly and the reform and revitalization of the Economic and Social Council. Also suggested were innovative consultative procedures to enable Governments to arrive at agreed solutions more speedily. It was proposed that the post of Director-General for Development and International Economic Co-operation be created "to provide leadership to the central Secretariat and the entire United Nations system" (para. 27).

29. A more recent evaluation to consider the overall functioning of the United Nations system in the economic and social areas is the Joint Inspection Unit report entitled "Some Reflections on Reform of the United Nations" (see A/40/988 and Add.1 and Corr.1), issued in 1985. The report maintains that the existing institutions are outdated and poorly suited to current realities and that the inadequacies of the present United Nations system are essentially structural rather than managerial. The main structural weaknesses are listed as extreme fragmentation of effort and extraordinary and unnecessary institutional complexity. Radical change is necessary to bring about "a third generation world organization genuinely in keeping with the needs of the modern world" (*ibid.*, para. 1).

30. As noted above, while these evaluations have different focuses, they share common themes and have a remarkably similar view of the major shortcomings that prevent the United Nations system from achieving greater success in the economic and social areas. In brief, all conclude that the United Nations system has become too complex and complicated; proliferation has produced too many bodies, both intergovernmental and secretariat, which cannot easily be distinguished from one another, resulting in overlapping mandates and duplication of effort. Authority and responsibility have become blurred, making accountability difficult.

III. LESSONS OF THE PAST

31. The United Nations has been concerned, right from the beginning, with efficiency and efficacy of the intergovernmental structures and corresponding secretariat support established to address the emerging issues of concern to the international community. This has resulted in the periodic reviews of the validity of issues and the functioning of the United Nations structures to an extent that reform effort at the United Nations appears to have been a continuous process. These restructuring exercises have sought to address the effectiveness and efficiency of the Organization, striving to effect greater coherence and co-ordination in its activities while eliminating duplication of efforts. They have also grappled with the capacity of the Organization to address existing issues while meeting new and emerging ones. In this connection, the relevance of mandates and structures developed historically, both at the intergovernmental and at the secretariat level, needed to be continuously scrutinized.

32. All restructuring exercises have continued to affirm the validity of the issues that have been before the international community since 1945, including the relevance of the individual components of the intergovernmental structure, with its corresponding secretariat, set up to address them.

33. None suggested that a particular structure be disbanded owing to irrelevance. None the less, the experience of the past indicates that the ad hoc nature of evolution of the United Nations machinery in the economic and social fields has contributed to the present situation where Member States feel less than satisfied with the manner in which the United Nations system addresses issues of concern to them. Future improvements must therefore be guided by a broader perspective and on the basis of a comprehensive approach to their interrelationships and the institutional frameworks being set up to resolve them. The recent positive developments in the political arena offer a good opportunity for an objective assessment of the functioning of the United Nations system and to reach an agreement on issues and on how these are to be addressed. This is of central importance to the effective functioning of the United Nations intergovernmental machinery and its secretariat support. Attempts at renovation, revitalization, rationalization and restructuring will prove to be ineffective in the absence of a unifying framework of policies acceptable to all Governments. As has been repeatedly stated, the success of international institutions such as the United Nations depends, above all, on the commitment and the political will of the Member States. Restructuring and reform cannot compensate for lack of the political will to act.

34. The call to streamline the subsidiary machinery in the economic and social sectors is also not new. In each of the previous two restructuring exercises this issue has figured prominently and, in each case, it has not been possible to draw a clear distinction between the continuing validity of the issues and the appropriateness of the intergovernmental machinery to address them. Thus, the sectoral approach for addressing economic and social issues has continued to guide the activities of the United Nations system in these areas.

35. Within the Secretariat, the impact of this sectoral approach has been an increased decentralization and even fragmentation. Functional commissions and new intergovernmental bodies moved the substantive consideration of issues away from the Economic and Social Council, bringing into question the validity of the functioning of the Council and making co-ordination the main focus of attention. This process also created a perception of competition for areas of competence between the United Nations and the specialized agencies in the economic, social and related fields.

36. The 1960s and 1970s represented a phase in which multilateral co-operation expanded and led to institution building at the United Nations. During this period, development issues as well as social questions began to draw the greater attention of the Member States. The perception that these issues could be addressed sectorally led to the setting up of new intergovernmental and secretariat structures. Following this period of expansion, the 1980s saw a decline in resources available for multilateral co-operation and consequently the need to address the question of relevance and of priorities. For example, while the 1975 restructuring exercise aimed at making the United Nations system more sensitive to the need for establishing the new international economic order, the 1986 exercise was aimed at enhancing the efficiency of the administrative and financial functioning of the United Nations in a period of resource constraints.

IV. RESTRUCTURING IN THE 1990s

37. The 1990s would thus appear to be a period of consolidation, an era of maturity for the United Nations and for the organizations of the system. The extraordinary political events of 1989 and the continuing movement towards greater harmony in the relations between the major Powers have given a new importance to the need for progress in the economic and social areas. The evolutionary process following the establishment of the United Nations was greatly influenced by the East-West relations. With a qualitative change in this relationship, the international community has entered a phase where the positive trends in the political environment must be translated into a new consensus not only on issues but also on how to address them. For one, there is a much greater acceptance of the fact that economic development and social progress is a sine qua non for lasting peace just as peace is a necessary prerequisite for improving the well-being and welfare of peoples.

38. The pace of changes in attitudes and approaches in resolving economic and social progress has not matched the breathtaking speed of the political developments. But this disparity of progress in the two areas should not necessarily be regarded as discouraging. Indeed, economic problems are much less susceptible to dramatic changes when compared to developments in the political arena. This is evident from the recent political evolution in the Eastern European countries and in the Soviet Union, where intensive efforts to bring about economic reforms is proving to be a major challenge. What is essential is that there should be a clear programme, a philosophy, to achieve agreed upon objectives and that the process should not be left to ad hoc arrangements. In that sense the present movement provides a unique opportunity for developing a consensus both on the

issues of critical importance (prioritization) and on the manner in which these are to be addressed (intergovernmental machinery, secretariat structures and a strengthened framework of co-operation among multilateral institutions).

39. Only by utilizing the lessons learnt from the past can a vision for the future be developed. This vision must include approaches that allow for more productive arrangements for interaction among all members of the international community. Future exercises must avoid an ad hoc approach towards restructuring. There is also a need to examine present modalities for carrying out deliberations in the intergovernmental bodies and arriving at conclusions. At a time of renewed expression of hope in the capacity of the organization to effectively meet the challenges of tomorrow there are also expressions of doubt. These relate not only to the capacity of the Organization, where the solution of specific problems may depend more on the actions of Governments than on the Organization itself, but also to the modalities for negotiations.

40. It has become increasingly obvious that there is a need to enhance the capacity of the Organization to address effectively not only the existing issues but also new and emerging ones. New and more daunting challenges, such as the debt crisis, the threat posed by environmental degradation, the devastation caused to political and social structures and particularly to human beings by the abuse of narcotic drugs, the immediate and long-term effects of expanding world-wide poverty, have appeared on the scene.

41. As was observed in paragraph 247 of the analytical report of the Secretary-General on the implementation of General Assembly resolution 41/213 (A/45/226), Member States are manifesting "the increasing desire to enable [the United Nations] to deal effectively with the whole range of problems that confront the international community". The report goes on to say (para. 257) that:

The United Nations is seen by many Member States, particularly the developing countries, as an important forum in which to develop a comprehensive and integrated approach to the growing number of interconnected global issues. The United Nations is not only a universal organization but must also be concerned with the totality of the human condition on earth. Nowhere else can national policies, priorities and concerns come together, interact and forge a global consciousness as a foundation for comprehensive collective action, for the betterment of that condition.

V. RECOMMENDATIONS AND CONCLUSIONS

42. In presenting ideas on the reform and restructuring of the United Nations in the economic and social sectors, the views expressed by Member States in various intergovernmental deliberations as well as those submitted in follow-up to General Assembly resolution 43/174 (A/44/747) and the views of the relevant bodies, organs and organizations of the United Nations system (E/1989/95) have been taken into account. What is particularly important in this context is the high level of commitment and political support expressed by Member States for future improvements in the functioning of the United Nations machinery and their assertion that the

object of the ongoing reform effort was not to seek financial savings but to assist in making the Organization more responsive to the needs of the international community.

43. With a steady evolution in the role of multilateral organizations, including the Bretton Woods institutions, there is a need for a clearer definition of the roles and functions of the organizations of the United Nations system in the light of their respective advantages and in order to benefit from the complementarity of their functioning. Member States continue to regard the United Nations as a forum where a broader range of issues, political, economic, as well as social and humanitarian, could be addressed in an integrated manner. Given its wide-ranging responsibilities, the United Nations is in a unique position to monitor global developments with a more harmonious view of issues across sectors and to provide timely information to Member States.

44. Intergovernmental discussions on this subject indicate an inability to distinguish between the validity of the "issue" and the relevance of the structure established to address it. This was evident from the deliberations in the Special Commission (E/1989/75), which showed that the issues remained valid and implied consequently that so did the structures. This has resulted in a situation where the United Nations is constrained to address present-day issues as well as those which are emerging, without the appropriate mechanism or deliberative or decision-making capacity.

45. In his note to the forty-fourth session of the General Assembly (A/44/747), the Secretary-General referred to a number of major intergovernmental deliberations scheduled to take place in 1990. While this process has begun, it has still not concluded. For example, the outcome of the Uruguay Round of Multilateral Trade Negotiations, which may have far-reaching implications for the future of the international trading régime will only be evident towards the end of 1990. In this context the results of the eighth session of UNCTAD will also be very important. Similarly, the 1992 Conference on Environment and Development is also expected to have significant institutional implications. This should not, however, delay efforts to bring about improvements in the functioning of the intergovernmental bodies as well as within the secretariat where possible and feasible.

A. Intergovernmental machinery

46. The interaction among the General Assembly, the Economic and Social Council and UNCTAD is of great importance for the effectiveness of international co-operation. Important international conferences, the ongoing Uruguay Round, the forthcoming eighth session of UNCTAD and the 1992 Conference on Environment and Development will no doubt have far-reaching implications for the content and the relationship among these and other organizations of the United Nations system.

47. With regard to the relationship between the General Assembly and the Economic and Social Council, a number of steps have already been taken in the context of the biennialization of their respective programmes of work and the process of revitalization of the Economic and Social Council. In the latter context, specific

measures have already been agreed upon to enhance the functioning of the Economic and Social Council, which were reviewed in the report of the Secretary-General to the Council (E/1990/75). Further progress in a broader sense must also await the outcome of the forthcoming major international deliberations.

48. However, without awaiting these results, the role of the Economic and Social Council in addressing major international policy issues can be significantly enhanced if a decision is taken by the General Assembly that henceforth the preparatory process of international events and conferences on specific issues would be assigned to the Council, with appropriate arrangements for full participation of all States. This would obviate the need for setting up separate preparatory bodies for ad hoc conferences. Such an approach would result in enhancing the coherence and effectiveness of the United Nations consideration of major policy issues of international concern. This would also lead to a better utilization of available resources by drawing upon the expertise and capacities available with the United Nations system, to provide substantive support for the preparatory processes and, where necessary, with a minimal level of additional resources.

49. Secondly, at a time when the United Nations system is being called upon to function increasingly as an organic whole, the coherence and effectiveness of the system can be improved by enhancing the role of the Economic and Social Council in connection with programmes and activities that are system-wide in scope or are of a cross-sectoral character. For example, a beginning can be made in this direction on such issues as human resource development, poverty, rural development, science and technology and natural resources. The Council could convene high-level meetings to address such issues with full participation of the heads of the relevant organs, organizations and bodies of the system to provide system-wide policy direction as well as to consider and approve programmes of activities and related resource requirements.

50. The steps suggested above will bring about a greater rationalization of work between the General Assembly and the Economic and Social Council. However, the work of their subsidiary bodies also needs to be improved. Discussions at the level of the subsidiary bodies should move towards greater specialization to enable the Council to begin a consideration of substantive questions in the light of their cross-sectoral links, thus enhancing its co-ordination role. This would also facilitate a better division of work between the Economic and Social Council and its subsidiary bodies.

B. Subsidiary bodies in the economic and social sectors

51. An agreement among Member States on the restructuring of the intergovernmental machinery would pave the way towards broader reforms and secretariat restructuring. In his annual report on the work of the organization for 1990, 4/ the Secretary-General pointed to the "need for the United Nations, including its intergovernmental structures in the economic and social sector, to be more responsive to the emerging needs of, and new challenges faced by, the international community. As political rhetoric recedes, a higher degree of specialization will

be needed to strengthen the technical underpinnings for the Economic and Social Council and the General Assembly."

52. The deliberations by the Special Commission of the Economic and Social Council (E/1988/75) reflected a general concern that the existing arrangements at the intergovernmental level need to be improved in order to provide effective inputs for the work of the principal organs. At present, the subsidiary bodies in the economic and social sector, the Economic and Social Council, as well as the General Assembly, discuss much the same issues with the same degree of detail and expertise. This represents three layers of intergovernmental discussions and negotiations often without any additional substantive element. It has become increasingly evident that Member States wish a more substantive discussion and greater policy guidance in specific issues. Experience suggests that consideration of specific and technical issues by knowledgeable national experts has generally contributed to a more productive outcome of discussions at the United Nations. Greater specialization in the work of some of the subsidiary intergovernmental bodies, particularly those which are required to address specific issues of a technical nature may, therefore, present a useful alternative to the existing modalities. Such discussions would allow Governments to develop a common understanding of the particular questions at the level of subsidiary bodies. There is now an acknowledged need for a more focused consideration of technical issues and in that context for the General Assembly and the Economic and Social Council to receive improved as well as more substantive inputs for their policy setting and other functions.

53. A number of approaches have been suggested to address both the question of proliferation and of the content of the work at the intergovernmental level. In so far as substance and level of content is concerned, there is a need to transform a number of these subsidiary bodies into expert groups. Indeed this would need to be done after a careful examination of the mandate of the subsidiary body and particularly in cases where the issue is sufficiently technical. In principle, the subsidiary bodies need to be fully equipped with the expertise to consider the specialized and technical aspects of a given issue leaving it to the Economic and Social Council to address its political, global and cross-sectoral dimensions. Lessons in this regard could also be drawn from the experience of the functional commissions and existing expert bodies.

54. The other question related to the proliferation of intergovernmental structures in the economic and social fields. In his 1978 study, ^{5/} Martin Hill noted that "the fragmentation of major intergovernmental institutions has naturally contributed to an ever-growing proliferation of sub-organs and much uncertainty and confusion as to their respective functions". He added that "the proliferation and complexity of the present intergovernmental structure is responsible not only for much of the difficulty encountered by individual Member States in following the United Nations's economic and social work, let alone in controlling it or playing an active role in it, but also for much of the incoherence and lack of co-ordination encountered in the system as a whole." The Group of Experts established by the Secretary-General to prepare a study "containing proposals on structural changes within the United Nations system so as to make it fully capable of dealing with problems of international economic co-operation in a comprehensive

manner" (resolution 3343 (XXIX), para. 5) reached similar conclusions. It said, inter alia, that while the development of the system could be seen as a sign of vitality, "the proliferation of the intergovernmental bodies and secretariats represents an increasing burden on Governments in terms of both cost and physical capacity to participate. Moreover, the diffusion of responsibility among so many institutions, many of which are dealing with the same or related subjects, inevitably reduces the impact of all of them." 3/ The Group also pointed to the need for an effective set of central institutions at the level of intergovernmental machinery and secretariat structures to shape the various elements affecting development into coherent global policies.

55. In order to address the question of fragmentation of issues and proliferation of institutions, it must be recognized that in itself the sectoral approach has served a useful purpose by drawing increased political attention or increasing governmental awareness to certain issues. On the other hand, however, it has contributed to overlap and diffusion, as well as putting a considerable burden on delegations for full and effective participation. Existing machinery has therefore not been utilized fully and, within their framework, Governments are not fully able to take into account the multidisciplinary nature of most of the issues on the economic and social agenda. This process has also contributed to the problem of co-ordination at the intergovernmental level as well as within the Secretariat. If the United Nations intergovernmental machinery is to become more effective, a degree of consolidation is now urgently needed. This would also require better co-ordination within Governments at the national level. An improved future modality for the consideration of substantive sectoral questions may assist in achieving better co-ordination and an integrated approach also at the national level.

56. Expertization and consolidation, by leading to improved working methods and enhanced quality of documentation, would ensure that the output of the subsidiary machinery would genuinely assist the General Assembly and the Economic and Social Council in carrying out their responsibilities effectively. In principle, with the exception of the functional commissions of the Council, most of the other subsidiary bodies of the General Assembly and the Council in the economic and social sectors need to be examined in the light of the above.

C. Secretariat

57. The Secretary-General believes that pending an agreement among Member States on the restructuring of the intergovernmental machinery, a number of steps could already be taken to strengthen the capacity of the Secretariat to address problems already identified and to deal with new and emerging issues. Some of the specific ideas being considered or on which action has already been taken are detailed below.

58. The Group of 18 was of the view that there was too much fragmentation within the Secretariat in the economic and social sectors and requested the Secretary-General to review the functioning of the central United Nations units in order to eliminate duplication and make the United Nations more responsive to the changing realities at the global and regional levels.

59. The direction as well as the objective of reforms within the Secretariat could be to:

(a) Enhance the capacity of the United Nations to assist intergovernmental bodies, particularly the Economic and Social Council in effectively addressing economic and social issues;

(b) Strengthen the research and analysis capacity of the United Nations for multidisciplinary issues at the global level;

(c) Enable the United Nations to identify and bring to the attention of Member States emerging problems at the global, regional and national levels;

(d) Achieve a greater clarity in the respective responsibilities of the various central units in the economic and social sectors;

(e) Ensure greater interaction and cross-fertilization between the operational activities and research and analytical capacity of the Organization;

(f) Enhance the policy planning capacity of the Secretariat;

(g) Benefit from the complementarity of work being carried out by different parts of the Organization.

60. The magnitude of the problems facing the international community calls for a comprehensive and more integrated consideration of principal issues in the economic and social sectors. This would require a further strengthening of the multidisciplinary analytical capability within the Secretariat to enable the consideration of economic, social, environmental and other cross-sectoral issues in an integrated manner. Linkages among the various departments in the United Nations and with the analytical capacities of the United Nations system would need to be strengthened. At present, such work is already being carried out in the Department of International Economic and Social Affairs, which produces two major recurrent reports, the annual World Economic Survey and the quadrennial Report on the World Social Situation. These two reports could be combined and a further dimension could be added to analyse broader implications of socio-economic trends in order to assist Governments and intergovernmental bodies in broad policy formulation.

61. There is also a need to enhance the capacity of the United Nations for early identification of potential problems, regionally and globally, taking into account also their broader implications. The Department of International Economic and Social Affairs produces periodically, an analysis of long-term socio-economic trends in its report "Overall Socio-economic Perspectives" and its projections on population. Similar sectoral studies are undertaken in various programmes and agencies. However, there are few if any links between these and the political and other work being carried out in the United Nations. There is a need to develop closer links between offices responsible for political analysis and those concerned with economic and social analysis. Effective modalities will also need to be developed to tap all sources and data bases for information available within the United Nations system and from outside particularly at the national and regional levels.

62. In his annual report on the work of the Organization for 1987, 6/ the Secretary-General had emphasized the need for greater integration of the United Nations activities to correspond with the need for more integrated approaches to problems in the economic and social fields. The Office of the Director-General could serve to bring together all the elements of analysis and early identification of global problems to advise the Secretary-General on policy planning within a coherent framework and to assist the Economic and Social Council in providing intellectual leadership and in co-ordinating the activities of the United Nations in the economic and social fields.

63. For this purpose, a small development policy planning capacity could be established. Representatives of relevant specialized agencies and organizations of the United Nations system could be deputed on a rotational basis in addition to redeployment of some staff from within the United Nations. Such arrangements would enable more focused assessment of long-term policy options, consider integrated approaches to development-related problems and objectives that would take account of the capacities of the system as a whole. It would also assist in developing ideas in furtherance of the North-South dialogue, provide input for the major policy statements and reports of the Secretary-General.

64. With the increasing globalization of markets, trade in goods and services is becoming inextricably linked with investment and other financial flows. Also, the speed, direction and control of technological changes are affecting in an increasingly direct and significant way the competitiveness of national economies and of productive structures.

65. The outcome of the Uruguay Round of Multilateral Trade Negotiations may significantly affect the rules of the game for international trade and investment. The policy challenge of the 1990s is to restore universal growth and sustainable development. At the international level, the improvement of the trade and investment policy framework will be essential if increased trade and investment flows are to be beneficial to all. At the national level, countries need to position themselves to take advantage of the benefits that an improved international environment will offer.

66. The ability of the United Nations to reflect effectively these developments in its work and to strengthen its contribution to international economic co-operation for development will depend upon its capacity to tackle in a more comprehensive and integrated manner related issues of trade, finance, investment and technological change.

67. Foreign direct investment by transnational corporations grew substantially in the 1970s and 1980s and is likely to continue to expand in the 1990s. Trade liberalization, technological innovation and regional integration will be key stimuli to the expansion of both investment and trade at the international level. Integrated trade and investment policies will, under the circumstances, become key requirements of developing countries' development strategies.

68. Over the years, the UNCTAD secretariat and its intergovernmental bodies have addressed linkages between investment and trade in various contexts, including the systemic aspects of international trade, services, structural adjustment and financial flows and overall resources for development. More recently, investment/trade relationships have been given renewed attention in UNCTAD's intergovernmental deliberations and are likely to be an important theme at the eighth session of UNCTAD.

69. Complementary activities undertaken by the United Nations Centre on Transnational Corporations and the Commission on Transnational Corporations as an integral part of their continuing work programme have included the monitoring of foreign investment trends globally, nationally and at the level of the firm; studies on investment determinants and on the impact of foreign investment on the industrial structure and trade of developing countries; the analysis of laws, regulations and policies relating to transnational corporations; and the provision of training and advisory services on foreign investment to developing countries.

70. At the most recent meeting of the Commission on Transnational Corporations, the Centre was requested to expand its work on the investment needs of developing countries and on ways to promote foreign direct investment to these countries. In particular, the Centre was requested to co-operate with UNCTAD in undertaking a major new study on ways and means to enhance the contribution of transnational corporations to the development of developing countries through trade and investment.

71. These trends in intergovernmental discussions at the level of UNCTAD and the Commission on Transnational Corporations were further reinforced at the eighteenth special session of the General Assembly and in the consideration of the international development strategy for the 1990s, where the growing interdependence in the world economy and increasing linkages between money and finance, trade and development issues have been strongly emphasized.

72. On the basis of the joint policy review carried out by UNCTAD and the United Nations Centre on Transnational Corporations, the Secretary-General has concluded that the quality and coherence of the inputs that the two secretariats provide to intergovernmental bodies and the services they render to Member States in all areas related to trade and investment would be enhanced by measures that would bring about the closest possible programme integration between them, leading, to a significant extent, to common inputs and services. Such programme integration would benefit the two entities managerially: in recent years both have experienced expanding work programmes, in response to growing demands from intergovernmental bodies, with decreasing or static resources in view of the reduction in the United Nations budget as a whole; and both of them are being called upon to backstop and service a rapidly expanding programme of technical co-operation in response to growing requests from Member States. This would enable the United Nations as a whole to make a more significant and focused contribution to international co-operation in the crucial areas of trade and investment, which, for the reasons outlined above, are likely to be at the centre of the policy agenda for the 1990s.

73. The Secretary-General consequently intends to take appropriate measures to encourage and consolidate steps already being taken towards a joint UNCTAD/UNCTC programme, in the context of the overall work programmes of the two entities, consistent with the requests of their respective governing bodies. In the first instance joint programme activity to be undertaken during 1991 will consist of studies requested by the respective governing bodies on the trade-investment nexus and also focus on specific areas such as services, the role of the enterprise sector in development, environment and development, and relevant aspects of their technical co-operation programmes. Broader programme and institutional implications of these developments will be pursued in the context of preparations and review by the concerned intergovernmental bodies of the programme budget for the biennium 1992-1993.

74. The central role of technology in the development process is now acknowledged. A much greater effort is needed to ensure that the developing countries have access to technology. One way of enhancing the work within the United Nations in this area would be to relate more closely the work of the Centre for Science and Technology for Development with that of UNCTAD and the Centre on Transnational Corporations. This would reflect better the close relationship between investment, trade and the transfer of technology, and would also assist the Economic and Social Council and the General Assembly to consider these related issues in a more integrated manner and to formulate appropriate policy guidelines in the field of science and technology.

75. By developing attention and focus on the interrelated issues of trade, investment and technology in UNCTAD, a greater clarity can be achieved in the respective responsibilities of UNCTAD and the Department of International Economic and Social Affairs by strengthening the latter's monitoring capacity for global economic and social trends with a view to providing an integral view of socio-economic issues to intergovernmental bodies.

76. It is also clear that, in the future, co-ordination both within the United Nations and among the organizations of the United Nations system will become increasingly important. The global problems with which the international community is now confronted require a multidisciplinary and integrated response from the organizations of the United Nations system. To carry out its own mandate in the economic and social fields, the United Nations itself needs the active support and collaboration of the specialized agencies and programmes of the system. Co-ordination must be enhanced to ensure that the United Nations system is able to respond to the challenges of the future in a coherent and effective manner.

77. In the past several years, Member States have shown growing interest in co-ordination and in measures to increase the efficacy of existing co-ordination instruments. At the thirtieth session of the Committee on Programme and Co-ordination, it was agreed that there was a growing need for efficient and coherent utilization of the human and financial resources, as well as a complementarity of efforts, of the United Nations system as a whole. The Administrative Committee on Co-ordination has in this regard been requested to take measures to make its work more effective and relevant. The leadership role of the

Secretary-General, as Chairman of the Administrative Committee on Co-ordination, has been reaffirmed.

78. A number of steps have already been taken to establish close consultations and co-operative arrangements between the regional commissions and the central Secretariat units in the economic and social fields. The Director-General regularly convenes meetings of the senior officials on specific issues such as the one to be held at Vienna in 1991 on social development. Links have also been established between regional commissions for exchange of data, outlines and drafts in order to enhance the quality and complementarity of their outputs.

79. In response to decisions adopted at the forty-fourth session of the General Assembly and, particularly, at the seventeenth special session, devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs and psychotropic substances, a number of steps are being taken to bring about greater coherence, co-ordination and consolidation in the activities of the United Nations in regard to drug abuse control. The current session of the General Assembly is considering the report of the Secretary-General on the merger of the separate secretariat entities dealing with the question of drugs (A/45/652 and Add.1). Decisions in this regard will have far-reaching implications for the capacity and the effectiveness of the secretariat. inter alia, in providing support to relevant intergovernmental bodies in co-ordination and policy formulation.

80. With regard to the secretariat support for the Economic and Social Council, the Secretary-General had, in his note to the General Assembly (A/44/747), indicated the arrangements within the Secretariat to ensure that the Council was provided the substantive and technical backstopping as envisaged in its resolutions 1988/77 and 1989/114. The substantive requirements envisaged in these resolutions include the preparation of a number of new reports, notably the thematic analyses and the issue-oriented consolidated reports. The Secretary-General had noted that the preparation of these reports would involve the effective management and co-ordination of inputs from the respective substantive offices of the United Nations system as a whole as well as consistency in their policy orientation. In keeping with the overall responsibilities of the Director-General, the Secretary-General had decided to assign to him the responsibility for providing the substantive support as called for in the Council resolution 1988/114. The Economic and Social Council will continue to be provided with the necessary technical support by the Division of Economic and Social Council Affairs and Secretariat Services.

81. In his note referred to above, the Secretary-General had also indicated his intention to keep the secretariat structures under review. Such a review would take place in the light of decisions concerning the intergovernmental bodies in the economic and social sectors and on the basis of the requirements of the Economic and Social Council as these evolve in implementing provisions of its revitalization resolutions.

82. Some of the ideas and suggestions proffered in the present report have been discussed before, others are new and will no doubt stimulate further discussion. The important thing is that in recognizing the vital need for the Organization to be more effective in responding to the existing problems and emerging needs, Member States agree on the manner in which these issues will be addressed and accordingly provide the Organization with the necessary capacity to do so.

83. There is no doubt that an effective and systematic restructuring of the Organization requires solid financial support. In his analytical report of the implementation of General Assembly resolution 41/213, the Secretary-General stated that "the effectiveness of the United Nations system as a whole depends on timely and full payment by all Member States" (A/45/226, para. 260). In view of the financial constraints faced by the Organization in recent years, there has been an increasing use of extrabudgetary resources to finance many of its important activities. This trend deserves a careful review in the light of the original intent of the Charter as regards the manner in which the activities of the Organization are to be financed.

84. In this post-cold war era, the role and activities of the United Nations are of great importance for international co-operation. The Organization, to be in a position to fulfil new expectations and to meet existing responsibilities effectively and efficiently, must be provided with necessary long-term financial security. This matter deserves serious and urgent consideration by Member States.

85. There are clearly several areas in which the functioning of the United Nations intergovernmental machinery and secretariat structure in the economic and social sectors could be strengthened. This, however, is a continuing process responding to the changing needs of the international community and resulting from the experiences of its functioning.

Notes

1/ Official Records of the General Assembly, Forty-first Session, Supplement No. 49 (A/41/49).

2/ The original core of specialized agencies was created to deal with specific issues of labour (International Labour Organisation (ILO)), food and agriculture (Food and Agriculture Organization of the United Nations (FAO)), education and science (United Nations Educational, Scientific and Cultural Organization (UNESCO)), civil aviation (International Civil Aviation Organization (ICAO)), international finance and money (World Bank and International Monetary Fund (IMF)), health (World Health Organization (WHO)), postal services (Universal Postal Union (UPU)) and telecommunications (International Telecommunication Union (ITU)). These have grown to include meteorology (World Meteorological Organization (WMO)), maritime transport (International Maritime Organization (IMO)), patents and copyrights (World Intellectual Property Organization (WIPO)) and financing for agriculture (International Fund for Agricultural Development (IFAD)) and industrial development (UNIDO). In addition, two organizations with special relationships with the United Nations were created to deal with some aspects of trade and with

Notes (continued)

nuclear power, namely, the General Agreement on Tariffs and Trade (GATT) and the International Atomic Energy Agency (IAEA), created in 1948 and 1958, respectively.

3/ "A New United Nations Structure for Global Economic Co-operation" (United Nations publication, Sales No. E.75.II.A.7).

4/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 1 (A/45/1).

5/ Martin Hill, The United Nations System: Co-ordinating its Economic and Social Work. Cambridge, Cambridge University Press for UNITAR, 1978

6/ Official Records of the General Assembly, Forty-second Session, Supplement No. 1 (A/42/1).
