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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL
JOINT INSPECTION UNIT

ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1985
Item 8 of the provisional
agenda**
REGIONAL CO-OPERATION

Report on the Economic and Social Commission for Asia
and the Pacific

Comments of the Secretary-General

The Secretary-General has the honour to submit to the General Assembly and the Economic and Social Council his comments on the report of the Joint Inspection Unit entitled "Report on the Economic and Social Commission for Asia and the Pacific" (JIU/REP/85/1).

* A/40/50/Rev.1.

** See Economic and Social Council decision 1985/101.

ANNEX

Comments of the Secretary-General

1. The report of the Joint Inspection Unit (JIU) on the Economic and Social Commission for Asia and the Pacific (ESCAP) has been prepared within the context of the mandate and approved programme of work of JIU as a part of a series of studies undertaken by JIU on the progress being made in implementing General Assembly resolution 32/197 of 20 December 1977 on the restructuring of the economic and social sectors of the United Nations system. The Inspectors have made several recommendations for improving the work of ESCAP, which fall under the following headings: organization, programme and resources. The Secretary-General is in general agreement with their recommendations and, while taking into consideration the views expressed by other organizations of the United Nations system, will devise appropriate mechanisms for their implementation.
2. In general, the Secretary-General endorses the view of the Inspectors that ESCAP is a regional multidisciplinary economic and social development centre, striving to expand its ability to satisfy the needs of an immense poverty-stricken population at the threshold of development, while at the same time endeavouring to establish harmony among all nations of the region, both developing and developed. It is in this light that the Inspectors have reviewed the programming operational and management issues facing ESCAP and have found a need for strengthening the decision-making power of the regional commissions and for allowing them greater flexibility in their operations.
3. The Inspectors have identified a broad range of interlinked and complex issues which have important implications for the proper functioning of ESCAP as a catalyst for economic and social development in the region and as a motivating force behind South-South co-operation in the context of interdependence and international co-operation. These issues are concerned with such intricate relationships as organizational structure of ESCAP, its required human resource base, the link between the Commission and its legislative committees and with the various regional projects and regional institutions and advisory bodies, such as the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission (ACPR). The Secretary-General agrees with this perspective and believes that the further strengthening of such relationships through the innovative measures recommended by the Inspectors would contribute greatly to the effectiveness of the programme of work and priorities of ESCAP.
4. The Inspectors note that the resources at the disposal of ESCAP are in no way commensurate with the challenges this region faces. Attention has been drawn to the growth of extrabudgetary contributions. In particular, it has been noted that the utilization of extrabudgetary contributions has increased from \$US 3 million in the biennium 1976-1977 to \$US 38.2 million in the biennium 1984-1985. The biennial resources available to ESCAP in gross terms stand at \$US 74.2 million, including both the regular budget appropriation and extrabudgetary resources. The Secretary-General is of the view that since the regular budget of the United Nations has not increased significantly in the recent past, owing to severe budgetary constraints, extrabudgetary funds have provided the regional commissions

with opportunities to undertake some of the pressing tasks assigned by their member States. The increase in extrabudgetary contributions, in his view, also signifies the importance ESCAP attaches to its programme in promoting the development of this dynamic region. With respect to the Inspectors' reference to possible donor influence, the Secretary-General is of the view that further strengthening of the various instruments of management control that have already been established both centrally and in ESCAP could counteract the possibility of such influence. The strengthening of legislative committees with high-level representation of member States, the allocation to the Technical Co-operation Division of the responsibility of serving as an interface between donors and the substantive divisions of the secretariat, and the effective functioning of the Project Review Committee to ensure that projects are assigned priority in line with the Commission's priorities before recommendations are made for extrabudgetary funding are seen as crucial steps in this direction. With respect to the case referred to by the Inspectors concerning one of ESCAP's regional institutions, the issue of the operation of regional institutions in general has been one of the major points of discussion both in ESCAP as a whole and in a special working group constituted by ESCAP. Missions composed of ministerial-level representatives of recipient countries were sent to various host and recipient countries with a view to mobilizing sufficient government contributions to make regional institutions viable and to avoiding an undue concentration of contributions from a donor country (usually a host country) to each institution.

5. In discussing the ESCAP organizational structure and the functional arrangements for the staff, the Inspectors have concluded that, qualitatively, the human resource base of ESCAP is reasonably sound. Nevertheless, they draw attention to the responsibilities and authority of staff of the upper echelon, who must be highly competent and possess considerable managerial skill to tackle the complex issues of regional development. They also note the dual role of ESCAP staff, first, as facilitators in the articulation of the views of all Asian and Pacific peoples, and second, as initiators of action designed to meet regional needs. With respect to the particular need to upgrade senior posts at the executive level in the regional commissions, the Inspectors request the Secretary-General to undertake a detailed review of the full range of responsibilities, obligations and decision-making power assigned to these posts. The Secretary-General notes this request and his views are reflected in paragraph 18 below.

6. The Inspectors note the slow progress of decentralization and that there is a divergence between the resources available to the regional commissions and the expanded responsibilities entrusted to them by the restructuring resolutions. They recommend that the decision-making authority of the regional commissions should be strengthened and that they should be provided adequate means to carry out their responsibilities in the most effective way possible. The Secretary-General will carefully review the observations and suggestions made by the Inspectors and will take necessary and appropriate action in this regard.

7. The Inspectors have drawn attention to the incidence of over-programming, and its negative impact on the implementation of the ESCAP programmes. The Inspectors suggest a termination of marginal activities and a concentration of efforts on the implementation of a smaller number of meaningful projects in accordance with

criteria established by ESCAP for the selection of priority items. The Inspectors found that the criteria and mechanisms of priority-setting have not been applied systematically to achieve a shift of resources from low-priority to high-priority programmes. While generally agreeing with the view of the Inspectors, the Secretary-General believes that in a vast region such as ESCAP, which includes countries at various levels of socio-economic development, the issue of over-programming should be approached cautiously and considered simultaneously with an analysis of the magnitude of the problems and the nature of extrabudgetary funding. Many of the biennial activities of ESCAP are formulated on the basis of indicative extrabudgetary resources in ways that may appear over-ambitious in the first instance. However, the extent of the weeding out of low-priority activities is the subject of programme change at the mid-biennium when the estimated figures from extrabudgetary sources are revised. The Secretary-General notes the Commission's decision at its forty-first session that, in view of the overall policy of maximum budgetary restraint, more emphasis should be placed on the effective utilization of existing resources. In that context, the Commission has urged the sectoral legislative committees and ACPR to take a larger role in formulating the work programme. The adjustments decided by the Commission on the ESCAP programme of work for 1986-1987 are contained in a note by the Secretary-General to the Committee on Programme and Co-ordination (E/AC.51/1985/CRP.3).

8. With regard to the Inspectors' recommendation to increase interdisciplinary work among the divisions, the Secretary-General agrees that this practice should be further promoted. However, he points to the already considerable amount of cross-divisional work being carried out. For example, the preparation of such documents as the economic and social survey for Asia and the Pacific, the studies on technology for development and on human resources development are prepared jointly by all the divisions concerned. Such offices as the Environment Co-ordinating Unit, the Statistics Division and the Social Development Division collaborate closely with other sectoral divisions to promote a multidisciplinary basis for ESCAP programmes. In this respect, interdisciplinary work is seen as a continuing challenge, which the secretariat is constantly trying to meet.

9. The Secretary-General also sees some merit in the Inspectors' proposal to create a programme preparation and review committee to formalize some functions of ACPR and prepare decisions for consideration by ministers. However, he shares the general reluctance on the part of the States members of ESCAP to agree to any proposal that might lead to a proliferation of subsidiary legislative committees which might have financial implications. In his view, the proposal to establish such a committee should be carefully examined. The Secretary-General notes that the Commission, at its last session, in considering various proposals for improving the functions of the legislative committees dealing with various sectors of secretariat work, including the possible establishment of a programme co-ordination committee, decided that the establishment of such a committee should be examined further by the Executive Secretary of ESCAP in consultation with ACPR.

10. The Secretary-General notes that in response to the Commission's decisions and resolutions, the ESCAP secretariat has taken further measures to expand its collaboration with other United Nations organizations and bodies in planning and implementing its programme of work. Joint organizational units exist, for example,

with the United Nations Industrial Development Organization (UNIDO), the International Telecommunication Union (ITU), the International Labour Organisation (ILO) and the United Nations Centre on Transnational Corporations. Interagency mechanisms have also been established to pursue joint programming and execution in such fields as integrated rural development, water, women and development, technology, transport and the like. Joint programming exercises are also being undertaken with the United Nations Conference on Trade and Development (UNCTAD), the United Nations Centre for Human Settlements (Habitat) and the Food and Agriculture Organization of the United Nations (FAO). In addition, there is collaboration on activities with UNCTAD, FAO, ILO, IMO, WTO, UNDR0 and others. The Secretary-General believes that further improvements in inter-organizational programming are possible and, indeed, desirable for optimum use of available resources and for maintaining the complementarity and integrity of programmes delivered to the developing countries.

11. The Inspectors believe that a small spectrum of country activities in which ESCAP is involved is justified when the need for assistance cannot be met by sectoral organizations or when the assistance is specifically requested by a member State, subject to priorities set by the Commission. These are relatively small components of the total ESCAP programme, as the principal work of ESCAP as a regional commission is intersectoral, regional, subregional and interregional, as outlined in General Assembly resolution 32/197. The examples cited by the Inspectors were carried out in response to specific requests made by the countries concerned and were approved by the Commission within the context of and as a stage of a larger regional development programme. The activities were in areas not falling strictly within the purview of existing sectoral organizations for which ESCAP can effectively mobilize existing resources to provide technical and substantive support. Additional funds required for the implementation of those activities were entrusted to ESCAP by various donor Governments or by organizations such as the United Nations Fund for Population Activities (UNFPA). Nevertheless, the Secretary-General will endeavour to ensure that the activities do not lead to duplication and wastage of resources by strengthening co-ordination, consultation and collaboration of ESCAP activities with those of other organizations within the United Nations system within the framework of General Assembly resolution 32/197.

12. The Inspectors have also stressed the need for a strong physical presence in the Pacific subregion. The Secretary-General agrees wholeheartedly with this view and points to the increasingly large attendance of the Pacific members at recent sessions of the Commission as evidence of the impact of the new ESCAP Pacific Operations Centre on its environment. At its forty-first session, the Commission adopted a special priority-ranking for activities in the work programme that are aimed at least developed land-locked and island developing countries. It is expected that this will further strengthen the presence of ESCAP in the Pacific subregion.

13. With reference to paragraph 53 of the JIU report, it should be noted that the Secretary-General has consistently supported the strengthening of evaluation systems and units throughout the organization. An important part of the programme of the Evaluation Unit of the Office for Programme Planning and Co-ordination of the Department of International Economic and Social Affairs is devoted to the

preparation of manuals and the provision of assistance and technical advice to United Nations entities in the development of their evaluation work. In document A/38/133 and Corr.1 the Secretary-General submitted proposals for strengthening the capacities of the regional commissions and other United Nations entities in the field of evaluation. The Secretary-General pursued those efforts at the thirty-ninth session of the General Assembly. His proposals were set out in document A/C.5/39/45, referred to in paragraph 53 of the JIU report, and were endorsed by the General Assembly.

14. Following are the Secretary-General's comments on the specific recommendations of the Inspectors. They should be read in conjunction with the observations made above.

Recommendation 1

15. The Secretary-General agrees with the Inspectors' recommendations concerning the responsibility of the member States to ensure that the criteria for the selection of priority programme elements established by them are applied in formulating the work programme and that over-programming is discouraged. However, since over-programming is inextricably linked to the provision of extrabudgetary funds, it is the Secretary-General's view that the size of such contributions should be estimated in more realistic terms at the time of the formulation of the proposed programme budget so that the secretariat is able to programme its activities accordingly.

Recommendation 2

16. The Secretary-General concurs with the Inspectors' recommendations regarding the responsibility of the ESCAP secretariat for rationalizing the number of meetings and in further improving the content, style and presentation of documents. However, since ESCAP is the only United Nations centre in the region for the promotion of socio-economic development and regional co-operation and since there is no other comparable organization in that vast region, its role as a facilitator of discussions and as a regional forum must be recognized. In the light of this, it is the Secretary-General's view that, within the limits of the resources available to the secretariat, a comparative analysis of the impact of all ESCAP activities, including meetings, should be made to establish a more objective criterion for determining the importance and relevance of the activities of ESCAP and for rationalizing and improving its work as a whole.

Recommendation 3

17. In principle, the Secretary-General accepts the reasoning of the Inspectors on the establishment of a programme preparation and review committee. However, the Secretary-General believes that because of the budgetary implications of this new arrangement, a further examination of the matter seems to be in order so that undue proliferation of committees and organs of the Commission, which may lead to

bureaucratization and duplication, are avoided. The matter was the subject of some preliminary discussions at the last session of the Commission and a report on the subject will be presented by the Executive Secretary of ESCAP to the Commission at its forty-second session. The Secretary-General further agrees with the recommendation that the required financial support should be extended to viable regional institutions by the countries that are being served by those institutions.

Recommendation 4

18. With respect to the recommendation that the Programme Co-ordination and Monitoring Office (PCMO) and the Technical Co-operation Division (TCD) should be combined, the Secretary-General notes that the terms of reference and the functions of those two organizational units are uniquely defined. PCMO oversees the work programme as a whole, while TCD is expected to oversee the management of extrabudgetary assistance to the work programme and other technical assistance projects. The approaches and the type of personnel required in each case are different. Therefore, it would appear unlikely that performance would be improved by amalgamating PCMO and TCD, although there is a need for continual interaction between the two.

Recommendation 5

19. The Secretary-General takes note of the recommendation that he should review the grade-level of the deputy executive secretaries of the regional economic commissions and will bear in mind the reasons advanced by the Inspectors.

Recommendation 6

20. The Secretary-General agrees with the recommendation that the contributions made by agencies and donor Governments should be in line with the criteria set by the Commission. He also agrees that the distribution of programme support resources between administrative and substantive activities takes into account the seminal role played by the substantive divisions in project activities. He views the Project Review Committee as a successful innovation at ESCAP. In the Secretary-General's opinion, the Project Review Committee constituted by the Executive Secretary has already proved its worth in safeguarding uniformity of standards and the high quality of projects, as well as in preventing undue donor influence.
