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

Reform and renewal in the United Nations: progress report of
the Secretary-General on the implementation of General Assembly
resolution 41/213

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 3	4
II. FOUNDATIONS FOR THE FUTURE	4	4
III. THE REFORMS	5 - 65	6
A. Planning the reforms	5 - 6	6
B. The contents of this report	7 - 11	7
C. The structure and functioning of the Secretariat	12 - 49	8
1. The political sector	14 - 24	8
2. The economic and social sectors	25 - 33	10
3. Public information	34 - 38	15

* A/42/50.

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
4. Conference services	39 - 42	16
5. Administration and finance	43 - 49	17
D. Matters pertaining to personnel and related to budgetary and administrative questions	50 - 65	18
IV. CONCLUDING OBSERVATIONS	66 - 67	21
Chart on the implementation of reforms		23

ANNEX

Administration and management

I. INTRODUCTION	1	26
II. ADMINISTRATION, FINANCE AND PERSONNEL	2 - 55	26
A. Structure of the Department of Administration and Management	2 - 7	26
B. Travel costs	8 - 11	27
C. Budgetary matters	12 - 19	28
D. Rented space	20 - 21	30
E. Consultants	22 - 23	30
F. Meetings and conferences	24	30
G. Conference facilities	25	31
H. Management of human resources and delegation of authority	26 - 28	31
I. Staff regulations, staff rules and personnel manual ...	29 - 31	31
J. Principles and methods guiding the filling of posts ...	32 - 38	32
K. Women	39 - 42	33
L. Nationals of developing countries	43	34
M. Occupational groups	44 - 45	35

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
N. Rotation	46	35
O. Performance evaluation and promotions	47 - 50	35
P. Training	51 - 53	36
Q. Staff union activities	54	37
R. Administration of justice	55	37
III. OTHER MATTERS	56 - 57	37
<u>Appendix:</u> Index of recommendations by the Group of High-level Intergovernmental Experts		39

I. INTRODUCTION

1. The fortieth anniversary of the United Nations was marked by a universally expressed desire on the part of Member States to strengthen the world body so that it could better serve the great purposes and principles for which it was established. The forty-first session gave practical form to this intent. Faced with a crisis that threatened the very viability of the Organization, Member States rose above their differences to agree on a series of practical steps to improve its functioning.

2. The resolution of 19 December 1986 to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, 1/ adopted by the General Assembly on the report of the Group of High-level Intergovernmental Experts and particularly the consensus reached on the budgetary process, could signify a historic turning point. It will do so if Governments and the Secretariat meet the imperatives of the present juncture. For it is not only the familiar concerns of efficiency and effectiveness, of streamlining and rationalization, and paring away the excessive layers of bureaucratic procedures that have inevitably built up over the years - important as these are - that are at issue. We are grappling with something much more fundamental: how to make the world organization at once more responsive to the increasingly complex and intractable global problems of today and better prepared to face the yet unknown challenges of the coming decades.

3. The process of renewal and reform must recapture the sense and purpose of the Charter of the United Nations in a world that is changing with a rapidity unprecedented in history, where one of the few constants is the ever-closer interweaving of the destinies of all countries and all peoples. This is the wider vision that I believe must guide our endeavours. I have set about the tasks incumbent upon me through General Assembly resolution 41/213 from this perspective. It is thus fortunate that we shall simultaneously be addressing not only the 1988-1989 programme budget, in which the tangible financial benefits of our efforts will begin to be reflected, but, even more significantly, the preparation of the medium-term plan for 1990-1995, which must map out the horizons of the future.

II. FOUNDATIONS FOR THE FUTURE

4. In order to pursue the goal of reform in a manner that will increasingly witness the realization of the ideals that we have accepted under the Charter, certain common points of reference must be established at the outset:

(1) A genuine commitment to the revitalization of the Organization must be shared by all its Members.

(2) There must be an end to the present financial uncertainties. No process of sound, long-term reform or rationalized management can prosper in an atmosphere of daily emergency that consumes energies and wastes resources in devising short-term, ad hoc solutions. An unequivocal budgetary framework with a clearer indication of priorities, accompanied by an equally unequivocal

commitment on the part of Member States to honour their obligations under the Charter, is essential to the health of the Organization. Furthermore, it is essential that all arrears be promptly paid.

(3) The essentially political roots of the financial crisis and the call for reform must both be reflected in the solutions. Improving the administrative and financial functioning of the United Nations without addressing the fundamental issue of "efficiency to do what?" will not achieve the desired objective. The implementation of the recommendations of the Group of High-level Intergovernmental Experts is therefore only one dimension of the necessary action. To enable an institution made up of sovereign States of such varying national interests to function more effectively, Member Governments must define with clarity the issues to be collectively addressed in the coming decades.

(4) The Secretariat is a principal organ of the United Nations and the Secretary-General, as its Chief Administrative Officer, has, under the Charter, the responsibility to manage its financial and human resources. This responsibility must not be eroded or divided if the Secretary-General is to organize the internal structures of the house and make the necessary personnel decisions in a manner that enhances the efficiency and the effectiveness of the Organization.

(5) Renewal and reform must be a continuing and dynamic process following an orderly and sequential approach. Rational and adequately planned implementation of the report is assured by the larger framework of the programme planning and budgeting process. The requirement that the draft programme budget for 1988-1989 be submitted at the normal time to the Committee for Programme and Co-ordination (CPC) and the Advisory Committee for Administrative and Budgetary Questions has not permitted me to reflect some of the results emanating thus far from the implementation of the recommendations made by the Group of High-level Intergovernmental Experts. Therefore, for the programme budget for the biennium 1988-1989, I shall be submitting revised estimates which, together with the 1990-1991 programme budget, will reflect the implementation of the various recommendations. At the same time, the elaboration of the medium-term plan for the period 1990-1995 should provide Member States with a unique opportunity to reflect and agree on a new and dynamic agenda for the 1990s. To that end, I shall submit a plan which will embody a vision of the long-term goals and objectives of the Organization and aim to strengthen its relevance to the global issues of peace, security and sound development.

(6) Ideally, the restructuring of the Secretariat should follow that of the intergovernmental machinery, since a direct relationship exists between possible changes in the latter and the size, composition and work of the Secretariat staff. The Group of High-level Intergovernmental Experts pointed to the magnitude and complexity of the intergovernmental structures and the pressing need for reform. The results of the review now being carried out by Governments will not, however, be available until the three-year period for accomplishing actions within the Secretariat is nearing its close and the

preparation of the 1990-1991 programme budget is far advanced. This oblige me to proceed without awaiting the outcome of the review and may therefore entail subsequent adjustments.

(7) The complexities of the reform process, as well as the impact of significant reductions of posts in circumstances of continuing financial stringency, impose a period of transition during which it will not be possible to get all the variables in place. This interim phase must be carefully planned and used to assemble the different parts of the mosaic so that, at the end of the three-year period, the full pattern will be realized. Patience and pragmatic understanding will be needed on the part of Member States and, wherever possible, the reservation of final judgments until the whole exercise has been completed.

(8) While the report of the Group of High-level Intergovernmental Experts spoke of the need to reduce staffing and costs without causing any negative impact on the current level of programme activities, it must be understood that some adjustments will be needed. This is not only on account of limited resources, but much more important, if the Organization is to keep pace with the times, then both Member States and the Secretariat must ensure that all its mandated programmes reflect genuinely priority concerns.

(9) There is also a need for both Member States and the Secretariat to accept the practical consequences of the drive for rationalization and streamlining. This will require an unprecedented degree of restraint on both sides and a willingness to set aside national, sectoral or purely bureaucratic interests.

III. THE REFORMS

A. Planning the reforms

5. The reform process is based on General Assembly resolution 41/213, which in turn resulted from the report of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations. I have also taken full account of the findings of the Fifth Committee in its report to the General Assembly (A/41/795), as well as of the other indications included in resolution 41/213.

6. I have on numerous occasions reiterated my own strong commitment to economy and administrative efficiency and had taken energetic steps from the very outset of my first term in office. The ambitious and comprehensive programme of reforms now envisaged clearly requires special impetus and careful preparation. To that end I appointed, in September 1986, a Special Co-ordinator, working out of my office in close co-operation with the Director-General for Development and International Economic Co-operation and the Under-Secretary-General for Administration and Management, and assisted by a small team of officials redeployed from their regular functions. The intention was not to duplicate existing mechanisms or create new structures, but to provide, under my personal direction, the necessary planning and

co-ordinating framework and the initial momentum. In short, the role of the Special Co-ordinator's Office has been catalytic rather than operational. Now that the process is well underway, the office is being disbanded, and the follow-up actions will be taken through the normal channels, with the key responsibility assigned to the Under-Secretary-General for Administration and Management.

B. The contents of this report

7. Since the actions prescribed over the three-year period 1987-1989 cover virtually all facets of the Organization's work and structures, only partial results can be chronicled in this first progress report, which is written barely three months after the General Assembly adopted the resolution.

8. One of the complicating factors in this immense task is that many of the required actions are intimately interrelated. Much of this initial period has therefore been necessarily devoted to planning the overall operation, lest we lose sight of the wood for the trees. It is accordingly my aim not only to record here those actions towards reform that have already been taken, together with their implications, but also to map out the strategy for completing the rest of the work over the remainder of the three-year period.

9. There are also problems of presentation. The recommendations that I am called upon to implement vary from injunctions of a broad, sweeping nature to others of close administrative detail, even minutiae. Their impact is similarly diverse: at one extreme, with consequences of a policy, and even political, nature; at the other, of a technical character requiring to be reflected in budget fascicles or administrative instructions. In order to do justice to these widely different aspects and concerns, while still maintaining the concept of the reform process as a composite whole, I am confining the main body of this report to a broad description of the actions taken, and planned, in the context of the general policy and philosophical thrust of the reforms, and attaching as an annex more detailed information on specific administrative, financial and personnel matters.

10. In order to facilitate comprehension of the time-frame and the complex interrelationships between the work of the intergovernmental bodies and that of the Secretariat on the issues relating to the reforms, the medium-term plan for the period 1990-1995 and the programme budget, a chart of the whole process is provided on page 23 of the present report.

11. The 71 recommendations contained in the report of the Group of High-level Intergovernmental Experts, in so far as they affect the Secretariat, can be considered as falling into two broad categories: those entailing structural reviews, leading to streamlining and rationalization; and those concerned with personnel and administrative matters, ranging from reduction in the number of posts to specific budgetary and administrative concerns. The two categories are obviously interlinked, but in order to present the overview more clearly I shall deal with them separately.

C. The structure and functioning of the Secretariat

12. The recommendations of the Group of High-level Intergovernmental Experts posit reviews in virtually every aspect of the Secretariat's activities:

- (a) The political sector;
- (b) The economic and social sectors;
- (c) Public information;
- (d) Conference services;
- (e) Administration and finance.

13. Reviews have been launched in all of these areas. Some are virtually completed, others still in progress. In all cases I have instructed that close attention be paid to the general concerns expressed in section III of the report of the Group of High-level Intergovernmental Experts, namely, the need to eliminate duplication and increase productivity and cost-effectiveness, thus enabling the Organization to be more responsive to the needs of Member States; to reduce top-heaviness, fragmentation and undue complexity, in order to arrive at a leaner and more efficient Secretariat; and to consolidate field offices wherever possible.

1. The political sector

14. In the case of the political sector, the Group of High-level Intergovernmental Experts pointed out that no less than nine departments, centres or offices existed and made a number of recommendations for simplifying them.

15. In consonance with the approach described in the introduction to the present report, I have, in reviewing the political sector, not only taken into account the general and specific issues raised by the Group, but also the equally impelling need to fashion a structure for dealing with political issues that will equip the Organization to serve the goals of the Charter in the decades ahead.

16. One of the main tasks of a forward-looking and dynamic United Nations must surely be to try to guide the often opposing tendencies of interdependence and national interests into courses that may ultimately converge, in the interests of the future security - in the widest sense of the term - of the world community as a whole. What is necessary is understanding of the critically important interests that transcend national ambitions or concerns and constitute a unifying element for all nations and societies.

17. How can we best embark on such a daunting endeavour? First and foremost, I believe that we must concentrate on seeing problems in the proper light. One of the duties of the United Nations in a crisis, or in anticipation of a crisis, is to be alert to all the nuances and to serve as an ever-available forum for contacts between Governments that can allay the underlying fears and suspicions. Within the

framework of the United Nations, solutions may develop which the adversaries, left to themselves, would never consider. However, this requires conscious support on the part of Member States continuously to strengthen the means available to the United Nations to keep watch over actual and potential points of conflict.

18. Information and communication, properly used, are key instruments here. Yet, the means at the disposal of the United Nations for obtaining up-to-date, publicly available information have been primitive by comparison with those of many Member States - and indeed most transnational corporations. In order to carry out successfully his responsibilities under the Charter and implement the political tasks mandated to him by the Security Council and the General Assembly, the Secretary-General needs to be able to marshal more effectively than at present the available information so as to enable him to institute expeditiously the most appropriate means of preventive diplomacy in particular situations of tension and potential conflict. What is needed, in sum, is a more refined instrument which will increase the Organization's preparedness for emergencies and enable it to act surely and swiftly. Moreover, strengthening the institutional basis of preventive diplomacy would also facilitate the work of the Security Council. Information and sound analysis are essential tools for breaking down the barriers to peace-making.

19. In order to make the fullest use of available resources for this purpose, the changes that I have introduced into the political sector, and announced on 2 March 1987, included the establishment of the Office for Research and the Collection of Information, in which the collection and dissemination of publicly available data previously performed in various offices have been consolidated and a structure created to take full advantage of the Secretariat's capacity to identify threats to peace at an early stage. The Office will co-ordinate long-range analysis and related research to be provided by the appropriate departments, to which the data resources of the new office will be available, as appropriate. This arrangement responds to the concerns of the Group of High-level Intergovernmental Experts regarding duplication of such efforts and the consequent need to consolidate them, expressed in their recommendation 18.

20. Rationalization has also been the keynote of the other changes made in these structures. As a result, five offices have been consolidated into other entities, namely:

(a) The work of the Office for Field Operational and External Support Activities (aside from information dissemination) has been integrated into the Department of Administration and Management, in accordance with recommendation 17;

(b) The political responsibilities of the Office for Special Political Questions have been consolidated into the Department for Special Political Questions, Regional Co-operation, Decolonization and Trusteeship. Secretariat support for the Commissioner for Namibia is also being consolidated in that Department where service is provided for the Council for Namibia. This arrangement responds both to recommendations 19 and 21 of the Group of High-level Intergovernmental Experts;

(c) The functions of the Office of Secretariat Services for Economic and Social Matters relating to the technical servicing of meetings are being assumed by the Department for Political and General Assembly Affairs and Secretariat Services;

(d) The functions of the Special Representative of the Secretary-General for Co-ordination of Kampuchean Humanitarian Affairs have been assumed by the Executive Secretary of the Economic and Social Commission for Asia and the Pacific, in the field, and by the Under-Secretary-General for International Economic and Social Affairs at Headquarters (thus fusing the function with that of Special Representative of the Secretary-General for Humanitarian Affairs in South-East Asia, already held by that Under-Secretary-General).

21. Most aspects of the work on maritime matters have been consolidated into the Office for Ocean Affairs and the Law of the Sea.

22. The resources implications of these changes are still being worked out at the time of writing this report, but preliminary estimates indicate that they should lead to a significant saving of posts, nearly half of them at the Professional level.

23. In the case of recommendation 20 - the proposed structuring of the Department for Disarmament Affairs so that it may better assist Member States in following disarmament negotiations and related disarmament questions - a review is underway, and the results will be implemented later this year.

24. These actions respond to recommendations 16, 17, 18, 19, 20 and 21 of the Group of High-level Intergovernmental Experts. Under the section entitled "Political affairs" in its report, the Group of High-level Intergovernmental Experts clustered some other recommendations that also have connotations for the economic and social spheres, namely, recommendations 22, 23 and 24. These accordingly form part of the overall review of the economic and social sectors to which I will turn next.

2. The economic and social sectors

25. The report of the Group of High-level Intergovernmental Experts points out the great importance of the economic and social sectors in the United Nations as reflected in the high percentage of resources allocated to them and their enormous complexity, variety and geographic dispersion. The problems identified by the Group relate not only to duplication, as in the political sector, but also on the perception that the work carried out in research, analysis and operational activities is not "sufficiently responsive to the changing realities at the global and regional levels".

26. My earlier observations about the sweeping transformations that have taken place in the world since the founding of the United Nations are even more apposite to the economic and social sphere. The United Nations has adopted a pragmatic approach in responding to these developments, in seeking a mutual accommodation to diverse interests and in balancing the innate contradictions between the

inward-looking concerns of nationalism and the ever-more pressing demands for international co-operation. The resultant multiplicity of offices and range of effort reflect the constantly changing priorities of Member States as well as an increasing appreciation of the multi-disciplinary nature of economic and social development. The current review provides an opportunity to reassess both structure and functioning so as to ensure continuing relevance in our work.

27. I have in other contexts expressed my grave concern about the serious problems that afflict the international economy and, in particular, their negative impact on prospects for developing countries. In general terms then, the challenge to the international community is how to manage the growing interdependence of States. The plight of so many developing countries, mired in debt and forced to impose harsh adjustment policies that further reduce what are, in many cases, already pitifully meagre living conditions, is common headline news today. But the industrialized countries are themselves in the throes of difficult adjustment processes as a result of social and industrial changes, brought about, inter alia, by the vertiginous advances in science and technology and the concurrent problems of unemployment and often widening income differentials. Nor can they remain immune or aloof from the troubles of the developing world, because the ultimate destinies and welfare of both are inexorably linked through commerce and, in the last analysis, by the finite nature of the world trading economy as a whole. Moreover, if the necessary resources for development are not made available, social deterioration can be expected to continue and become an increasingly serious source of political unrest and instability. There is, therefore, an immediate need to reverse current trends of stagnation and deterioration.

28. The requirement to see the world economy as a whole poses new and major demands on multilateral co-operation and offers a special role for the United Nations. In addition to carrying out many activities of direct benefit to peoples around the globe, the United Nations is uniquely qualified to be the forum for developing new working consensus for world economic and social development which integrates the various specializations within the Organization itself (e.g. environment, human settlements, etc.) and draws on the expertise of the system as a whole. First, the primary objectives of the United Nations, as set out in the Charter, coincide with the highest historical ideals of all of humanity. Second, its political base and universality make it a natural forum in which to pursue analytical approaches that differ from those of other organizations with special sectoral concerns and limited membership. Third, the United Nations is multi-disciplinary and should take greater advantage of this asset to adopt an innovative and more integrated approach to development and international economic co-operation issues. Fourth, its operational activities are neutral and have been effective, even in sensitive areas. They are, moreover, strongly slanted towards improving the quality of life and putting a human face on development. These special characteristics must shape any restructuring proposals made either by Member States in the context of the review of the intergovernmental machinery or, more generally, by myself.

29. These complexities, and the need to look at the problem from the perspective of making the economic and social structures and activities of the United Nations more attuned to the realities of today's world economy and social problems, call

for an in-depth review, as recognized by the Group of High-level Intergovernmental Experts. Such a review was started in December 1986, in response to recommendation 25 (1), under the direction and responsibility of the Director-General for Development and International Economic Co-operation and is expected to be completed by the end of 1987.

30. This does not, of course, preclude immediate action and I have taken a number of important decisions in this regard, which are already being implemented:

(a) With regard to enhancing the authority of the Director-General for Development and International Economic Co-operation in carrying out his responsibilities as set forth in General Assembly resolution 32/197 [recommendation 25 (3)], it is emphasized that the Director-General operates under the authority of the Secretary-General from whom his own derives; accordingly, no additional legislative authority is required. The Director-General will continue to assist the Secretary-General in arranging regular informal consultations among executive heads of the United Nations system, as well as to organize regular meetings of groups of managers within the United Nations to review and discuss activities in specific economic and social sectors, with the view to promoting greater co-operation and joint work in the implementation of work programmes;

(b) As a practical measure to facilitate inter-agency co-ordination, the Assistant Secretary-General of the Office of the Director-General for Development and International Economic Co-operation has been designated to serve as well as Chairman and Secretary of the Organizational Committee and the Administrative Committee on Co-ordination, respectively;

(c) General Assembly resolution 32/197 provides the basic framework for the clustering of activities in the economic and social sectors, in particular with regard to the Department of International Economic and Social Affairs, the Department of Technical Co-operation for Development, the United Nations Conference on Trade and Development (UNCTAD) and the regional commissions. More recently, the Centre for Social Development and Humanitarian Affairs has been established as a separate entity as a part of a broader reorganization of social activities in Vienna. A review is underway with a view to defining more clearly the responsibilities and interrelationships of these basic units in the light of experience and current requirements in order to establish a basis for a more efficient, effective and coherent allocation of responsibilities in the economic and social sectors;

(d) In response to recommendation 27, a Secretariat study on the regional commissions will be undertaken to consider further implementation of General Assembly resolution 32/197 as well as the desirability of concentrating areas of emphasis reflecting conditions in the respective regions and enhancing complementarities among the commissions and with other United Nations entities;

(e) At Headquarters, the heads of the Centre for Transnational Corporations and the Centre for Science and Technology for Development will be reporting to me through the Under-Secretary-General for International Economic and Social Affairs. With regard to the Centre for Science and Technology for Development, I will

recommend that the General Assembly resolution 34/218 ("United Nations Conference on Science and Technology for Development") be amended accordingly;

(f) In Geneva, the Director-General of the United Nations Office at Geneva has assumed supervisory responsibility for human rights activities. This brings the double advantage of ascribing greater prominence to a key component of the Organization's activities that is vitally relevant to peoples all over the world, while at the same time contributing to the reduction of senior posts and the perceived "top-heaviness" and fragmentation of the present structures;

(g) In Vienna, in pursuance of the heightened focus on social issues predicated earlier, and in response to recommendation 25 (1), United Nations activities on social policy and development have been concentrated under the Director-General of the United Nations Office at Vienna, incorporating the Centre for Social Development and Humanitarian Affairs (which, for that purpose, has now been detached from the Department of International Economic and Social Affairs in New York) and, after the International Conference on Drug Abuse and Illicit Trafficking to be held in June 1987, the co-ordination of all United Nations drug-related programmes previously undertaken by the Under-Secretary-General for Political and General Assembly Affairs. This arrangement will have the substantive advantage of clustering together important interrelated activities in the social field that have previously been dealt with in a less unified manner and should enable the Organization to speak with a clearer and more coherent voice on major social issues, including many that are perceived worldwide as central to development in its most profound sense and to the attainment of political and social stability based on justice. The essential linkages with the economic activities of the Organization will be assured through close co-operation with the Department of International Economic and Social Affairs. A further advantage here too is the economizing of higher-echelon posts, as required in recommendation 15 of the Group of High-level Intergovernmental Experts;

(h) Globally, I have embarked on changes in the representation of the United Nations in the field. This is the level where the United Nations is best able to reach out and touch the lives of ordinary people. My objective is to obtain a rational pattern of United Nations representation that is both highly effective and efficient. The underlying principles I am applying in restructuring United Nations field offices are:

- (i) The United Nations should have a presence that is able to reach every part of the world;
- (ii) This presence should present a cohesive and focused image of the United Nations; but should not preclude the closing or merging of existing offices where this can be justified on grounds of cost-effectiveness without having a negative impact on programme delivery;
- (iii) The creation of new field offices will be avoided and every opportunity taken to use common premises and share common facilities (recommendation 12). To implement this decision, a study will be conducted in the next three months under the aegis of the Joint

Consultative Group of Programmes (UNDP, UNICEF, WFP and UNFPA) to provide a systematic assessment of field offices on a country-by-country basis to determine concrete steps on how the offices, including the use of common facilities, can be rationalized without diminishing the effectiveness of programme delivery. The Office of the United Nations High Commissioner for Refugees (UNHCR) will be associated with this exercise;

- (iv) As a first practical step towards simplifying representation at the field level, I have decided, in agreement with the Administrator of the United Nations Development Programme, to consolidate United Nations Information Centres with the offices of the Resident Co-ordinators/Resident Representatives, wherever this is not already the case and it can be shown that a joint arrangement will be at once more cost-effective and efficient while at the same time respecting programme delivery requirements. An in-depth study is being undertaken, with the full participation of the Department for Public Information (DPI) and UNDP and on the basis of the principles enunciated above and on the understanding that such consolidation will not result in any additional cost to UNDP. This exercise will be co-ordinated with the review undertaken by the Joint Consultative Group of Programmes mentioned above. Any eventual expansion of the joint arrangement, which already exists in a number of countries, will have, among others, two major advantages: first, it could set an example for the rest of the United Nations system, and there is no doubt in my mind that a more frugal pattern of field representation would greatly improve both the image and the impact of the system as a whole; and second, it will release much-needed resources that can be used, inter alia, to improve and modernize DPI's operations overall. Thus, this action addresses both recommendations 12 and 37 (3);
- (v) In order to clarify further the authority of the United Nations Resident Co-ordinator and thus enhance co-ordination at the field level, as required by recommendation 11, the Resident Co-ordinator will henceforth represent the Secretary-General in the country of assignment, except in those situations where other arrangements are more appropriate;
- (vi) The administration of the special economic assistance programmes will henceforth be the responsibility of UNDP, except in cases of political sensitivity where other arrangements might be appropriate. This responds to recommendation 22.

31. In addition to the actions already taken in response to recommendation 25 (1), an in-depth programmatic review of activities in the economic and social sectors is in process. The clarification of responsibilities of the major entities will serve as a basis for the allocation of specific activities, including such adjustments as may be necessary to eliminate duplication and to enhance effectiveness and complementarity of action. The following broad areas have been identified as requiring detailed attention with a view to possible reform: global analysis and reporting, energy and natural resources, science and technology, economic and technical co-operation among developing countries (ECDC/TCDC), national development strategies, and the relationship between operational and substantive activities. The review is to be completed by the end of 1987.

32. In order to eliminate overlapping of activities of the Department of Technical Co-operation for Development (DTCD) and other United Nations organs (recommendation 26), consultations are in process between the Department of International Economic and Social Affairs and DTCD and between UNDP and DTCD to ensure complementarity of activities between substantive and operational programmes in the first instance and between funding and executing roles in the second.

33. With regard to recommendation 24, the Office of the United Nations Disaster Relief Co-ordinator (UNDRO) is being retained as a separate entity located in Geneva, but measures will be taken to improve its performance. The comprehensive review and assessment of existing mechanisms and arrangements for emergency assistance and co-ordination called for in General Assembly resolution 41/201 will provide a basis for specific recommendations both in this regard as well as for the co-ordination and rationalization of emergency humanitarian and special economic assistance programmes called for in recommendation 23.

3. Public information

34. In recommendation 37, the Group of High-level Intergovernmental Experts called for a complete overhaul of the functions, working methods and policies of the Department of Public Information. There can be no doubt that the information capacity of the Organization must keep abreast of the revolutionary advances that have taken place in this field. Such an evolution should not only be technical but, even more important, consonant with the wider vision of the role and potential of the Organization. A conceptual framework, therefore, needs to be developed for specific reforms and improvements.

35. In my observations on the political role of the United Nations, I drew attention to the overwhelming importance of information and communication. It follows that the United Nations cannot afford to be a closed institution. To date, the Organization has concentrated mainly on communications with sovereign States, the first tier of the United Nations global constituency. This has to some extent ignored the tapping of the second-tier global constituency, the world's peoples. I am convinced that I must do everything in my power to assist Governments in expounding the principles of the United Nations, to the parliaments, the media and the universities of Member countries, and to ensure that they are aware of the measures being taken to translate them into practical actions of general benefit.

36. Ways and means must be found whereby the United Nations can offer a wider doorway through which non-governmental bodies and public movements can express ideas and promote action programmes on matters of world concern and thus feel themselves to be a more integral part of international relationships and decision-making. Such a wider dimension would also enlarge the debate on political, economic and social issues and could help to break the stalemate on many problems now institutionalized within the Organization.

37. If the United Nations is to develop the capacity to undertake a tight, realistic and acceptable agenda for the 1990s, it must seek to enlarge the circle of active public opinion in support of the United Nations and develop a new

awareness of its value and potential, especially among the younger generations, by helping people to discover and visualize tangible benefits that touch their lives directly.

38. The review of the activities of the Department of Public Information with these principles and objectives in view has begun on 1 March 1987 when the new Under-Secretary-General assumed the direction of the Department. Three phases are envisaged: the first, to be completed by the beginning of June 1987, will cover the Department's major fields of activities and the management system, including access to technology and funding policies; the second, to be completed before the forty-second session of the General Assembly, will examine the distribution of human, technical and financial resources, and ways and means of rendering policies and programmes more effective in reaching opinion-builders; while the third will consist of the implementation of a new structure, to be in place by the end of 1987.

4. Conference services

39. Most of the first seven recommendations of the Group of High-level Intergovernmental Experts, relating directly or indirectly to conference services, require action by Governments, acting individually or collectively: the strengthening of the Committee on Conferences; the significant reduction of the number of conferences and meetings; the streamlining of the procedures and methods of work under the General Assembly and its subsidiary organs, particularly its Main Committees; the enforcement of the principle that United Nations bodies should meet at their respective headquarters and, in any contrary case, that all additional expenses be covered by the host Government; and the curtailment of requests by Member States that their communications be distributed as official documents.

40. The Department of Conference Services can and should play an active, supportive role in bringing about these improvements. As a general practice it has co-operated closely with the Committee on Conferences in monitoring the use made by United Nations organs of conference services and in suggesting practical ways in which the resources placed at their disposal can be applied more effectively. The response has been encouraging and has contributed to a marked improvement in efficiency.

41. In the specific context of the implementation of General Assembly resolution 41/213, the Department has sent reminders on the need for reducing the frequency and cost of meetings to all relevant bodies, with a request for specific proposals. Furthermore, the Department has already submitted to the Committee on Conferences a number of draft recommendations concerning the strengthening of the Committee itself, the object of recommendation 1 of the Group of High-level Intergovernmental Experts as well as proposals for the servicing of other intergovernmental bodies. Action is also underway to ensure the harmonization of working procedures of conference services among all United Nations offices which provide them, thus meeting another of the Group's express concerns. It is also my hope that, as a result of the Special Commission's work, Member States will be able to effect an appreciable curtailment both in the flow of documents and in the frequency of meetings relating to the economic and social sector.

42. Recommendation 34 refers specifically to actions required within the Department of Conference Services itself, both as regards increasing its efficiency generally and improving the external printing arrangements and the publications programme. Within the limitations of the resources available to acquire new equipment and take advantage of the latest technological developments, the Department seeks, on a continuous basis, to minimize the resources needed to ensure the provision of effective services, in relation to the meetings, documents and publications required by member Governments. The technological innovations proposed in the programme budget for 1988-1989 aim to increase still further the efficiency and productivity of virtually all aspects of the conference-servicing operations. I am satisfied that these measures now in train will further strengthen the Department's ability to carry out all of its activities and servicing responsibilities.

5. Administration and finance

43. Probably the most important proposal of the Group of High-level Intergovernmental Experts under this heading was contained in recommendation 32, which called for all Secretariat activities relating to programming planning and budgeting to be brought together within a coherent structure. Its significance derives from the obvious correlation with parallel proposals to modify planning and budgeting mechanisms addressed later in the Group's report, as recognized by the Fifth Committee in its own report to the General Assembly (A/41/795).

44. After careful review, I have established an Office for Programme Planning, Budgeting, Monitoring and Evaluation in the Department of Administration and Management, which will consolidate appropriate functions heretofore performed by the Office of Programme Planning and Co-ordination (in the Department of International Economic and Social Affairs) and the Budget Division of the Office of Financial Services (in the Department of Administration and Management). The functions of the new office, which came into being on 1 March, are described in the annex to the present report.

45. In keeping with the importance that I have always attached to improving the functioning of the Organization, I have taken prompt action on the other specific recommendations relating to administration in the report of the Group of High-level Intergovernmental Experts. They embrace the following aims: to simplify the structure of the administrative and support services; to reduce duplication of effort; to strengthen lines of authority and to suppress hierarchical layers, with the aim of achieving greater efficiency; and to contain costs in relation to posts, travel and consultants.

46. A preliminary review of the Department of Administration and Management has led already to a number of key changes. The post of Assistant Secretary-General in charge of General Services has not been filled.

47. Furthermore, the three executive offices that formerly serviced the Offices within the Department of Administration and Management (Finance, Personnel and General Services) have been consolidated into one office, as proposed in

recommendation 40. This consolidation will facilitate the management of staff in the administrative sector, reduce risks of duplication and inconsistencies and ensure tighter budgetary and financial control. Staff savings will result.

48. Further changes can be anticipated over the coming months. I am convinced that particular attention must be paid not only to structures, but also to procedures and methods of work. This work will concentrate on further computerization and greater use of technological innovations. It will also address the simplification of procedures so as to shorten lines of communication, reduce processing delays, and delegate authority appropriately while, at the same time, pinpointing responsibility and ensuring adequate accountability and control.

49. In this connection, it is proposed to undertake a comprehensive improvement of the Department of Administration and Management, Executive Offices of the other Departments and the regional commissions. In the initial phase of such an exercise the overall effectiveness and efficiency of the Department, including its structure and major components, processes, roles and responsibilities, staffing levels and costs will be reviewed. An immediately subsequent phase will address the development of an overall framework for administrative and financial systems, which is greatly needed to ensure that accurate, timely information is available to decision-makers, that key operations and functions are properly supported and that available technology is used to the maximum.

D. Matters pertaining to personnel and related to budgetary and administrative questions

50. The whole thrust of the report of the Group of High-level Intergovernmental Experts has far-reaching implications for the personnel of the organization. There can be no doubt that the arduous task of reform and renewal of the United Nations will exact the highest quality of service from the Secretariat, particularly since the same - indeed, better - results will be expected from a staff significantly reduced in size. It is therefore of critical importance, as I have repeatedly stressed, to bring about the changes mandated by the General Assembly in ways that will avoid lowering morale already shaken by long months of financial uncertainty. Rather, the crisis should provide an opportunity to reorient personnel policies and practices, within the framework laid down by the Charter, so as to establish a sounder basis for the development of a highly-qualified and dedicated Secretariat rooted in recognition of merit, fair practices and conditions of service proper to the high professional and personal standards required and to the international character of the service, with due regard for geographical distribution and the representation of women. This is the spirit in which I have approached the implementation of General Assembly resolution 41/213.

51. Recommendation 15 is of key importance, since it recommends a substantial reduction in the number of staff members at all levels, but particularly in the higher echelons, and establishes certain principles about the quality and composition of the Secretariat, avoidance of any negative impact on programme activities and the need for new recruitment. Subsequently section IV spells out more detailed actions relating to personnel policy and management in recommendations 41 to 62.

52. I have already taken action towards the target of a 25 per cent reduction in the number of regular budget posts at the level of Under-Secretary-General and Assistant Secretary-General (recommendation 15 (2) (b)). Since such posts numbered 57 when the report of the Group of High-level Intergovernmental Experts was issued, a total of 14 would need to be eliminated in the stipulated period of three years. As a result of the restructurings already enacted and described in the previous section, I have to date decided not to fill nine such posts.

53. The same recommendation specifies a comparable reduction in posts at those levels funded from extrabudgetary resources. I have requested the heads of the organizations concerned to advise me how they propose to implement recommendation 15. In every case, the initial replies have outlined past efforts to limit the number of higher-level posts and concluded that, for various reasons, no reduction in the present level is possible without affecting programme delivery. Moreover, they have referred to the fact that the current number and level of posts has been approved by the respective governing bodies. For my part, I am pursuing this matter further and I am bringing this part of recommendation 15 to the attention of the governing bodies concerned.

54. The target of a 15 per cent reduction in the overall number of posts within three years, propounded in recommendation 15 (2) (a), needs to be seen both within the context of the present and projected staffing of the Organization and of the structural reviews outlined in the previous section.

55. While I have at all times striven to separate the problems of the immediate financial shortfall, which demands expeditious short-term containment measures, from the process of reform, which needs carefully planned measures devised to have a long-term impact and shape the future of the Organization in the desired direction, it is difficult to maintain this distinction in the case of personnel, since 70 per cent of the regular budget is for staff costs. It was mainly for this reason, as I explained to the Fifth Committee during the forty-first session of the General Assembly, that I had no alternative, as a responsible administrator, but to extend the recruitment freeze imposed in April 1996 until such time as the finances of the United Nations are on an even keel once more and the present imponderables, which render efficient management of resources extremely difficult if not impossible, are dispelled. In one sense, a continued freeze and the resultant increase in the vacancy rate could expedite progress towards the 15 per cent target. This, however, would mean that I would not be able to respond to the injunction, in recommendation 15 (3) (d), and supported by many Member States, that recruitment should continue, especially at the junior Professional levels. I fully agree that it is essential and urgent for new blood to be injected into the Organization. I profoundly hope, therefore, that the contributions situation will soon be regularized so as to permit me to manage the Organization in a more rational manner.

56. A further drawback to the recruitment freeze is that it is a blunt instrument, which operates haphazardly and further distorts the geographical distribution of the Secretariat, whenever staff happen to leave the Organization, for whatever reason. It thus leads inexorably to an increasingly irrational distribution of resources in relation to programme needs, just at the time when those resources

need to be husbanded more carefully because they are declining. In the present circumstances I remain convinced that, out of fairness to the staff, the reduction of posts must be achieved to the maximum extent through attrition. Furthermore, the Organization does not have the wherewithal to meet the considerable financial outlays required to offer early retirement which, I believe, can be desirable in some instances, or to offer agreed termination to staff in contractual status.

57. In order to counteract the adverse effects of a continuing recruitment freeze and the process of attrition, I introduced, in December 1986, a new system of vacancy management and staff redeployment. There are two main objectives: to identify existing current vacancies which it is essential to fill in order to fulfil key programme mandates; and to redeploy to those essential posts staff occupying posts considered of less vital importance in the present contingency.

58. While this is essentially an emergency measure to alleviate the immediate impact of the financial crisis, it has been designed in such a way that it can logically lead into the phased retrenchment, linked to restructuring, required by the report of the Group of High-level Intergovernmental Experts. It will also pave the way for a more rational and equitable system of career development and of planned job rotation as posited in recommendation 49.

59. Simultaneously, preparations are underway for launching this more far-reaching process which will have a profound effect on the Organization for years to come. There is no time to be lost. As the chart on page 23 demonstrates, decisions on the future size and shape of the Organization must be in place by the end of this year if the timetable for completing the whole exercise by the end of 1989 is to be achieved.

60. The reduced and modified staffing table for the Secretariat will be fully reflected in my proposed programme budget for 1990-1991. I was obviously unable to include such changes in my programme budget for 1988-1989, which reflects the number and level of posts as approved in the programme budget for 1986-1987. In order to ease the transition towards an eventual post reduction of 15 per cent by the end of 1989, I have built into the 1988-1989 budget estimates a vacancy rate higher than usual.

61. As a conceptual framework for the exercise, a model staffing profile has been developed. Since a key objective is to achieve a more balanced and less top-heavy structure, it follows that reductions at the higher levels will have to be higher than 15 per cent while those at lower levels will be less.

62. Similarly, the 15 per cent reduction cannot be arbitrarily applied across the board to all departments and offices but has to take into account the current situation in each, the actual vacancy rate, the capacity to fulfil key mandated programmes, and so on. While any reduction lower than the norm in one part of the Organization has to be compensated by higher decreases elsewhere, the burden must also be seen to be shared on a reasonably equitable basis, hard as this is to demonstrate objectively. The structural reviews will also contribute significantly to the success of this operation, both quantitatively and qualitatively.

63. I have naturally taken careful note that recommendation 15 envisages that an initial 15 per cent reduction in posts [subparagraph (2)] within three years may be followed by additional reductions as a result of restructuring [subparagraph (4)]. In practice, the order of events is likely to be somewhat different. Because the current financial difficulties impose an abrupt decline in the incumbency of posts that still figure in the budget, it becomes critically important - and indeed unavoidable - to effect the 15 per cent reduction of actual posts simultaneously with the structural reviews. This is necessary in order to limit the danger of extending the arbitrariness that is the unfortunate but inescapable accompaniment of the present financial stringency. Any other approach would perpetuate present anomalies and fail to endow the Organization with a sound framework and a staffing pattern that will allow it not only to meet the immediate objective of reducing costs, but also the even more crucial challenges of the 1990s and beyond. This cannot be a mere stop-gap operation.

64. In parallel with these fundamental changes, prompt action is also being taken on the numerous recommendations contained in section IV of the report of the Group of High-level Intergovernmental Experts. The Office of Personnel Services is being strengthened so that it can contend with the strenuous task that lies ahead and its name has been changed to the Office of Human Resources Management as required by recommendation 41. Since the actions listed in the remaining recommendations are mostly of a detailed nature, they are described in the annex to the present report.

65. I have also moved to reduce still further expenditure on travel (both of representatives travelling to the General Assembly and of staff) and on consultants, as required by recommendations 6, 38 and 35 and to study ways and means of reducing rental costs in accordance with recommendation 36. Details of these matters, as well as on actions to harmonize the format of programme budgets in general (recommendation 13) and of regional commissions in particular (recommendation 28) are given in the annex, which also describes the present arrangements for ensuring the autonomy of the internal audit function and concludes that they meet the requirements of independence posited in recommendation 39.

IV. CONCLUDING OBSERVATIONS

66. From the outline I have provided in this report of the reform measures that have been set in motion, two salient conclusions emerge:

(1) The present broad reforms must be undertaken not only to increase cost-effectiveness and rationalize utilization of resources - essential as these are - but also to strengthen the United Nations so that it will be capable of bringing the world forward towards the goals of the Charter in an environment of profound and continuing change.

(2) Despite the difficulties and the short time that has elapsed between the adoption of General Assembly resolution 41/213 and the presentation of this first progress report, considerable advances have been made both as regards actions already taken and those planned:

(a) Extensive restructuring and rationalization have already been effected in the political sector, a concomitant reduction in posts will result;

(b) Several important steps of like nature have been taken in the economic and social sectors and more will follow before the end of 1987;

(c) Key changes have also been introduced in the administrative section, most important (but not exclusively) through the merging of the programming and budgeting functions, and others will ensue during the rest of the year;

(d) Similar actions are underway in the areas of public information, where new structures reflecting a dynamic new approach to the key function of making the United Nations better understood by Governments and peoples alike should also be in place by the end of this year;

(e) Continuing reviews are underway in Conference Services with a view to achieving improved management, particularly through the application of new technologies;

(f) The "top-heaviness" of the staffing structure has been significantly alleviated by the reduction in the number of Under-Secretaries-General and Assistant Secretaries-General by some 15 per cent, as a first step towards the target of 25 per cent by the end of 1989;

(g) A vacancy management and staff redeployment plan has been introduced to ensure the optimum distribution of the reduced staffing resources available in relation to the requirements of the mandated programmes, and build the foundations of a more equitable and effective system of career development;

(h) Good progress has been made to identify posts for reduction over three years in accordance with the goal of 15 per cent; the longer-term retrenchment plan is expected to yield by the end of 1987 target staffing levels for each Department and office that will guide our actions in 1988 and 1989, which will then be reflected in the 1990-1991 budget.

67. I look forward to the comments, advice and support of Governments in this endeavour.

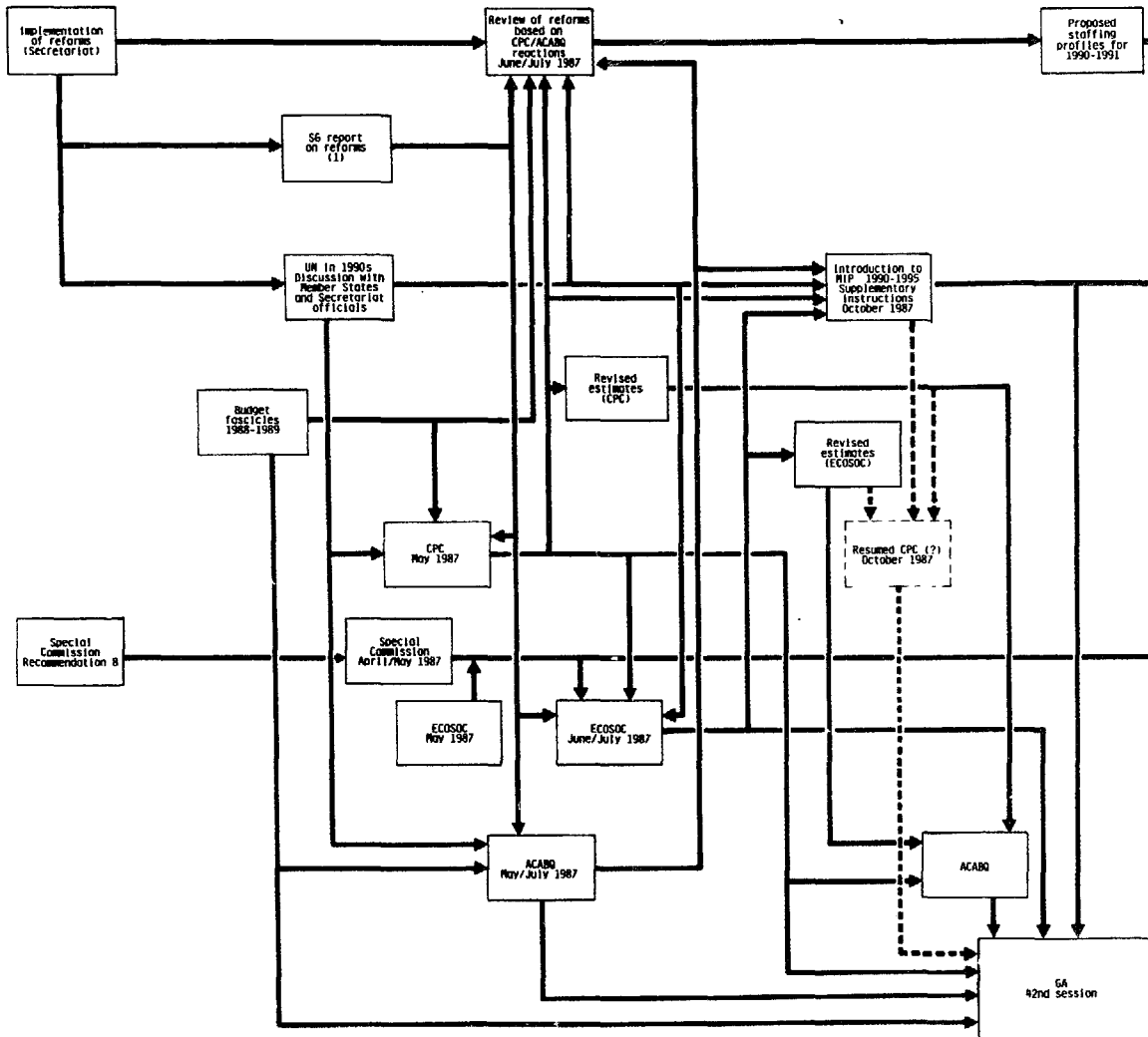
Notes

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

CHART ON THE IMPLEMENTATION OF REFORMS

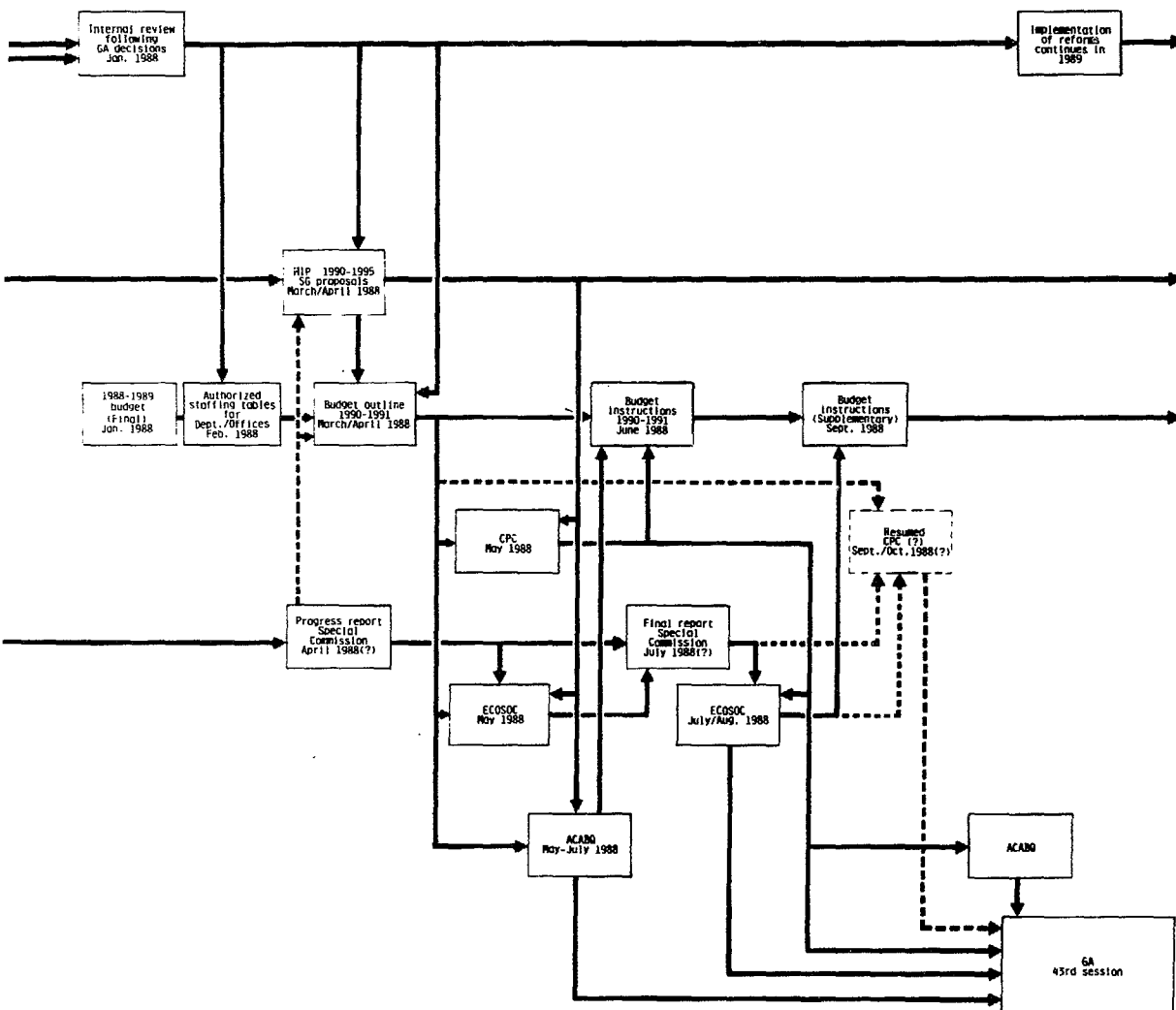
1987

February April June August September October November December



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January February March April May June July August September October November December



ANNEX

Administration and Management

I. INTRODUCTION

1. The present annex contains details of the actions already taken in the area of general administration to implement General Assembly resolution 41/213 of 19 December 1986 and the recommendations presented by the Group of High-level Intergovernmental Experts, and of the plans in hand to carry out the remainder.

II. ADMINISTRATION, FINANCE AND PERSONNEL

A. Structure of the Department of Administration and Management

2. In his note to the General Assembly on the report of the Group of High-level Intergovernmental Experts (A/41/663) the Secretary-General indicated the importance he has consistently attached to improving the functioning of the Organization in order to be more responsive to the needs of the Member States and use the resources allocated in the most efficient and cost-effective manner.

3. To simplify the structure of the administrative and support services, the Secretary-General has established an Office within the Department for Administration and Management that brings together activities relating to programme planning and budgeting under a coherent structure. a/ In deciding upon this action, the Secretary-General has taken into consideration the General Assembly's decision regarding the programme planning and budgeting process and the views expressed by Member States in the Fifth Committee (A/41/795), as well as recommendation 32. The new Office of Programme Planning, Budgeting, Monitoring and Evaluation consolidates appropriate functions heretofore performed by the Office for Programme Planning and Co-ordination in the Department of International Economic and Social Affairs and the Budget Division in the Office of Financial Services. The main functions of this office will be to prepare the Secretary-General's medium-term plans based on submissions by departments and offices; to undertake cross-sectional and intersectoral analyses; to ensure co-ordination with specialized agencies in the preparation of medium-term plans; to prepare the Secretary-General's proposed programme budgets and assess the programmatic implications and estimated costs of new programmes considered by the General Assembly and its committees; to develop uniform planning, programming and budgeting techniques; to establish monitoring systems and prepare programme performance reports; to develop evaluation methods for programme managers and to conduct periodic in-depth evaluations of programmes; to assist in developing systems and data bases to facilitate the formulation of plans and programme budgets; to provide substantive support to intergovernmental and experts bodies (Committee for Programme and Co-ordination (CPC), Advisory Committee on Administrative and Budgetary Questions, Fifth Committee of the General Assembly, etc.) and to clear documents prepared by other units for possible programme budget implications. The Office is headed by an Assistant Secretary-General who reports

directly to the Under-Secretary-General for Administration and Management. The Secretary-General is convinced that this reorganization will enhance the Secretariat's contribution to the programme planning and budgeting process, including the substantive servicing of the Programme Planning and Budgeting Board (an internal advisory board), but most of all the servicing of CPC, the Advisory Committee and the Fifth Committee of the General Assembly.

4. Taking into consideration recommendation 31 and the need for a small internal management consultancy service to assist with the task of streamlining the Secretariat and enhancing its efficiency, the Management Advisory Service will now operate under the direct authority of the Under-Secretary-General for Administration and Management. This will shorten lines of communication and ensure maximum efficiency during this transitional period.

5. Furthermore, the administrative units servicing the offices within the Department of Administration and Management (Finance, Human Resources, General Services) have been consolidated into one office as proposed in recommendation 40. This consolidation will facilitate the management of staff in the administrative occupation and will ensure a tighter control of the budget and finances of these offices.

6. Recommendation 33 proposes the consolidation of the support activities of the permanent liaison offices in New York of various Secretariat entities in a single office. This matter is now under review in the light of the other structural reviews being carried out and in the context of the retrenchment plan required to implement recommendation 15.

7. It is essential to the maintenance of a proper and efficient control over the expenditures of the Organization that the internal audit function be conducted in compliance with the highest professional standards. This means, inter alia, its independence, and the non-subordination of the audit judgement as stated in recommendation 39. These standards are consolidated in present arrangements, whereby a separate division of the Department of Administration and Management, headed by a Director having the possibility of constant and direct access to the Under-Secretary-General, conducts audits of all Secretariat offices at Headquarters and other duty stations, and co-operates closely with the Panel of External Auditors. To ensure the autonomy of its functions, the Internal Audit Division reports directly to the head of the office being audited, and not through the Under-Secretary-General for Administration and Management. Thus, should the need arise, the Director of Internal Audit can report directly to the Secretary-General in the latter's capacity as the Chief Administrative Officer of the Organization. These arrangements have proven satisfactory to all concerned.

B. Travel costs

8. In response to recommendation 6, the Secretary-General intends to include in the proposed programme budget for the biennium 1988-1989 a reduction in respect of travel of representatives to the General Assembly and make provision for one first class and four economy tickets for each of the 40 Member States included in the

list of least developed countries. b/ The Rules Governing Payment of Travel Expenses and Subsistence Allowances in respect of Members of Organs or Subsidiary Organs of the United Nations c/ will be revised to reflect the above-mentioned recommendation. However, due to the financial crisis, reimbursement for travel of representatives to the forty-second session of the General Assembly will be further limited to one first class and two economy tickets for representatives of each of the least developed countries as proposed by the Secretary-General in his report on economy measures for 1987 and in accordance with General Assembly decision 41/466 of 11 December 1986.

9. Two measures have been taken to reduce the overall travel of staff as requested in recommendation 38. In January 1985, the Secretary-General established a procedure that requires staff to obtain prior authorization of the Executive Office of the Secretary-General for all official travel to conferences and meetings. d/ This procedure has been recently further strengthened as a result of a review of the experience in this respect and continues to play an important part in the efforts to reduce the travel of staff.

10. The second measure, introduced in January 1986, provides for a withholding of 20 per cent of the appropriations approved for travel of staff; it was taken in the context of the current financial crisis, and was extended to 1987. The proposed programme budget for the biennium 1988-1989 will also reflect reductions in resources for the travel of staff.

11. As set out in the relevant administrative instruction, e/ classes other than first class will continue to be the basic entitlement for both the United Nations Secretariat and those non-Secretariat officials covered by General Assembly resolution 37/240 of 21 December 1982.

C. Budgetary matters

12. Recommendation 13 states that efforts to harmonize the format of the programme budgets of the organizations of the United Nations system should be vigorously pursued. In 1985, the General Assembly adopted resolution 40/250 of 18 December 1985 on administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency, in which, inter alia, it recommended "that further efforts be made to achieve the maximum possible standardization and comparability in the budgetary and administrative practices of all organizations concerned".

13. In September 1986, owing to time constraints the General Assembly postponed consideration of item 113, "Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency", until its forty-second session.

14. In a document to the Fifth Committee (A/C.5/41/23), the Administrative Committee on Co-ordination (ACC) quoted from a statement by the Chairman of the Advisory Committee on Administrative and Budgetary Questions to that Committee at the thirty-ninth session of the General Assembly, as follows:

"... Many similarities existed in the ways the agencies prepared their budgets, as a result of the considerable efforts made over the years to promote standardization and harmonization. However, it was inevitable - but that should be no cause for concern - that differences would remain in technique and approach which were the result of a variety of factors, such as the structure and size of the agency, the procedures of its legislative body and the nature of its programme. The Advisory Committee therefore considered that, while further effort at standardization and harmonization should be encouraged, it should also be borne in mind that the prime objective in preparing a budget should be to set forth the estimates in a manner which was clear and understandable to the governing body concerned and which was responsive to the special requirements of that body."

15. Agreements have been worked out under ACC auspices over the years to harmonize budgeting practices and budget presentation among the organizations of the system. ACC stated at the forty-first session that these agreements constituted a solid basis for harmonization in budgeting practices and improved transparency and comparability of budget documents, to the extent that these aims are compatible with individual governing bodies' need for consistency in the presentation of successive budgets. As noted also by ACC, the Joint Inspection Unit work programme includes a comparative study, scheduled for completion in 1987, of the budgets of the organizations of the system. This matter will therefore be before the General Assembly at its forty-second session.

16. Recommendation 28 proposed that the format for the presentation of resources pertaining to the regional commissions should be harmonized in future programme budgets [to include costs of administration, conference and general services for the Economic Commission for Europe (ECE) budget section].

17. Under the present arrangement, resources for administration, conference and general services for different United Nations entities at Geneva, including ECE, are combined and administered by the United Nations Office at Geneva (UNOG), whereas for the other regional commissions these resources are included in the regular budgets of these commissions, as noted in recommendation 28. The costs relating to administration, general services and conference services are included in the parts of sections 28 and 29 of the proposed programme budget, respectively, which deal with the budgets for UNOG. This integrated management system has proved to be effective and more efficient than having the resources administered by each of the entities concerned located in Geneva such as the the United Nations Conference on Trade and Development, the Economic Commission for Europe, the Center for Human Rights and the Office of the United Nations Disaster Relief Co-ordinator.

18. In order to provide the required information without losing the advantages of the integrated management, the present system will be continued in the proposed programme budget for 1988-1989 but the resources provided in UNOG's budget relating to ECE will be indicated in the introduction of section 10 which pertains to ECE.

19. In accordance with recommendation 62, the Secretary-General has discouraged the practice of transferring extrabudgetary posts to the regular budget. Accordingly, no request for the transfer of such posts is included in his proposals for the 1988-1989 programme budget.

D. Rented space

20. A major consideration in the rental of outside premises has been the ability to consolidate offices and departments into rational units as regards utilization of space. While it is recognized that a logical consequence of the reduction in the overall size of the Secretariat will bring about a reduction in the requirement for office space, such space cannot be relinquished at the cost of sacrificing its rational use. Thus, the surrender of rental space (by whatever contractual means available to the Organization under the terms of existing leases), although in the long run reflecting the reduction in the number of staff members, cannot be strictly concurrent with this reduction.

21. In the latter part of 1986, a study of reciprocal rental arrangements between the United Nations, specialized agencies and other organizations within the system was initiated. In conjunction with this study, it is the intention to review the existing overall arrangements on rental premises, also including in that review a qualitative assessment to the Organization of renting out the premises.

E. Consultants

22. Recommendation 35 on the reduction of the amount spent on outside consultants by 30 per cent is being taken into account in the preparation of the proposed programme budget for 1988-1989. For 1987, expenditures for consultants are being curtailed by approximately 35 per cent as part of the economy measures to deal with the current financial crisis in accordance with General Assembly decision 41/466 of 11 December 1986.

23. The last part of this recommendation calls for abolishing the practice of hiring retired staff members. The Secretary-General wishes to recall his view that an absolute prohibition against the hiring of retired staff members may not be in the interest of Member States, since such staff members often provide specific expertise on temporary assistance in a more effective and less costly manner than could otherwise be obtained; this is particularly true in the case of language services.

F. Meetings and conferences

24. In response to recommendation 4, the Secretariat has issued an administrative instruction that provides guidelines to Secretariat officials responsible for preparing and finalizing host Government agreements for meetings held away from Headquarters in order to ensure that additional costs to be borne by host Governments are determined in a consistent manner and that all additional costs are accounted for.

G. Conference facilities

25. Recommendation 5 will be implemented when the construction of new conference facilities is envisaged. The Secretary-General will present to the General Assembly at its forty-second session a progress report concerning the construction projects for the Economic Commission for Africa and for the Economic and Social Commission for Asia and the Pacific.

H. Management of human resources and delegation of authority

26. In response to recommendation 41, a review has been initiated of all delegations of authority in personnel matters and in other fields, such as financial matters, which may affect the management of human resources. This review will concentrate on delegations of authority given to departments and offices within the Secretariat, including those which serve particular organs, such as the regional commissions, the United Nations Conference on Trade and Development, the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat). This review will result in the issuance of a comprehensive document on delegation of authority, which will include monitoring procedures.

27. Subsequently, consideration will also be given to the authority delegated to the heads of a number of subsidiary organs, which derives from General Assembly resolutions or decisions. If, as a consequence of this review, it is considered desirable to make revisions to the existing delegations of authority, the Secretary-General will take the necessary initiatives.

28. Also in response to recommendation 41, the name of the Office of Personnel Services has been changed to the Office of Human Resources Management. f/ The steps that have already been taken in this direction include recruitment planning, classification of posts, advertising of vacancies up to the D-1 level, competitive examinations (for external recruitment at the junior Professional levels and for promotion to these levels of staff from other categories) and, most recently, the development of career planning mechanisms on the basis of occupational groups. These mechanisms are already in place for staff in the General Service and related categories at Headquarters and will be set up in the near future for staff in the Professional category and above and for staff in the General Service and related categories at other duty stations. At the same time, more transparent methods of selection for appointment and promotion have been introduced. For instance, the system of vacancy management and redeployment of staff recently introduced to fill essential posts now vacant as a result of the recruitment freeze g/ ensures, in particular, that staff are selected for vacant posts through a process involving a review by the appointment and promotion machinery.

I. Staff regulations, staff rules and personnel manual

29. A review of the staff rules, as called for in recommendation 42, has been initiated to identify inconsistencies and ambiguities which would call for amendments to the provisions of the staff rules. Secondly, while the staff rules

are amended regularly to implement General Assembly resolutions and consequential amendments to the staff regulations approved by the Assembly, the review will examine the degree to which other resolutions and decisions of the Assembly should be incorporated into the text of the staff rules. The review has begun with the disciplinary and appellate procedures governed by chapters X and XI of the staff rules. These rules are applicable to the Secretariat, including the staff of subsidiary organs of the Organization and the Registry of the International Court of Justice.

30. Recommendation 42 also calls for the establishment of a personnel manual. The preparation of a thematic personnel manual is a task that would require substantial human resources. At present, officials use a Personnel Administrative Handbook which is a compilation of all personnel related bulletins and instructions and is regularly updated and distributed to all offices. This Handbook, which has proved to be a very useful working guide for personnel administration, will be reproduced in a more handy and well-organized format together with a detailed subject-index on all personnel matters and with a comprehensive introduction. This initial project will be followed by the development of a manual, chapter by chapter, as resources become available.

31. This recommendation urges that the applicability of the rules and regulations to all entities of the United Nations system be considered; it has, therefore, been brought to the attention of the International Civil Service Commission (ICSC) and the Consultative Committee on Administrative Questions (CCAQ). It should be borne in mind, however, that other organizations have no obligation to accept rules and regulations which do not emanate from their governing bodies. At the same time, there is agreement between the organizations to develop common personnel policies so as to ensure as much uniformity as is practicable concerning conditions of service. As a result of recommendations that may be expected from ICSC on common staff regulations, all organizations of the United Nations common system should in time have similar provisions in their staff regulations.

J. Principles and methods guiding the filling of posts

32. As mentioned previously (see paras. 67-68 of the report and para. 28 of the present annex), the recently initiated vacancy management system reviews vacant posts to determine which should be filled, in the light of programme priorities, work-load and classified job descriptions. As part of the review called for under recommendation 15 (see paras. 68-73 of the report), a post-by-post review is being undertaken in each department and office in light of programme priorities, legislative mandates and the restructuring of the Secretariat to achieve the desired staffing profile for the Secretariat in 1990.

33. Thereafter the Secretary-General will consider instituting permanent mechanisms to deal with vacancies in the light of programme orientation and changing mandates, as may be decided by the legislative bodies, to ensure efficient use of resources as proposed in recommendation 56. Candidates for the vacant posts deemed essential will be reviewed by the appointment and promotion bodies, which will establish a short list of candidates from which programme managers will select the staff member to be assigned to the vacancy in their area.

34. To fill Professional posts at the junior levels, competitive examinations are normally administered in a limited number of Member States each year. Until recently, these examinations were organized mainly in the Member States that were underrepresented or unrepresented. The scope of these examinations is being broadened, as requested in recommendation 43, to increase the participation of Member States currently adequately represented. In addition, the standards and criteria of the examinations are being reviewed to determine how to minimize the differences between internal and external examinations, while recognizing the differences deriving from the fact that one is a promotion exercise and the other a recruitment process.

35. Clear criteria for the selection of candidates for posts at other levels will also be established. It is intended to conduct tests to determine the drafting ability of external candidates who have not been selected through national examinations.

36. The basic thrust of recommendation 44 is to increase the proportion of appointments at the P-1 to P-3 levels. This objective has been taken into account in the overall retrenchment plan, which provides for a lower percentage of reduction in posts at the P-3 level while increasing the number of posts at the P-2 level. However, this recommendation will be implemented fully only when the financial situation allows it.

37. Recommendation 45 proposes that staff members be considered for permanent appointments after three years of service. The Secretary-General believes that this recommendation should be reviewed after the retrenchment and restructuring exercises have been completed. At the same time, the Secretary-General will need to retain necessary flexibility to take into account other factors besides performance such as the nature of the expertise required, the foreseen duration of functions, the source and expected duration of the funds. This will be an opportunity to review the proportion of staff on fixed-term or permanent appointments as requested in recommendation 57 and in accordance with General Assembly resolution 35/210 of 17 December 1980. This review will be done in conjunction with the planning of the Organization's human resources requirements.

38. As stated in recommendation 55, it is not desirable to have posts reserved for specific nationalities. The Secretary-General intends to maintain adequate representation for all Member States, while at the same time ensuring that no post is regarded as the exclusive preserve of any Member State.

K. Women

39. Recommendation 46 requests the Secretary-General to take additional measures to ensure a greater representation of women in the Professional category and above. The Secretary-General appointed a Co-ordinator for the Improvement of the Status of Women in the Secretariat and presented to the General Assembly at its fortieth session an action programme (A/40/30), which contained detailed work plans in the areas of recruitment, career development, training, conditions of service and administration of justice. The General Assembly, through

resolution 40/258 of 18 December 1985, approved this programme and set the target of 30 per cent for the representation of women in posts subject to geographical distribution to be achieved by 1990.

40. The Secretary-General also established a high-level Steering Committee, with the Office of the Co-ordinator as its secretariat, to advise him on specific measures that could be taken to strengthen the participation of women in the work of the Organization. Thus far, the Steering Committee has submitted two reports containing some 40 recommendations covering a broad range of issues. These have been approved subject only to the present financial constraints; many of the proposed measures are already being implemented, and a timetable has been established for the remaining group of measures (related to training, career development, recruitment, conditions of service as they affect family life, and the grievance redress system in the area of gender discrimination, which have been generally approved by the Secretary-General).

41. In this context, specific guidelines have been given to the departments and offices and to the appointment and promotion bodies to strengthen the promotion prospects for women by taking into account the length of their service at previous levels as well as at their current levels, in order to redress past inequalities. Moreover, the Secretary-General made a number of key appointments in the highest echelons early in 1987 (two at the level of Under-Secretary-General, two at the Director level).

42. As long as the recruitment freeze has to be maintained in view of the financial situation, it is not possible to make major improvements in the proportion of women in the Professional category, but in the few cases where exceptions are granted, efforts are made to select more women. While the Secretary-General is fully committed to increase the representation of women, full support from Member States will be required to achieve this goal. The Secretary-General intends to submit a detailed report on the progress made in this area to the Fifth Committee of the General Assembly at its forty-second session.

L. Nationals of developing countries

43. Recommendation 47 concerning the nomination of nationals of developing countries in senior level posts follows similar requests made by the General Assembly starting in 1975. The proportion of nationals of developing countries appointed to senior level posts has increased steadily and efforts will continue to be made. The indicative planning figures for appointments from each group of countries will be established and will be used as a basis for determining the progress made to achieve this objective taking into account the pattern of reduction of posts envisaged in the retrenchment plan.

M. Occupational groups

44. Staff members should be recruited and their careers developed on the basis of occupational groups according to recommendation 48. This view is shared by the Secretary-General. Since 1979, appointments and promotions to junior Professional posts have been made on the basis of examinations organized along occupational groups. Recruitment to Professional posts at other levels was reorganized along occupational lines in January 1985 with recruitment officers responsible for specific occupations. Vacancy announcements and publicity will similarly be reoriented along occupational lines.

45. In the area of career development, in order to ensure the effective and efficient placement of staff, a system has been designed that includes first the grouping of posts by occupation, and secondly, the mapping of clearly defined career paths within and between occupational groups. The assignment of posts at the Professional level to the appropriate occupation is part of the process of job classification and has now covered over 60 per cent of all Professional and higher level posts. A computerized data base unit will show the occupation to which the staff member is assigned. Career paths have been developed for the statistical occupation and are being developed for the political affairs occupation. The emerging career development plan will cover all occupational groups for all categories of staff.

N. Rotation

46. Within the framework of the career development plan, a rotation and mobility system is being designed. The overall objective is to facilitate the assignment of staff to different duty stations and functions as well as to develop proposals on rotation and mobility schemes within and across duty stations, taking into account occupational groups and duty station classifications as established by the International Civil Service Commission. Mobility is being encouraged as part of the vacancy management and staff redeployment system referred to above (see para. 32 of the present annex).

O. Performance evaluation and promotions

47. Data on promotions of staff in the Professional category and at the Principal Officer (D-1) level in posts subject to geographical distribution have been reported to the General Assembly in the annual reports of the Secretary-General on the composition of the Secretariat from the thirty-eighth to the fortieth session, but not in the report to the forty-first session since the promotion review for that year had been postponed as part of the economy measures. Such data will be included in future reports with regard to staff in posts subject to geographical distribution and posts with special language requirements.

48. The system of performance evaluation is a major component of the career development plan and serves as a basis for the review of staff considered for promotion. A new improved and simplified performance evaluation system is being

formulated which will take into account the element of comparability proposed in recommendation 50. A feasibility study on computerization of data on performance evaluation reports is in progress. It will address the reporting requirement contained in this recommendation.

49. The criteria for promotion have been developed over the years and take into account relevant General Assembly resolutions and decisions as well as the International Civil Service Commission recommendations. These criteria are brought each year to the attention of heads of departments and offices at the beginning of the yearly promotion exercise.

50. With regard to the functions and composition of the joint appointment and promotion bodies, care is taken to ensure the participation of staff from various regions of the world and a proper balance between men and women. These bodies will be restructured along occupational lines as called for by the new career development system.

P. Training

51. Recognizing the necessity for effective training programmes geared to the needs of the Organization as called for in recommendation 58, a series of activities were conducted in 1985 and 1986, in co-operation with departments and offices, relating to training needs and impact analysis. Based on the results of these activities, which included pilot projects in key training areas, a number of changes were introduced in the 1987 training programme with the following objectives:

- (a) Allocation of the existing limited resources to top training priorities;
- (b) Reinforcement of co-ordination of training programmes Secretariat-wide;
- (c) Definition and identification of target groups of participants in courses to optimize utilization of limited training resources in priority areas;
- (d) Application of the training-the-trainer approach to multiply the impact of available resources;
- (e) Evaluation of the effectiveness of training activities and their impact on the trainee and the organizational unit concerned.

52. The training activities included in the 1987 programme are far from satisfying the Organization's needs as, for instance, in the field of electronic data processing and other areas related to office automation and training in modern management skills. It is expected that training needs will increase as technological innovations are introduced and the Secretariat must deliver programmes with fewer human resources. Such needs, in order to be met, would require a greater allocation of resources than is now available.

53. There is no doubt that present allocations are too small for effective human resources development. In this regard, the ratio of training budgets to total staff costs can provide a useful indicator. The occupational training budget of the Secretariat represents approximately 0.06 per cent of total staff costs. Comparable ratios reported in a 1985 survey were 0.6 per cent in the United Nations Children's Fund, 0.8 per cent in the International Labour Organisation and 0.8 per cent in the World Bank - 10 to 13 times higher than in the United Nations. The training budget of national bureaucracies in some developed countries is 33 to 66 times higher than the United Nations training budget.

Q. Staff union activities

54. An overall review of the framework for staff-management relations will be undertaken as requested in recommendation 59. Such a review would include organizational arrangements. An administrative document consolidating texts regulating staff-management relations will be issued.

R. Administration of justice

55. At its forty-first session, the General Assembly decided to refer to the forty-second session reports presented to it by the Secretary-General relating to reform in the system of administration of justice. Having regard to this, and since such system requires a major overhaul to ensure both greater efficiency and lower cost, steps have been taken towards establishing a revised and simplified machinery by early 1988 as called for in recommendation 60, with related amendments to both chapters X and XI of the staff rules (see also para. 29 above). Meanwhile, emergency measures have been taken to eliminate the backlog of appeals before the Joint Appeals Board and to diminish the case-load of the United Nations Administrative Tribunal. Such interim measures are expected to effect perceptible improvement in the present situation.

III. OTHER MATTERS

Issues affecting the common system

56. Finally, issues that affect the United Nations common system, which are contained in recommendations 53 and 61, have been referred to the International Civil Service Commission as mandated in General Assembly resolution 41/213 of 19 December 1986.

57. The Secretariat also intends to avail itself of the expertise of the Commission on relevant issues.

Notes

a/ ST/SGB/223 of 13 February 1987.

b/ Afghanistan, Bangladesh, Benin, Bhutan, Botswana, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Democratic Yemen, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Malawi, Maldives, Mali, Mauritania, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu and Yemen.

c/ ST/SGB/107 of January 1971.

d/ ST/SGB/207 of 5 December 1984.

e/ ST/AI/249/Rev.2 of 15 August 1983.

f/ ST/SGB/224 of 13 February 1987.

g/ ST/SGB/221 and ST/AI/338, both of 22 December 1986.

APPENDIX

Index of recommendations by the Group of High-level Intergovernmental Experts

For ease of reference, an index of the recommendations contained in the report of the Group of High-level Intergovernmental Experts relating to the work of the United Nations is provided below with an indication of the paragraphs of this report where they are mentioned.

<u>Recommendation</u>	<u>Paras.</u>	<u>Page</u>	<u>Recommendation</u>	<u>Paras.</u>	<u>Page</u>	<u>Recommendation</u>	<u>Paras.</u>	<u>Page</u>
1	39-42	16	22	30	12	41	64	21
2	39-42	16	23	33	15	Annex	26-28	31
3	39-40	16	24	33	15	42	Annex	29-31
4	39-40	16	25	29-31	11	43	Annex	34-35
	Annex	24	30	32	15	44	Annex	36
5	Annex	25	31	27	12	45	Annex	37
6	65	21	28	30	12	46	Annex	39-42
	Annex	8	27	Annex	21	47	Annex	43
7	39-40	16	29	16-18	29	48	Annex	44-45
8	4	4	30	20	9	49	Annex	58
11	30	12	31	46-49	17	Annex	46	35
12	30	12	32	Annex	4	27	50	Annex
13	65	21	33	43-44	17	51	Annex	47-48
	Annex	12-15	28	Annex	3	26	53	Annex
14	12-13	8	34	Annex	6	27	55	Annex
15	30	12	35	Annex	42	17	56	Annex
	Annex	51-55	18	Annex	65	21	57	Annex
		58-63	20	Annex	22-23	30	58	Annex
		6, 32	27, 32	Annex	65	21	59	Annex
16	24	10	36	Annex	20-21	30	60	Annex
17	20	9	37	Annex	34	15	61	Annex
18	18	9	38	Annex	65	21	62	Annex
19	20	9	39	Annex	9-11	28		
20	23	10	40	Annex	65	21		
21	20	9	40	Annex	7	27		
				Annex	47	17		
				Annex	5	27		