

Paper on UN Management Reform

**Jeffery Huffines, Evolution and Operation of Non-Governmental Organizations,
Center for Global Affairs, New York University, School of Continuing and
Professional Studies**

**By Ms Pera Wells
Acting Secretary-General
World Federation of United Nations Associations**

At the World Summit in September 2005, U.N. Member States agreed to major reform proposals to reorganize the United Nations around the ‘three pillars’ of development, peace and security, and human rights and democracy. The UN SG Kofi Annan identified the essential ‘fourth pillar’ as management reform. The total reform package aims to increase the UN’s capability to comply with its principles, objectives and mandates more efficiently and effectively, while improving transparency, accountability, and integrity.

The World Summit resolution had four main proposals on management reform:

- Reform of the Secretariat’s management structure.
- Restructuring of the Office for Internal Oversight (OIOS).
- Establishment of an Ethics Office.
- Review of all mandates older than five years originating from General Assembly and other organs.

Debates on the seemingly technical, organizational questions of Management Reform have become increasingly politically charged. While one might suppose that management is about the basic question of HOW things get done, the questions of WHAT gets done and WHY have become intimately linked.

One of the reasons for this is the dramatic increase in the range of activities and mandates now being undertaken by the UN and the consequent increase in the budget. The budget for the 1996-97 biennial was \$2.6 billion; by 2004–5 it had reached \$3.6 billion. The budget for peace keeping operations grew at a faster pace as the number of missions increased – from \$2.2 billion to \$9.4 billion over the same period. The total resources available to the Organization, including extra budgetary funds, doubled over this period to \$18.5 billion. The rapid expansion in mandates and responsibilities required an increase in staff at all levels and changes in management structures, human resources policies, information technology, and procurement and security requirements. However this pace of change, as mandated by Member States, far exceeded the ability of the organization to keep up. The Secretariat’s mode of operation has been essentially reactionary in nature, based on a multi-layered bureaucracy without effective responsibility and accountability mechanisms. Moreover, the tendency of Member States to provide extra budgetary funding for new mandates, allowed very little growth in its regular budget. The end result was the perceived subordination of the interest of the United Nations to particular Member States or regional groups.

Concerned about these trends, the World Federation in partnership with the United Nations Association of USA set up a Committee to focus on UN Management Reform to:

- Serve in an advisory capacity to the UN—in particular the Secretariat and the Office of the President of the General Assembly—and provide feedback and recommendations related to the substantive aspects of management reform;
- Convene dialogues that informally bring together representatives from all regional groups as well as the G77 to discuss their perspectives and concerns on issues related to management reform; and
- Provide regular progress reports on reform efforts to the public and the media, including briefings with representatives in Washington and other capitals, personal contact with the editorial boards of major newspapers, the placement of op-eds and mobilization of support within our global constituency for the reform efforts.

Management Structure Reform

The reform of the Secretariat's managerial architecture has been one of the most contentious issues. On March 7th 2006, the Secretary General (SG) issued a report entitled "Investing in the United Nations: for a stronger Organization worldwide." In this document, Kofi Annan presented a series of propositions towards streamlining the managerial structure of the Secretariat. The reforms proposed include:

- People: reforming the recruitment process to make it faster and more proactive; promoting easier staff mobility and career advancement.
- Leadership: reforming the leadership structure by redefining the role of the Deputy Secretary General, who should be given more formal authority and accountability on management of the functions of the Secretariat; and reorganizing and reducing the number of the current departments (25) reporting to the Secretariat.
- Information Technology: creating a Chief Information Technology Officer at the level of Assistant Secretary General and upgrading the ICT system of the Secretariat.
- Delivering Services: identifying the potential for relocation and outsourcing of some services, such as printing and translation.
- Budget and Finance: reducing the time for review and approval of the budget; expanding the authority of the Secretary General to redeploy posts and utilize savings from vacant posts; consolidating the numerous peacekeeping accounts and streamlining management of trust funds; basing budget and planning processes on results and giving more flexibility to the Secretariat for significant delegation of authority within a framework of increased accountability.
- Governance: improving the reporting mechanisms of the Secretariat; producing one single comprehensive annual report and consolidating the current 30 reports into six reports; formulating a more strategic and result based interaction between the General Assembly and the Secretariat on management and budgetary issues.
- Investing in change: creating a "change management office" with a mission to coordinate with department heads and Secretariat leaders to ensure

implementation of reforms; establishing an intergovernmental mechanism to work with the office and a staff buy-out should be considered to operate the office.

This report gave rise to a staff rebellion in the UN Secretariat, which issued the first ever vote of no-confidence in the UN Secretary-General. On 28 April, the Group of 77 and China, took action in the Fifth Committee, calling for a vote on a resolution requesting the Secretariat to deliver 10 additional detailed reports to the Member States on the proposed reforms, thus delaying the UN Reform process.

The vote on the resolution came as a surprise and was denounced by Austria's representative on behalf of the European Union: "the action represented a serious violation of the Committee's long-standing working methods and consensus practice." For the past twenty years it has been customary practice to approve the budget decisions by consensus rather than by vote.

The point of contention between Member States regarding the SG's reform proposals arose out of the G77 concern that giving increased independence to the Secretariat in basic financial, budgetary and post reallocations could result in the countries paying the largest share of the bills (US, EU and Japan contribute more than 80% of U.N.'s total budget) to exercise more leverage on the Secretariat, and potentially the entire organization. South Africa's Ambassador Kumalo, leading the G-77, described the proposed reforms as "a power grab by the developed world." Despite the efforts to ensure that such fears were unfounded, the use of the "power of the purse" by the developed countries to push through management reforms contributed to such a conviction.

Hanging over the debates about the SG's report, was a real threat to block funding for the United Nations if progress stalled on the reforms. At the end of the year before, in December 2005, when the General Assembly adopted the 2006-2007 budget of \$3.6 billion, the 'rich countries' imposed a spending cap of \$950 million, and insisted that further funds would only be released in the following June if sufficient progress had been made to reform the UN. After the divisive April vote in the Fifth Committee, editorials in major newspapers speculated about the end of the UN and, much to our surprise the UN Foundation launched a campaign entitled "Don't Shut Down the UN".

In an interview with the Center for UN Reform Education the Chef de Cabinet to the President of the General Assembly, Ambassador Lars-Hjalmar Wide, said that division between the Group of 77 and China and the developed countries over Management Reform was "the biggest obstacle for us to overcome". He explained that "There is a clear degree of mistrust among the membership....The Group of 77 (G77) fears that the management reforms could be counter to their interests, a process subject to an agenda driven by the western/industrialized countries to refocus the activities of the UN, from development towards other issues such as security or counterterrorism. The G77 sees management reform as a cost cutting exercise that would go on reducing the budget of the organization." These fears, he explained, have caused the developing countries to protect their interests by trying to block the process, while the US, EU and Japan have instead been pushing strongly for its advancement. The task of the Office of the President was to "make both sides realize that what we are looking at is not a smaller U.N., but a

more efficient and effective one. A U.N. more adequately equipped to address the real issues. We have tried to sell to both sides that we are not talking about cost cutting or drastic shifts in a political direction but about trying to achieve management reform in the best way. In order to do this we need a higher degree of trust. It is not a question to do less development, but to do it better.”

Working closely with the SG and Member States, the Office of the President succeeded in avoiding the pending crisis.

Kofi Annan asserted his authority to facilitate the lifting of the budget cap and formally requested the General Assembly to release the remaining funds for the biennium, in line with GA resolution 60/247 A.

The Chair of the G77 and China expressed support for Annan’s request and the hope that Member States will take the “opportunity to join consensus and resolve this matter in the most constructive and expeditious manner”.

The World Federation issued a press release calling for a consensus on the lifting of the budget cap without preconditions.

In the event, the United States, Japan and Australia dissociated themselves from the consensus decision to lift the cap, saying that not enough progress had yet been made in the reform of the Organization.

The G77 and China declared their support for the reform process, stating that it should not be intended to “...change the intergovernmental nature of the decision making, oversight and monitoring processes. Neither is it meant to redefine the roles and responsibilities assigned to the various Organs of the United Nations.” In addition, they lamented that posts at senior levels seem to be monopolized by nationals from a select few states, and asked for more proposals on gender targets and geographical representation in the recruitment and promotion of the Secretariat’s staff.

While the reform of the Secretariat was stalled by the controversy between developed and developing countries, other management reforms have made considerable progress.

Restructuring of the Office for Internal Oversight

Restructuring the Office of Internal Oversight is part of the effort to strengthen accountability and oversight of the UN. Member States positively welcomed the SG proposal to strengthen the OIOS by appointing an additional 39 positions to increase the OIOS capacity to perform its auditory and investigatory tasks.

As well an agreement has been reached to establish an independent audit advisory committee, intended to serve as a tool for the General Assembly to increase its efficiency in exercising its oversight responsibilities. Terms of reference have been prepared for an independent, external evaluation of the UN’s auditing, oversight and management responsibilities. The evaluation has the capacity to determine the funding for the OIOS as well as the scope and nature of its activities. Finally, the OIOS proposed expansion of its

services to all United Nations agencies to the General Assembly in its Annual Report for 2006.

Establishment of an Ethics Office

An Ethics Office with independent status has formally been established, having become operational in January 2006. It is charged with the task of ensuring ethical conduct, more extensive financial disclosure for UN officials, and better protection for those who reveal wrongdoing within the organization. The Office has introduced a new, official “whistleblower protection policy,” entitled “Protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations,” which has been in effect since January 2006. A comprehensive policy has been formulated with the purpose of expanding the range of financial disclosure that is currently required by senior officials. The policy is entitled “Financial Disclosure and Declaration of Interest Statements”. The Office will ensure that the existing standards of conduct are applied and will develop a system-wide code of ethics for all personnel of the United Nations by incorporating ethics into staff training programs.

Review of Mandates

In September 2005 at the World Summit, governments called for a review of all UN mandates older than five years, a process that has not been carried out since 1954. For the purposes of this review, a mandate has been defined as a request or a direction for action by the UN Secretariat or other implementing entities in the system, which originates in a resolution of the General Assembly or one of the other organs.

The SG’s report, “Mandating and Delivering: analysis and recommendations to facilitate the review of mandates,” was published in March 2006. At the same time an online registry of all mandates was established.

About 7000 mandates older than five years have been put forward for review by the Secretariat – those older than five years, both renewed and non-renewed, and issued by the principal organs of the UN, GA, Security Council and Economic and Social Council (ECOSOC). The number increases to 9000 if mandates approved within the last five years are included.

The key objective of the review is to ensure that all mandates reflect contemporary needs by building a system capable of constantly reviewing and consolidating older mandates that no longer satisfy Member States’ priorities with newer and more effective ones. In the Secretary General’s vision, creating such a system should make it easier for Member States to oversee the organization and finally make the UN truly accountable to its members.

The review is meant to identify problems such as the uncoordinated mass of reports required by Member States from the Secretariat, the increasing overlap of mandates from different organs undertaking similar issues, the lack of guidance on how to manage older mandates when newer ones address the same issues as well as the lack of information on the outcomes achieved by resources already invested.

The mandate review exercise is being conducted through an ad hoc Informal Working Group, co-chaired by H.E. Mr. Munir Akram, Ambassador of Pakistan and H.E. Mr. David Cooney, Ambassador of Ireland. They began work on those mandates that are older than five years, non-renewed; and issued only by the GA – a total of 399 mandates, representing about 4% of the total number of mandates.

The mandate review exercise has become one of the most contentious among the management reform efforts called for by the World Summit of 2005. Key points of difference include:

- Interpretation of the World Summit Resolution:

According to the G77 and China, the Resolution authorizes only the review of mandates older than five years that have not been renewed. On the other hand, the US, Japan and the EU interpret it to mean a review of all mandates older than five years, both renewed and non-renewed.

Furthermore, the G77 and the Non-Aligned Movement (NAM) contend that the Resolution only provides for a one-time exercise; consequently they would only accept further review exercises under the request of a new High Level resolution from the General Assembly.

- Real purpose of the review.

There is a fundamental lack of trust between various groups of Member States. The G77 is concerned that the review is being pushed by the US, Japan and the EU as an exercise directed to eliminate a great number of mandates and cut costs, to the detriment of the developing countries. One way to improve confidence, as pointed out by the G77 and China, would be to agree to identify which mandates need more resources to be allocated for better implementation of their activities, rather than just eliminating or consolidating older mandates with newer and more efficient ones.

- Lack of adequate information

Because the exercise involves reviewing mandates covered by multiple agencies worldwide, the information on the amount and effectiveness of resources currently allocated to each mandate is difficult and slow to gather.

- What to do with eventual savings?

Another issue causing controversy is how to use eventual savings in resources from the process of consolidating mandates. The G77 and China maintain that these resources should be redirected to development. The US considers that these resources could be employed in different areas of the UN, for example to finance the reform of the Secretariat. Still other Member States contend that the savings should remain in their area of pertinence (e.g. savings from peacekeeping mandates should be deployed for other peacekeeping related activities).

- Politically sensitive mandates

The decision on how to deal with mandates deemed politically sensitive has been set aside. The G77 and China want assurance that a democratic decision-making process will be employed; however to this day there is only assurance that politically sensitive mandates will be handled at the end of the exercise with the utmost consideration.

It seems obvious that the Mandate Review will not be completed by December 2006, as had been envisioned by the World Summit. Informal high level consultations are ongoing between interested parties with the objective of resolving their fundamental disagreements on the scope and process to be used.

Concluding comments

One of the biggest challenges facing the incoming Secretary-General, H.E Mr Ban Ki-Moon, will be to resolve the political tensions and splits between groups and individual Member States that have blocked progress on reform proposals, involving human resource management, governance and oversight, and mandate review.

Already some positive steps are taking place drawing on the support and wisdom of civil society. The Committee set up by the World Federation and UNA-USA is planning to convene its first meeting in the second half of November. And on 6 October 2006, the so-called "Four Nations Initiative" (4NI) was launched by the Permanent Representatives of Chile, South Africa, Sweden and Thailand. They plan to focus on reform of UN governance, which they said has not been addressed adequately by traditional intergovernmental processes. The 4NI will focus on the management of the Secretariat, the Secretariat's mandate and roles; governance, accountability and transparency; and budget and financing, in an 18-month process of five phases.

Instead of following an intergovernmental process and using the Committee structure, the 4NI will offer its own reports, developed through broadly consultative processes including academics, international organizations, and civil society. It is hoped that the 4NI reports will be met with less suspicion than the inter-governmental processes and negotiations between states and the Secretariat.

In conclusion, the WFUNA/ UNA-USA Committee on UN Management Reform will seek to develop a close working partnership with the 4NI initiative with a view to strengthening the UN's capacity to become the world's most culturally diverse, technologically sophisticated and cost-effective place for people to work together for the great goals of global peace and security, development and human rights and democracy.



WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS

FEDERATION MONDIALE DES ASSOCIATIONS POUR LES NATIONS
UNIES

A peoples' movement for the United Nations

Friday 22 June 2006

UN Management Reform: Crisis averted.

The World Federation of United Nations Associations welcomes the agreement among Member States to avert a financial crisis at the United Nations. “This is not the time to reduce the capacity of the Secretariat to perform its functions in New York, Geneva and around the world. We are glad to hear that Member States are reaching consensus on the implementation of the remainder of the 2006 – 7 biennium budget. None is insisting on any specific pre-requisites. We hope that all Member States will now focus on forging agreement on the reforms that are needed to enable the UN to become a more effective and efficient organization,” Amb William Luers, President and CEO of UNA-USA said today.

United Nations Associations around the world have been working together through the World Federation to understand the issues underlying the debate on UN Management Reform and seeking to facilitate dialogue and greater transparency. “It is increasingly clear to us that there is widespread acceptance within the UN system and among Member States that management of the UN’s resources needs to be modernized and made more accountable. There is now a sufficiently strong basis of factual information and analysis to provide the basis for sound reform proposals to be negotiated and implemented”, said Ms Pera Wells, A/g Secretary-General of the World Federation of United Nations Associations.

Given the essential role of the UN in supporting the protection, development and health care of many millions of people around the world and in responding to the ever-growing number of ‘problems without borders’, there needs to be a continuing commitment to the improvement of the UN’s management practices. There is already sufficient reform momentum to sustain far-reaching changes that could strengthen the UN’s capacity to become the world’s most culturally diverse, technologically sophisticated and cost-effective place for people to work together for the great goals of global peace and security, development and human rights.