# THE CONTINUING PROCESS OF MANAGEMENT AND ADMINISTRATIVE REFORM

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I. INTRODUCTION

Since the establishment of the United Nations and its family of organizations, reform or change has been a constant feature of discussion. During the 1990s it has acquired a new sense of urgency which owes its origin to a complex set of changes that are almost as many and as varied as the reforms themselves. These range from profound geo-political and social changes, changing needs and expectations on the part of Member States, the need to relate to the growing number of non-State actors on the world stage, economic pressures, perceptions about quality and performance, to emerging theories about management as a means of leveraging greater results from fewer resources.

This compilation does not purport to cover the entire range of these reforms, but to focus in the first instance, on their administrative aspects. Nor is it intended to be a comprehensive compendium of all of the many new management initiatives being taken by the organizations of the system. Rather, its purpose is limited to highlighting common trends within the United Nations system and providing illustrative examples. In doing so, to contribute to the sharing of experience, and the identification and institutionalization of best practices throughout the system. It contains information compiled in 1997 and 1998.

Reforms reported herein range from far-reaching to modest. Some were inspired by governing bodies, while others by the initiative of administrations and in the areas of efficiency improvements – often by staff. Among these are a great number of excellent practices which meet the culture, structure and programme of individual organizations; many of which are already being shared among the organizations. These cover the elaboration of new or revised mission statements; more selective criteria for priority setting; decentralization and greater delegation of authority coupled with centralized strategic planning; rationalization of the governance machinery; efficiency measures; a commitment to broaden partnerships; and greater staff and institutional accountability.

What is evident from the myriad reform interventions currently taking place is that there is a clear and discernible move towards a dynamic and ongoing will to look into quicker and more effective ways of delivering mandates. As noted in the Secretary-General's proposals for reform in July 1997, Reform is… a continuing process not a single event. The Organization need to be significantly reconfigured in order to do better what the international community requires it to do.”

The Administrative Committee on Coordination, comprising the heads of all organizations of the United Nations system \(^1\), is currently engaged in a comprehensive review

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of these reform processes, focusing on their broader policy, programme implications and the extent to which they contribute to the overall coherence and effectiveness of the system.

Dissemination of the outcomes of these analyses, by complementing the communication efforts of individual United Nations agencies, should contribute to the ongoing debate on requirements for, and progress made. All of this will prepare the United Nations system to meet in a comprehensive and integrated way the complex new challenges characterizing the current international environment.
II. VISION AND STRATEGY

The current wave of reform has left few organizations unchanged: mandates are being rewritten, corporate strategies forged and visions"developed. These new approaches generally entail programme concentration around new strategic plans with growing emphasis on programme-oriented management and the development of evaluation and assessment tools.

In his report on a Programme for Reform, A/51/950 the Secretary-General of the United Nations proposed a strategy for better management of issues within the UN system that cut across their mandates. The reason behind his strategy an issue management system was that, Many activities that the UN system is mandated by various governing bodies to undertake involve more than one organization with activities and interests in the subject area concerned. Coordination of these activities has largely been the responsibility of the Administrative Committee on Coordination machinery. But with the growing need for a systematic and integrated approach to development, traditional processes of coordination need to be supplemented by a series of practical arrangements that provide for more active, cooperative management of those issues by each of the organizations concerned... . To implement this strategy, the Secretary-General is consulting with the Administrative Committee on Coordination on ways to introduce issue management methods and techniques systematically at the inter-agency level. The Executive Committee for Economic and Social Affairs and the United Nations Development Group are being asked to contribute to the identification of areas where issue management networks could be fruitfully established and to identify appropriate lead agencies. The Secretary-General submitted a report (A/53/ 676) on the status of implementation of actions described in A/51/950 to the General Assembly in November 1998.

For ITU the current reform process began in 1989 and has passed through a number of landmarks, which will lead it to ITU 2000. ITU s strategic action plan for 1995 to 1999 was adopted at its 1994 Plenipotentiary Conference and a draft plan for 1999 to 2003 is being prepared in consultation with ITU Member States and Sector Members, including private companies. The role of managers in the rapidly changing ITU environment is set out in an internal management vision .

Landmarks in the process of reform in ITU

- “Tomorrow’s ITU: The Challenges of Change”, the April 1991 report of the High Level Committee (HLC) to review the structure and functioning of the ITU;
- The December 1992 Geneva Additional Plenipotentiary Conference which restructured the ITU along the lines recommended by the HLC;
- Decisions taken by the ITU Council from 1991 to 1994 to implement the HLC recommendations relating to financial, human resources and information systems management;
- The 1994 Kyoto Plenipotentiary Conference which adopted the first ever ITU strategic plan, launched a number of major policy reviews and achieved a new standard of efficiency for ITU conferences;
• ITU-2000 – a working group open to all ITU Members States and Sector Members – which has prepared proposals to strengthen the Union’s financial foundations and enhance the role of its non-government members for consideration at the 1998 Minneapolis Plenipotentiary Conference.

Since 1992, WHO has been engaged in a process of Response to Global Change. Implementation of 47 recommendations put forward by an Executive Board Working Group on this subject is now nearing completion and is considered to be the starting point for a series of reforms and efficiency measures. The organization’s health for all vision, first adopted in 1978, has been updated in recognition of the need to develop a world-wide culture of health and to place health at the centre of human development. The new policy and the entire reform process are based on two fundamental principles: equality and solidarity.

Following its 1993 General Conference, UNIDO launched an intensive process of internal reform leading to substantial organizational restructuring, reduced hierarchy, streamlined managerial processes, and significant efficiency enhancement and savings in administrative support services. UNIDO adopted a new Mission Statement in 1996 which describes the Organization’s objectives, approach and core expertise in terms that the general public can easily understand. UNIDO’s more specific objectives and support programmes have been incorporated in a Medium-Term Programme Framework 1998-2001, which is to be updated every two years and serve as a guide for the preparation of the biennial programme and budget.

**UNIDO Mission Statement**

We are the specialist agency of the United Nations dedicated to promoting sustainable industrial development in countries with developing and transition economies.

We harness the joint forces of government and the private sector to foster competitive industrial production, develop international industrial partnerships and promote socially equitable and environmentally friendly industrial development.

We are the only world-wide organization dealing with industry from a development perspective. Our services are non-profit, neutral and specialized. Our staff are highly qualified with the wide range and depth of required industrial expertise. We act as catalyst to help generate national economic health and raise industrial development and as a provider of technical cooperation services. Our ultimate goal is to create a better life for people by laying the industrial foundations for long-term prosperity and economic strength.

The changing nature of refugee emergencies and enforced displacement has entailed ongoing reform within UNHCR since its founding in 1951. The momentum of change has increased in the 1990s. The strategic action plan Project Delphi is expected to transform the way in which the organization thinks and operates (see box below). The organization’s staff participated actively in Delphi Cells and a Staff Survey in early 1996, putting forward thousands of suggestions which helped to shape the reform initiative. Some of the proposed changes will be completed by the end of 1998, but those dependent on major technology infrastructure support will take longer.
UNHCR’s Project Delphi

In September 1996, the High Commissioner and the Senior Management Committee of UNHCR endorsed the “Project Delphi: Action Plan”. The broad directions of this Action Plan were endorsed by UNHCR’s Executive Committee in October 1996 and a detailed implementation Plan was presented to UNHCR’s Standing Committee in April 1997.

Project Delphi has been built on the following principles:

- Putting more emphasis on achieving a durable solution;
- Introducing a situation approach;
- Better integrating protection and assistance;
- Moving operational decision-making closer to the “point of delivery”;
- Exploiting technological potential and allowing wide and timely access to information;
- Improving implementing arrangements;
- Improving the effectiveness of UNHCR’s oversight functions.

Its key components are:

- Design of a new Operations Management System;
- Establishment of a protection database;
- Creation of a global supply chain;
- Development of a new integrated budget and finance system;
- Delegation of certain human resource functions to the field;
- Development of a new information and communication systems strategy;
- Reorientation and expansion of training activities to take account of needs and priorities identified as part of the Delphi process;
- Strengthening of internal oversight mechanisms.

In 1995, UNICEF launched its Management Excellence Program, engaging staff and national Committees in an effort to strengthen accountability at all levels of the organization, institutionalize the best management practices and standards of behaviour for its staff, and develop systems and tools for improved efficiency of operations, increased transparency and oversight. The Mission Statement adopted by its Executive Board in January 1996 stresses the organization’s role as an advocate for the survival, development and protection of children and its commitment to protecting children’s rights and providing basic services, especially for the most disadvantaged, through country cooperation programmes (see box below).

The Mission of UNICEF

UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children’s rights, to help meet their potential.

UNICEF is guided by the Convention on the Rights of the Child and strives to establish children’s rights as enduring ethical principles and international standards of behaviour towards children.
UNICEF insists that the survival, protection and development of children are universal development imperatives that are integral to human progress.

UNICEF mobilizes political will and material resources to help countries, particularly developing countries, ensure a “first call for children” and to build their capacity to form appropriate policies and deliver services for children and their families.

UNICEF is committed to ensuring special protection for the most disadvantaged children – victims of war, disasters, extreme poverty, all forms of violence and exploitation and those with disabilities.

UNICEF responds in emergencies to protect the rights of children in coordination with United Nations partners and humanitarian agencies.

UNICEF makes its unique facilities for rapid response available to its partners to relieve the suffering of children and those who provide their care.

UNICEF is non-partisan and its cooperation is free of discrimination. In everything it does, the most disadvantaged children and the countries in greatest need have priority.

UNICEF aims, through its country programmes, to promote the equal rights of women and girls and to support their full participation in the political, social and economic development of their communities.

UNICEF works with all its partners towards the attainment of the sustainable human development goals adopted by the world community and the realization of the vision of peace and social progress enshrined in the Charter of the United Nations.

In UNESCO the process of reform and renewal started in 1985, gaining momentum in 1988 in the framework of several external management reviews by, in particular, an independent Commission chaired by Knut Hammarskjöld and the United States General Accounting Office (GAO) and culminating – in the present phase – with the publication of a Medium-Term Strategy for 1996 to 2001 which develops a clear vision of the Organization’s role and purpose in pursuit of the indissociable objectives of “development for peace” and “peace for development.” (see box below).

UNESCO’s Medium-Term Strategy 1996-2001

“The Medium-Term Strategy for 1996-2001 aims at a lean and flexible Organization in which initiative and creativity will prevail over routine. The key principles that will guide the functioning of the Organization as it moves towards the third millennium are transparency, responsibility and accountability. The watchword is less bureaucracy and more reflection and action”.

The reform agenda:

Programme planning and implementation

♦ Improved evaluation to consolidate priority work
♦ Innovation in the ways in which programmes are carried out, contributing directly to development of human resources and endogenous capacities
Reform of the programming cycle, including revised presentation of the Programme and Budget working document

Reinforcement of UNESCO’s cooperation with national and international partners and development of new partnerships.

Management and Administration

- Consolidation of the decentralization process
- Adaptation of structures and working methods to an increasingly transdisciplinary approach
- Consolidated delegation of authority at all levels and increased staff accountability
- Modernization of working methods through increased use of advanced electronics and telecommunications
- Reduction to a minimum of resources allocated to non-programme activities
- Consolidated staff policy reforms and development of human resources planning linked to programme strategy to achieve a balance between the necessary core of staff and short-term expertise and to ensure the recruitment of new talent to meet changing needs.

UNESCO’s Strategies

For Development

- Promoting lifelong education for all
- Assisting in the advancement, transfer and sharing of knowledge
- Enhancing the concept of cultural heritage and promoting living cultures
- Promoting the free flow of information and the development of communication

For peace-building

- Encouraging education for peace, human rights and democracy, tolerance and international understanding
- Promoting human rights and the fight against discrimination
- Supporting consolidation of democratic process
- Encouraging cultural pluralism and dialogue between cultures
- Contributing to conflict prevention and post-conflict peace-building.

IFAD’s vision for the future is based on commitment to the needs of its primary clients: the rural poor (see box below). The Fund’s corporate strategy, derived from this vision, establishes objectives for the next four years, including individual goals for performance evaluation.

**IFAD’s Vision**

IFAD should be the Leader in showing the way and galvanizing energies to eradicate rural poverty and hunger, and to unleash, through their own participation, the capacities of our clients: poor rural people.

Together with our partners, we shall ensure the design and implementation of innovative, cost effective and replicable programmes with sustainable impact, responding to the expectations of poor rural people and our Member States.
We want IFAD to be the catalytic institution of a mutual enrichment process which mobilizes resources and knowledge in a strategic, complementary and dynamic coalition of clients, Governments, Financial and Development Institutions, NGOs and the Private Sector.

Our leadership role depends on the teamwork of highly motivated, well-trained and efficient staff, committed to the cause of the rural poor. The want to become a Knowledge Organization about rural poverty by sharing the lessons learned from our own experience, by capturing and using the insights and knowledge of others, and by constantly reinventing ourselves in the light of evolving circumstances.

Rome, 17 May 1995

The WMO Long Term Plan projects the Organization’s vision, sets its broad objectives and lays out the strategy to ensure that international cooperation in meteorology, operational hydrology and related disciplines redounds to the benefit of the peoples of the world, particularly by protecting life and property, safeguarding the environment and contributing to sustainable development. The long-term planning process was formally established in 1983. The Fourth WMO Long Term Plan (1996-2005) was adopted in 1995 and the Fifth Plan (2000-2009) is under preparation.

IMO’s process of reform has resulted in a new budgetary approach based on a new programme structure. This structure was developed as a component of the evaluation and oversight responsibilities of the Secretary-General. It relates IMO’s programme objectives to their costs of delivery. It contains support functions including governance of the Organization’s intergovernmental process, management of conference services, executive management of administrative functions, external relations functions and information services. Resources are allocated to programme objectives in accordance with priorities as decided by the governing bodies. The decisions take account of evaluation of projects and programmes carried out under the Secretary-General’s instructions as part of his oversight responsibilities in respect of regular budget activities and the resources of the new Integrated Technical Co-operation Programme of IMO.

The IMO Assembly, at its 20th session in November 1997, adopted the Secretary-General’s proposed Work Programme and Budget for the 1998-1999 biennium.

**IMO towards the year 2000**

Capacity building and people are the main concerns. A quality assurance procedure has been established, with IMO being responsible to determine whether or not Governments meet their responsibilities for the training of seafarers. This is a radical departure, which puts safety ahead of national interest.

Likewise, the IMO sponsored World Maritime University in Malmo and the International Maritime Law Institute in Malta, assist Member States to train high level experts thus upgrading their capacity to produce skilled, properly trained and motivated seafarers.
In addition, to ensure that IMO remains at the forefront of global policy-making aimed at securing safer shipping and cleaner oceans, the focus for the next biennium will be on:

- promoting flag State compliance with IMO standards;
- developing new legislation only on the basis of demonstrable need;
- promoting a better understanding of the linkages between the causes of accidents and the human element;
- fostering the effective implementation of the Organisation’s Conventions;
- developing a global instrument that extends the scope of the International Convention on Oil Pollution Preparedness, Response and Cooperation (OPRC) to include hazardous and noxious substances;
- promoting the use of new information technology in safety and environmental protection;
- strengthening the capacity of developing countries by improved focus on technical assistance through the Integrated Technical Cooperation Programme (ITCP).

Within the Programme Objectives for human resources management, the major challenge will be to adapt staffing levels and skills to new technology and changing business processes, to secure efficiencies and increased effectiveness and to recognize the aspirations of staff members.

**UNDP** launched its reform process in 1994. The Programme pursues its new directions on three levels: globally, as a leading advocate for international cooperation in sustainable human development (SHD); within the United Nations system, as a unifying force for SHD; and at the country level, as an advocate and partner for SHD in line with country priorities. In support of the new directions, management and staff have pledged themselves to a set of guiding principles (see box below). The Executive Board approved a Mission Statement in 1996 and in the same year a professionally facilitated process of change management, UNDP 2001, was launched.

**UNDP’s Vision of Change**

In 2001, **UNDP will be an Organization with a Clear Client Focus**

A **UNDP** Strategically focused on the programme-country government as the party that offers the greatest leverage in efforts to improve the lives of the poor, and a **UNDP** which organizes its partnerships with civil society, private-sector groups, bilateral and other multilateral agencies around that focus.

And Knowledge-based Services

A **UNDP** with a recognized identity in a changed environment, a **UNDP** which offers well-defined “signature” services that both respond to its clients’ needs and express its distinctive goals and capabilities; a **UNDP** that is a learning organization, strong in ideas and knowledge drawn from its own country-specific experience and speedy in channelling that flow of information to support dialogue, advocacy and programming at the country, regional and global level.

**Value-Driven, Effectively Managed and Responsible**

A **UNDP** united by shared organizational values and managerial principles which foster effective team-work, high standards of managerial and individual responsibility and clear norms of staff conduct; a **UNDP** secure in the justness of its accountability framework and in the provisions for staff empowerment, recognition and sanctions.
With the Right Teams in the Right Places
A UNDP with a staff team qualified and optimally located to deliver on the mission and core competencies of the organization; a professional team enlarged and strengthened through interactive country, regional and global networks which harness, among other potentials, the expertise of UNDP-financed project personnel worldwide.

Able to Raise Resources by Earning its Way
A UNDP capable of generating resources equal to its important mission; a UNDP that has doubled its programme in 5 years and that continues growing through diversified partnership funding based on measurable and recognized efforts organization-wide to target core and non-core financing through performance, enterprise and delivery.

Effective, Decisive, Taking the Right Decisions in the Right Places
A Leaner, flatter polycentric UNDP whose headquarters concentrates on corporate strategy and decision-making, management support and control and whose country offices are empowered to manage operations through delegation, managed networks and ex-post systems of accountability; a strategically decentralized UNDP that takes operational decisions nearest to the point of action and that conducts its business through clear executive direction, cohesive planning, efficient procedures and effective information and accountability systems.

Playing a Stronger, More Cohesive Role in the UN of the future
A UNDP with a strong place in the UN; a UNDP that effectively support UN operational policy coherence by translating the global development agenda into goal-driven UN partnerships and programmes at the global, regional and national levels, and by promoting effective working ties across the System.

ICAO’s Strategic Action Plan
The objectives of ICAO’s Strategic Action Plan are to further the safety, security and efficiency of international civil aviation and to promote the principles enshrined in the Convention on International Civil Aviation by developing the vision for harmonious development of international civil aviation on a national and regional basis and reflecting this vision in global planning, by creating of aircraft and aviation facilities while avoiding discrimination between contracting States and optimizing the utilization of human, technical and financial resources.
To this effect, the International Civil Aviation Organization will:

(a) Foster the implementation of ICAO Standards and Recommended Practices to the greatest extent possible world-wide;
(b) Develop and adopt new or amended Standards, Recommended Practices and associated documents in a timely manner to meet changing needs;
(c) Strengthen the legal framework governing international civil aviation by the development of new international air law instruments as required and by encouraging the ratification by States of existing instruments.
(d) Ensure the currency, coordination and implementation of Regional Air Navigation Plans and provide the framework for the efficient implementation of new air navigation systems;
(e) Respond on a timely basis to major challenges to the safe and efficient development and operation of civil aviation;
(f) Ensure the guidance and information on the economic regulation of international air transport is current and effective;
(g) Assist in the mobilization of human, technical and financial resources for civil aviation facilities and services;
(h) Ensure the greatest possible efficiency and effectiveness in the operations of the Organization, inter alia, to meet the above objectives.

UNFPA has extensively refocused and reoriented its vision and strategy to align them with the Programme of Action of the International Conference on Population and Development (ICPD) held in Cairo in 1994. This internal process led to the approval by the Executive Board of major strategic documents, which now guide UNFPA’s programme operations throughout the world. They include a new Mission Statement (see box below) and a programming strategy that focuses on three core areas: reproductive health, including family planning and sexual health, population and development strategies, and advocacy on population and female empowerment issues. UNFPA has also introduced a new resource allocation system, which concentrates programme support on countries that are furthest from achieving the social goals established at the ICPD. Concurrently, the Fund has continued to streamline and consolidate its management processes, seeking to combine increased decentralization with full accountability, and has introduced logical framework analysis into all its programming at country level.

**UNFPA Mission Statement**

UNFPA extends assistance to developing countries, countries with economies in transition and other countries at their request to help them address reproductive health and population issues, and raises awareness of these issues in all countries, as it has since its inception.

UNFPA’s three main areas of work are: to help ensure universal access to reproductive health, including family planning and sexual health, to all couples and individuals on or before the year 2015; to support population and development strategies that enable capacity-building in population programming; to promote awareness of population and development issues and to advocate for the mobilization of the resources and political will necessary to accomplish its areas of work.

UNFPA is convinced that meeting these goals will contribute to improving the quality of life and to the universally accepted aim of stabilizing world population. We also believe that these goals are an integral part of all efforts to achieve sustained and sustainable social economic development that meets human needs, ensures well-being and protects the natural resources on which all depends.

UNFPA recognizes that all human rights, including the right to development, are universal, indivisible interdependent and interrelated, as expressed in the Programme of Action of the International Conference on Population Development, the Vienna Declaration and Programme of Action adopted by the World Conference on Human Rights, the Convention on the Elimination of All Forms of Discrimination against Women, the Programme of Action of the World Summit for Social Development, the Platform for Action of the Fourth World Conference on Women and other internationally agreed instruments.
UNFPA, as the lead United Nations organization for the follow-up and implementation of the Programme of Action of the International Conference on Population and Development, is fully committed to working in partnership with governments, all parts of the United Nations system, development banks, bilateral aid agencies, non-governmental organizations and civil society. UNFPA strongly supports the United Nations Resident Coordinator system and the implementation of all relevant United Nations decisions.

UNFPA will assist in the mobilization of resources from both developed and developing countries, following the commitment made by all countries in the Programme of Action to ensure that the goals of the International Conference on Population and Development are met.

ILO’s reform measures, launched in 1990, resulted in enhanced relevance, increased effectiveness, and sustainability of action, greater efficiency of operations. They also gave consumers of its services – primary Governments but also employers’ and workers’ organizations – a much greater say in priority-setting, and responses to requests for assistance were speeded up. In addition, substantial productivity gains and cost reductions were achieved. Following wide consultations and policy discussions, the decision making bodies agreed that ILO must serve, first and foremost, as

- A world-wide centre of excellence and reference on employment and labour;
- A standard-setting organization in the world of work which also supervises the application of standards;
- A source of services for its members

The Organizations’s medium to long-term objectives were identified as:

- Promotion of human rights and democracy;
- Promotion of employment and alleviation of poverty;
- Protection of workers.

The fight against child labour was made an overriding priority.

UPU describes its Total Quality approach as a corporate culture designed to promote staff creativity rather than mere productivity.

Total Quality (TQ) at UPU

Striving for total Quality is, for the UPU, a corporate culture designed to promote staff creativity rather than mere productivity. This is an ongoing process that takes many forms of which the following are a few examples.

- Just in time

Formal perfection has too long served as a justification for reaction or even response times that are no longer compatible with the rapid development of the modern world. The “customers” of international organizations are entitled to expect clear and fast replies from permanent secretariats.
♦ Value added

Compulsory and/or voluntary funding cannot simply be used for the passive organization of international forums. The permanent Secretariat’s contribution must be reflected in real added value from which all member countries benefit. It is only on this basis that the permanent Secretariat can play an active, major role alongside the deliberative bodies.

♦ Efficiency Board

There has been broad debate and many proposals have come from all staff on simplifying internal procedures and reducing the need for different levels of approval. An overall plan aimed at making the wide variety of existing data available increases the value of each person’s work and improves internal communication.

The Strategic Compact is a comprehensive reform plan to enhance the effectiveness of the World Bank’s action to fulfil its basic goal of reducing poverty. Under the Compact, the Bank’s shareholders and management undertake to invest in and implement a series of measures by the year 2000 to transform the way in which the institution does business.

World Bank Change for 2000

♦ Shift resources from overhead and administration to front-line operations (with the goal of achieving a 60:40 front-line to back-line ratio, compared to the current ratio of roughly 50:50);

♦ Develop a new range of financial products and advisory services with the emphasis on relevance and timeliness for clients;

♦ Eliminate cumbersome, inefficient processes and make the World Bank quicker, leaner and more cost-effective;

♦ Rebuild technical expertise in key areas of development and expand the Bank’s focus in those areas – with the social sectors, institution-building and the private sector as immediate priorities;

♦ Further decentralize activities to the field;

♦ Strengthen the Bank’s information management system to collect, synthesize and disseminate the best in development thinking;

♦ Reform the human resources system to collect, synthesize and disseminate the best in development thinking;

♦ Reform the human resources system to create a more flexible, performance-based and diverse institution.

FAO began its reform process in 1994 and has been able to achieve significant progress despite declining resources. It has drawn up a set of guiding principles to shape its future action. In response to the November 1996 World Food Summit, which generated an international commitment to the goal of Food for All and gave new impetus to FAO's own
action to promote food security, the Organization is developing a strategic framework for the next 10 to 15 years which will elaborate on the implications of the guiding principles. In particular, it will set out core goals for FAO in the context of the global goals of member nations, identify strategic issues to be addressed by the Organization and spell out its response.

The purpose of the special emphasis on food security is to focus FAO action, through a participatory approach, on achieving a sustainable increase in food production and productivity, and to promote access to food in countries where the constraints on providing the population with an adequate food supply are most severe. To this end, a Special Programme on Food Security has been launched in some 30 countries and is being formulated for some 40 additional countries. The programme is designed to promote policies conducive to sustainable development and to mobilize public and private investment in food production through an integrated and participatory process that targets the primary issues affecting food security.

### FAO’s Guiding Principles

The FAO Director-General has articulated the following guiding principles, drawing from his own analysis of FAO’s strengths and weaknesses and an in-depth review and consultative process involving Member Nations, external advisory panels and a series of FAO internal departmental assessments:

- **FAO should be strengthened as an international centre of excellence and world reference centre.** It should be at the cutting edge of generation of knowledge; a world leader in assembling, processing and disseminating information; and an authoritative source of policy analysis.
- **FAO should be the recognized centre for normative work in setting standards and servicing international conventions and intergovernmental instruments.** It should be a forum for organization of cooperative ventures and problem-solving among Member Nations.
- **Technical assistance should be decentralized whenever possible to the regional, subregional and country levels, thus increasing national capacity, reducing implementation costs and shortening response terms for requests for assistance.**
- **Operational services to Member Nations should be made more coherent and responsive through better coordination of staff involved in policy advice, field projects and investment support, to achieve economies of scale and skill specialization and to avoid conflicting policy guidance.**
- **Attention should focus on the key priority of food security, including action to prevent and combat emergencies linked to outbreaks of plant or animal pests or diseases, while maintaining the sectoral and thematic priorities set by FAO’s Governing Bodies.**

The principles also call for FAO to:

- Embrace more vigorously emerging concerns and priorities, such as structural adjustment, the sustainable management of natural resources (as a follow-up to UNCED, to which FAO made a substantial contribution) and socio-economic changes in population structure, values and status;
- Ensure that the needs and concerns of women are fully taken into account in its activities, reflecting the importance of women in food and agriculture;
- Adopt a comprehensive approach to cost savings by pursuing all opportunities to deliver services more economically, including streamlined administrative procedures, better-targeted publications, better governance and the reduced support staff made possible by office automation and improved telecommunications;
- Implement change as an integrated package, not on a piecemeal basis.
Developing assessment tools

Assessment tools serve to monitor progress towards an organization’s goals and to ensure that the policy formulated by its governing bodies is reflected in decision-making. They may indicate the need to adjust, reorient or even eliminate a particular programme.

At the United Nations, the Office of Internal Oversight Services was established in 1994 in order to enhance oversight functions through intensified evaluation, audit, investigation. It was also expected to play a proactive and advisory role with a view to providing assistance to programme managers in the effective discharge of their responsibilities. The OIOS is a key element in the ongoing reform process and has produced reports that have been a valuable source of reference and guidance in the development of reform measures.

ILO has introduced a Monitoring, Evaluation and Reporting System (MERS) which will cover all the Organization’s activities by January 1998 (see box below).

### ILO’s MERS

This classic management by objectives (MBO) system enhances the effectiveness, relevance, efficiency and sustainability of the work carried out both ILO’s headquarters and in the field. It is an integral part of policy-making, programme planning and budgeting, and of the management of programme implementation of all ILO activities, irrespective of the source of financing.

It requires the preparation, in consultation with those who are responsible for and associated with the work, of detailed workplans by subprogramme managers, periodic progress reviews and self-evaluations of programme implementation.

Programme managers are responsible for reviewing the workplans and ensuring that periodic progress reviews and self-evaluations are carried out. They also assess the contribution of the various subprogrammes to achievement of the programme objectives and prepare a self-evaluation synthesis.

Major programme managers, the next level in the hierarchy, use the syntheses to assess the contribution of the various programmes to achievement of the major programme objectives.

WHO has converted 59 programmes into 19 major programmes focusing on four strategic areas: health policy and management; health service development; promotion and protection of health; integrated control of disease.

IAEA has designed a Programme Performance Assessment System to improve programme formulation, monitoring and evaluation.

Since the introduction of an evaluation plan for UNESCO’s Programme and Budget for 1994-1995, many subprogrammes have undergone internal or external evaluation. The Technical Annex to the Programme and Budget for 1996-1997 reviews action on
recommendations resulting from previous evaluations and shows that a large number of projects and programmes have been redesigned.

Linked to the WMO long-term planning process is the monitoring and evaluation of the implementation of WMO Programmes. The Long Term Plan specifies the purpose, scope and objectives of the Programmes, describes ways of achieving the objectives and, where possible, sets forth quantifiable results to serve as benchmarks for evaluation. A formal Monitoring and Evaluation Report on the Long Term Plan is prepared every four years for consideration by all Members.

WFP is working on a project performance monitoring system.

IFAD uses a balanced scorecard to measure and monitor objectives at institutional, departmental and divisional level. Each staff member has a work plan with measurable indicators that are directly related to the Fund’s corporate strategy (see box below).

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**IFAD’s balanced scorecard**

In contrast to traditional, financially based measurement systems, the Balanced Scorecard solidifies an organization’s focus on future success by settling objectives and measuring performance form four distinct perspectives. The scorecard is not a replacement for financial measures, it serves as their complement by including financial measures that reveal the result of actions already taken, as well as three sets of operational measures that show customer satisfaction, internal processes, and the organization’s ability to learn and improve. The balance scorecard lets managers introduce four new management processes that link strategic objectives to short-term action.

The first management process, translating a vision, helps managers build consensus around the organization’s vision and strategy.

The second, communicating and linking, gives managers a way of ensuring that levels of the organization understand the long-term strategy and that both departmental and individual objectives are aligned with it. Corporate objectives, measures and targets must be described, then translated into targets for each business unit, while individuals and teams are asked to articulate which of their own objectives would consistent with them, as well as what initiatives they would take to achieve their objectives.

The third process, business planning, enables organizations to integrate their business and financial plans.

Finally, feedback and learning gives organizations the capacity for strategic learning, enabling them to monitor short-term results form the three additional perspectives, and to evaluate strategy in the light of recent performance, modifying strategies to reflect real-time learning.

The very exercise of creating a balanced scorecard forces organizations to integrate their strategic planning and budgeting processes and therefore helps to ensure that their budget supports their strategies. It provides a framework for managing the implementation of strategy while also allowing the strategy itself to evolve in response to changes in the organization’s competitive, market and technological environments.
UNDP has a unit that reports directly to the Administrator on the results and performance of UNDP programmes. It uses professional evaluators and reports annually to the Executive Board on evaluation plans, activities and compliance rates. Regional bureaux and resident representatives are held accountable for compliance with mandatory evaluation schedules and there is provision for sanctions in cases of non-compliance.

UNICEF has introduced new tools for identifying risks to help managers spot potential problems so that corrective action can be taken in early stages. These tools, for which guidelines were developed, include programme audits and risk assessment. At regional levels, Country Representatives participate on a rotating basis in committees that identify gaps in oversight capacities to be strengthened within the region, develop and monitor performance indicators for reporting by all offices and implement training plans to strengthen technical capacities in risk assessment, monitoring and evaluation. Improved systems for monitoring and reporting on overall organizational performance have been incorporated into UNICEF’s Medium Term Plan for the period 1998-2001. A global assessment of programme performance is being carried out to assure quality standards of UNICEF programming for children and women. Additional resources have been allotted to the Office of Internal Audit to increase coverage of audit activities.

IMO’s new programme structure will enhance accountability and transparency, showing the cost of individual programme and subprogramme activities.

UNDCP operates a broad-based thematic evaluation system, which is used by programme managers to revise and adapt priorities. Subprogrammes in the Medium-Term Plan are subject to self-evaluation to monitor compliance with targets and the programme of work contained in budget documents. A project evaluation plan drawn up at the beginning of each year is updated on a quarterly basis and compliance rates by sector and region are reported. The outcome is analysed and taken into account in enhancing the relevance and impact of future activities. A unit established in April 1997 will coordinate and direct all audit services, identify activities requiring close scrutiny, initiate corrective action where necessary and channel the information to senior management.

Since 1992 FAO has further strengthened its internal oversight function by adopting a comprehensive audit approach featuring value-for-money reviews, compliance audits, inspections, management reviews, investigations, fraud audits and evaluation of operations and activities. An internal auditor post has been assigned to each of the four Regional Offices, enhancing self-assessment in the context of decentralized operations. The 1996 Annual Report on the activities of the Office of Internal Audit, Inspection and Management Control, which has since been renamed the Office of the Inspector-General, was made available to the FAO Finance Committee, a practice which will be continued in the future. Follow-up of internal audit recommendations is defined as a management responsibility, enhancing the overall effectiveness of the oversight function.

UNIDO, in close consultation with Member States, has introduced a system of performance indicators to measure overall organizational performance and achievements. These organization-wide indicators are now being translated into more specific indicators at major programme and programme level. UNIDO is also working on indicators to measure client satisfaction and impact at the level of individual technical cooperation programmes and projects. The Office of Internal Oversight has been strengthened and will audit
performance achievement levels on the basis of clear performance targets to be introduced in 1998 for various organizational units.
III. OVERHAULING HUMAN RESOURCES

All organizations are taking a fresh look at human resources management. Improved recruitment procedures are designed to preserve the excellence of the international civil service and renewed emphasis is being placed on the ethical standards of the service. Staff development programmes are increasingly geared to the new managerial and technological environment. There is greater managerial autonomy vis-à-vis human resources and increased accountability has been directly linked to increased responsibility.

Across the UN system, performance management schemes have been redesigned to recognize, encourage and reward individual and, increasingly, team performance. Revised evaluation systems focus on motivation and encouragement, more objective measurement of performance and management of under-performance.

Underlying these reforms is the recognition that human resources management is the key to more effective and efficient fulfilment by all organizations of their statutory mandates.

Strategies

The Group of 77 and China have noted the extreme importance of ensuring that the new direction towards the so-called corporate mentality does not destroy the fabric of the international civil service, a sentiment shared by the organizations. While seeking to uphold the primary Charter principles of competence, efficiency and integrity, they are striving for excellence through reform and moving from the administration of staff rules and regulations to the management of human resources.

At the United Nations, the Secretary-General’s strategy of strengthening the staff is based on Article (3) of the Charter, which prescribes that the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. To this end, the Secretary-General endeavours to improve the quality and performance of United Nations staff, to enhance the effectiveness with which human resources are managed and the strengthen the international civil service. He has established a Task Force to conduct a thorough review of human resources management at the United Nations.

The Task Force consists of experts from different regions of the world who have a wide diversity of experience in human resources management in the public and private sectors. It is examining ways and means of attracting, motivating, developing and retaining staff of the highest competence. It will also look at ways to rejuvenate an ageing international civil service and will review personnel rules and regulations with a view to simplification and modernization. Emphasis is placed on rendering the personnel system more transparent, while enhancing managerial responsibility and accountability through a process of delegation. At the same time, five Working Groups have been established to provide the Task Force with the substantive inputs it needs. These are in the areas of human resources planning, staff administration, recruitment and placement, staff development and performance management, and conditions of service.

All day-to-day personnel administrative functions in FAO have been transferred to Management Support Units located in each department and regional office so that the central
Personnel Division can concentrate on strategic human resource planning and policy formulation. An international firm of management consultants has undertaken a review of the Personnel Division to develop a new organizational structure, which will enhance this revised focus. In addition, a grade structure review conducted with external assistance is serving as a frame of reference for rationalization of the Organization’s overall staffing pattern.

A high-level task force on human resources in UNESCO advises the Director-General on ways of ensuring that Secretariat skills correspond to new priorities and that staff costs remain within the budget ceiling approved by the General Conference.

As part of its overall re-engineering process, IFAD has brought staffing levels and job responsibilities more closely into line with the organization’s goals.

UNDP is aligning staff competencies with its new mission, developing and acquiring capabilities and skills which lay the basis for: systems thinking and interdisciplinary approaches; development strategy formulation, policy analysis, planning and forecasting; innovative thinking and product/service development; service orientation, speed and efficiency; partnership-building and networking; information gathering, processing, analysis, utilization and packaging linked to information technology; empowerment and group leadership; organizational discipline and efficient management of business processes; and sound financial management and administration.

UNICEF’s Division of Human Resources is being reorganized to support the implementation of the new human resources strategy, including a career management system to meet the future needs of the organization and individual staff members. Improved human resources services to field offices has reduced the time required for personnel transactions and the resolution of complex personnel cases. Human Resources professionals are being put in place Regional Offices to support and strengthen the management of the Human Resources function in country offices. Special training in team building and leadership is now offered to all newly appointed UNICEF Country Representatives.

WHO’s personnel policy allows for initiatives to optimize the management of human resources, to enhance efficiency and to maintain the Organization’s excellence in international health development (see box below).

### WHO’s Human Resources Management Policies

Special attention is drawn in the policy statement to:

- The importance of defining as soon as possible “core” and “non-core” staffing needs;
- Increased focus on competencies in the selection and promotion of staff;
- Acknowledgement of the key role played by managers; the need for evaluation of managers on the basis of their managerial competence; the provision of training in areas where managerial skills may be lacking;
- Recognition that teamwork is a prized goal and that successful teamwork will be rewarded;
- Recognition that the Organization will increasingly contract staff for periods of limited duration;
- Commitment to orienting the work of the personnel department towards that of an advisory or consultancy group, collaborating with the technical and administrative units in managing human resources, while maintaining and exercising firmly the necessary regulatory functions.
The World Bank is pursuing a reformed human resources strategy designed to align people practices with the goals and priorities of the Bank and its clients as outlined in the Strategic Compact. The key values underlying the strategy are: professional and managerial excellence, flexibility, client focus, results orientation, diversity, fairness and cost-effectiveness.

A contractual status policy introduced in 1996 offers UNDCP staff more clear-cut career development prospects. The first two years of service are viewed as a probationary period leading either to a three-year renewal of contract or non-renewal. Thereafter renewal is for a five-year period. Since 1996 all staff in the Professional category are appointed under the same rules, regardless of where they serve.

UNIDO introduced seven general management principles to staff at all levels: empowerment, accountability, transparency, balanced management, result orientation, action/decision orientation, and leadership.

The international civil service ethos

The international civil service derives its unique status, notably its independence and integrity, from the Charter of the United Nations and the constitutions of the Specialized Agencies. Every reform initiative must abide by the Charter principles: preservation of the Secretariat’s moral authority and independence; maintenance of competitive conditions of service; assurance of staff safety and security.

Under the Charter, the relationship between Member States and secretariat staff is one of reciprocal responsibility; States must respect the independence of secretariats and staff must maintain the highest standards of efficiency, competence and integrity. To that end, organizations regularly remind their staff of the 1954 Report on Standards of Conduct prepared by the International Civil Service Advisory Board (ICSAB), which lays down principles governing staff conduct both in the performance of official duties and in the pursuit of outside activities and occupations.

The United Nations has prepared a Code of Conduct based on the spirit and values of the ICSAB Report which will form part of its Staff Rules and Regulations (see box below).

United Nations Code of Conduct

In August 1994, the Secretary-General announced that a United Nations code of conduct would be promulgated as part of the establishment of a transparent and effective system of accountability. This code of conduct, which will constitute Article 1 of the Staff Regulations and Chapter 1 of the Staff Rules, sets out in concrete terms the basic rights and obligations of staff members. A draft Code of Conduct for United Nations Staff was thus adopted by the Staff-Management Coordination Committee and submitted to the Secretary-General in June 1997. The General Assembly discussed and adopted the proposed Code of Conduct in September 1998.
UNICEF’s staff adopted Guiding Principles of Conduct in January 1996 - a statement on how the Fund’s staff and managers should go about their work. The principles complement the United Nations Report on Standards of Conduct in the International Civil Service (1954) and are based on inputs from UNICEF staff. The 50 per cent response rate to a staff survey that formed the basis for the drafting of the Principles reflects the strong staff commitment to building a more effective and efficient UNICEF (see box below).

**UNICEF Guiding Principles for Staff commitment and conduct**

Inspired by the ideals enshrined in the United Nations Charter, the Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child,

We, the staff of the United Nations Children’s Fund, commit ourselves to the following fundamental principles and professional standards, and agree to be individually and collectively accountable for applying them in our everyday work and actions.

Our first commitment is to act in the best interests of children.

We believe we must demonstrate integrity, truthfulness and honesty in all our actions. We pledge to make responsible use of UNICEF resources, knowing we are entrusted as custodians to safeguard them and use them wisely.

We respect the dignity and worth of every individual and will do our utmost to promote and practice understanding tolerance to foster respect for diversity, be it of gender, religion, culture, creed or race.

We will foster a climate of impartiality, fairness and objectivity and assure the equitable application of UNICEF regulation, rules and policies. We will create a work environment that is sensitive to the needs of all staff.

Those of us privileged to hold positions of authority have a greater obligation to set the highest professional standards and to uphold them by personal example. At every level we aspire to optimal achievement, and value the contribution of every staff member.

We acknowledge the importance of sound judgement, initiative and leadership and will pursue and recognize excellence and productivity.

We are willing to listen to different opinions and willing to learn and grow to contribute our individual best to UNICEF.

We will facilitate participation and promote teamwork within UNICEF and extend that same spirit of collaboration to all our external partners, realizing that only through effective communication and cooperation can we best fulfill our mission.

We affirm our loyalty to the United Nations Organization and promise to place the interest of the international organization above our own. As international civil servants, we are proud to share the broad vision of the Organization and will work indefatigably for the realization of its goals.

Note: UNICEF Guiding Principles complement the United Nations Report on Standards of Conduct in the International Civil Service 1954 (COORD/CIVIL SERVICE/5, 1986 Edition) which we affirm as the foundation for our conduct.
Following wide-ranging staff consultations, **UNDP** has drawn up a statement of values for the guidance of the organization and individual staff members: results-orientation, integrity, respect. It plans to implement an ethics programme, with guidelines for a code of conduct.

**Excellence**

Human resources management reform is motivated essentially by what ACC describes as the desire to uphold and strengthen the excellence of the international civil service in the context of the structure and personality of individual organizations. In practice, this means casting the recruitment net wider and refining selection and promotion criteria to reward additional skills and behavioural competencies.

Some organizations such as **UNESCO** and **IAEA** are giving greater weight to merit-based selection and promotion. Others, including **UNDP**, **UNICEF**, **UNFPA**, **UNDCP**, **UNHCR**, **ITU**, **WHO** and the World Bank, have introduced or are planning to introduce the notion of competencies to supplement traditional criteria such as academic qualifications and experience.

In addition to casting the recruitment net wider, **UNESCO**, **ILO** and **UNIDO** are simplifying recruitment procedures and assessing special recruitment needs more carefully.

Under its Career Management System (CMS), **UNHCR** has defined the competencies required for all jobs and is refining its selection and promotion criteria and training initiatives in the light of CMS competencies (see box below). Formal implementation of CMS began on 1 July 1997 and the first performance appraisal cycle on 1 September 1997. Emphasis is being placed on monitoring the functioning of the new system. Human resources management processes are gradually being aligned with the CMS, while aspects of the CMS are being refined and simplified.

<table>
<thead>
<tr>
<th><strong>UNHCR’s Career Management System</strong></th>
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<tr>
<td>♦ An enhanced performance appraisal system (PAR), which regularly provides feedback on the performance of staff, based on set work objectives and competencies defined at the beginning of the performance cycle and reviewed through ongoing dialogue between the supervisor and the staff member.</td>
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<tr>
<td>♦ A skill management system, which defines the competencies needed for each that UNHCR does and which are required in positions that staff can aspire to fill in the future.</td>
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<tr>
<td>♦ A competency development and career planning process, describing career paths and steps required to development highly competent staff skilled in the various areas required by UNHCR.</td>
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The **FAO** Director-General has repeatedly stressed his commitment to the development of the Organization as a centre of excellence. To this end, FAO enlists the services of high-level academicians and researchers under the academic and research cooperation programme and draws on a large pool of skilled and motivated experts under the programme for the use of retired experts from FAO, other United Nations organizations,
national bodies and the private sector. In addition, the Organization has placed renewed emphasis on the recruitment of staff of the highest calibre, while recognizing the need for wider geographic distribution and more balanced representation of women. Efforts are under way to streamline and simplify recruitment procedures.

**UNDP**'s core staff competencies are being realigned with its new mission and the goal of quality programming and delivery. The Resident Coordinator system is being strengthened through the secondment of senior officials from other agencies and through competency-based selection and appraisal.

Using the UN/IMIS Human Resources module, **UNICEF** has set up a new integrated personnel information system in the Division of Human Resources.

Under the **World Bank**'s more open managerial selection process, new leadership teams are being constituted in all regions. Professional networks have brought together staff from different units working on related themes to define professional standards and develop professional skill profiles by the end of 1997. The standards will be used to validate staff selection criteria, assess technical skills and performance, support career development and enhancement of skills, and assist line managers and staff in managing performance (see box below).

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**Extract from the Strategic Compact of the World Bank Group**

“The Bank can only play a world-wide leadership role in development and poverty reduction if it also becomes the leader in human resource management. The Bank must be the employer of choice for outstanding men and women form all parts of the world who are committed to development. It must give real meaning to the notion of treating “people as assets”. Only then can the Bank transform itself into the nimble, agile and high-performance organization which it must be in the next decade.”

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**ITU** decided in 1997 to introduce a merit award scheme for exceptionally meritorious performance by individuals or teams involving a lump-sum non-pensionable bonus of up to half a month's net base salary.

**UNIDO**'s new staff placement and promotion system has eliminated the time-consuming annual promotion review of all staff. It is vacancy-driven, with posts being advertised and successful candidates promoted to the level of the post on the basis of generally reduced seniority requirements.

**Staff development**

Although funds may be scarce, staff development still figures prominently in the efforts of all organizations to reform human resources management.

On the basis of a training needs analysis conducted in 1994, **ITU** concluded that its priority training areas were computer technology (35% of respondents), management (27%) and telecommunications-related training (13%). In the latter area, external training for
telecommunication engineers is supplemented by training on telecommunication subjects for non-specialist staff to help them understand topics encountered daily in the workplace. In 1996 ITU launched a two-year Management Development Project (MDP 2000) based on competencies combining skills, knowledge and personal attributes.

**The United Nations** Secretary-General has made clear his view that resources devoted to staff development represent a critical investment in the Organization's future. The Secretariat has put in place an integrated series of targeted development programmes to support reform, build the Organization's substantive and managerial capacity and promote shared organizational culture and values. Staff development needs are addressed through a combination of centrally coordinated programmes to build leadership, managerial and supervisory skills and programmes decentralized to individual departments to enable staff to acquire specific substantive and technical skills required to meet the Organization's ever-evolving mandate. Particular emphasis is being given to the development of new professional staff recruited through the competitive examination processes as well as to leadership and managerial development. A People Management Training Programme has now been attended by some 95% of all D1 and D2 staff as well as the majority of P4 and P5 staff having supervisory responsibilities in the United Nations Secretariat. Follow-up to the People Management Programme is being implemented on a departmental basis, bringing together heads of departments with their senior and middle level managers to review progress made on action plans developed in the first phase of the programme as well as to focus on specific departmental management issues, including workplanning, teambuilding and establishing internal accountability mechanisms.

**UNDP** has invested heavily in staff training and development and encourages staff to devote 5 per cent of their time each year to self-learning projects. It plans to support the programme by secondments, exchanges, movement of staff on and off project posts, sabbaticals and special leave without pay. UNDP has developed an innovative Learning Catalogue which opens up a wide range of opportunities (involving non-traditional approaches) to assist staff in assuming greater control and responsibility in the area of learning and development.

**UNICEF** has invested in management training to improve country office operations and programme performance. So far, over 70 percent of UNICEF offices have completed training in team building and work process redesign. This has contributed to improved integration of operations and programme functions, increased inter-sectoral collaboration, simplified work processes and improved staff morale.

**UNFPA** has recently revitalized its interdivisional Advisory Committee on Training.

The priority areas identified in a **FAO** study of training needs included management and supervision, communication and language skills, and professional technical knowledge. In addition, considerable emphasis has been placed on computer training to support the introduction of new technologies: training in information technology has doubled over the last four years. A proportion of total staff costs (currently 0.9%) is earmarked for training in divisional budgets and the percentage allocation is increased each biennium. Divisions are
The World Bank has significantly increased its budgetary appropriation for learning and development. Some 400 Bank Group managers are to participate in an accelerated Executive Development Program in the 1998 financial year. Other initiatives include Professional Sector Weeks, a Staff Exchange Program and a Presidential Fellows Program.

All IMO users have attended in-house information technology training programmes. Management and supervisory training courses based on a modular approach and covering core competencies are planned.

UPU seminars have targeted training needs in areas such as marketing and accounting.

ILO’s training budget exceeds 1 per cent of its payroll.

UNESCO has launched a comprehensive training programme for all administrative officers in Field Offices, covering their three main areas of responsibility (finance, budget and personnel administration). A management development programme is being designed with the assistance of external consultants. Starting with senior staff, it will focus on strategic organizational issues that have a direct impact on human resources. In the second phase, involving middle-level staff, it will seek to develop a shared understanding of what constitutes effective management at UNESCO.

UNIDO has focused on developing managerial skills that further the process of change. In the face of falling budgets and staff reductions, management training has been increased, accounting in 1996 for almost double the hours spent per staff member in 1993.

Given the rapid pace of change in the Organization, many training courses have been designed to help management and staff cope with the demands of a changing workplace. Other courses have dealt with cross-cultural team-building, leadership styles, performance evaluation and efficient meeting organization. Funds for specialized technical training to upgrade staff skills have been decentralized to the substantive divisions.

Rotation policies linked to programme needs can revitalize organizations. UNHCR includes rotation, with training of staff to assume new responsibilities, as an essential ingredient in its global manpower exercise. The link between objectives and competencies established through the Career Management System (CMS) will play an increasingly important role in the planning of staff training. The UNHCR Compendium of vacant posts and posts likely to fall vacant will henceforth be issued on a monthly instead of an annual basis. In addition, streamlined post application and decision-making procedures are being introduced. The changes will facilitate vacancy management, enhance transparency and ensure a more effective match between the requirements of individual staff members and those of the organization.

Other organizations (ILO, WHO) encourage greater staff mobility both to different locations and to different occupational and programme areas.
UNDCP approved a rotation policy in 1995. A Committee on Staff Rotation was set up to compare candidates’ profiles with post requirements, to match post requirements and applicants by occupational group and to consider the post preferences and career paths of all staff members. A training programme on international drug control for all Professional staff and senior General Service staff was launched in November 1997.

**Performance management**

Over the past ten years or so, all organizations have revised, re-engineered or otherwise redesigned their performance management and evaluation systems.

The United Nations introduced the Performance Appraisal System (PAS) initially in 1994. The system is in line with the Secretary-General’s overall efforts to introduce a results-based culture of performance. PAS is designed to serve as a line management and staff development tool to improve overall organizational performance by encouraging greater staff participation in the planning, delivery and evaluation of work. It is also intended to promote communication between staff members and supervisors on the goals to be achieved and the basis on which individual performance will be assessed, encouraging team work in the process. On the basis of experience in implementation, the system has been extensively reviewed and evaluated and has been simplified.

Staff have generally been consulted prior to the introduction of new schemes. IFAD used feedback from a staff attitude survey in designing its new performance management system.

Individual performance is linked to that of the organizational unit and in some cases, for example IFAD and UNFPA (see box below), to that of the organization itself.

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**UNFPA’s Performance Appraisal System**

In 1991 UNFPA introduced a new performance assessment system: the Performance Appraisal Review (PAR) system. This annual exercise is tied to organization-wide and unit work planning, and is anchored in a performance plan set at the beginning of the year between the supervisor and the staff member.

The PAR system gives prime responsibility to line managers/supervisors for communicating clear expectations to staff and providing regular feedback on performance. Year-end appraisals are completed at the same time and then reviewed/completed by the Management Review Groups at headquarters and in country offices. With the introduction of the new system, UNFPA staff were trained in the PAR process, followed by “refresher” courses. In the future, UNFPA will begin the process of identifying competencies, and will explore the possibility of incorporating them in the performance appraisal process and using them as a means for identifying training and development needs.
ITU plans to integrate its human resources management policy into the Fund’s overall goals by defining an ITU vision, introducing a management development project (MDP 2000) and creating a career development officer post.

Actions are being taken to strengthen UNICEF’s overall performance management system at country, regional and headquarters locations. An Inter-Division Group, representing budget, human resources, programme, planning, evaluation and audit functions, was established to develop a system for monitoring and reporting on the implementation of the 1998-2001 Medium Term Plan. Although much of what constitutes a global performance management system is already in place in UNICEF, existing mechanisms are being reviewed and strengthened so that the individual pieces of the system can be brought together in a comprehensive and mutually reinforcing manner. This includes organizational performance at the global, regional, country programme and individual staff levels. In reviewing the PAS system, actions are being taken to ensure that individual and team performance appraisal is clearly linked to the larger performance goals of the organization as outlined in the Medium Term Plan. New tools, such as 360 degree feedback assessments, are also being introduced.

UNDP has introduced transparent peer-review procedures for staff evaluation and for hiring, promotion and assignment decisions.

WMO operates an objective-based performance appraisal system in which individual objectives are determined through a cascading process. A number of performance factors (competencies) have been included in the system. All staff are evaluated at the same time. The final assessment of performance is carried out by a Management Review Board composed of the Secretary-General, the Deputy Secretary-General, the Assistant Secretary-General, all directors, and the President and Vice-President of the Staff Association.

The World Bank’s Overall Performance Evaluation (OPE) has been redesigned to focus more sharply on results, behaviour and development. A management feedback pilot scheme provided managers with feedback from staff and peers on task-related behaviour and a 360-degree performance feedback instrument is currently being tested by some 800 staff members.

UNDCP undertook an evaluation of staff selection, recruitment and promotion procedures in 1997, focusing on the appropriateness of policies, the effectiveness of procedures and the role of advisory machinery in personnel management. The Programme operates an integrated monitoring, evaluation and audit system. Budgeting and monitoring are linked by costed workplans, which ensure consistency and prevent duplication. An accountability mechanism generates information which is fed back into the decision-making process.

The United Nations has also adopted a step-by-step approach to the introduction of a system of performance awards and bonuses as well as measures to address under-performance.

UNIDO has introduced a new staff performance evaluation system (SPES) based on an annual cycle. It includes a mid-term review of assignments and an assessment of each staff
member in the light of clearly identified competencies. The system, based on ICSC and CCAQ guidelines, emphasizes the link between individual performance and the performance and objectives of organizational units. It also provides guidelines on the typical or expected distribution of performance ratings.

The process of personnel management

The relevance and appropriateness of day-to-day human resources management is under constant review in all organizations. Outmoded procedures are being simplified; others are being computerized or even abolished. Contractual arrangements are being adjusted.

As ICSC noted in 1997, there is an increasing trend towards limited-duration employment arrangements. Four organizations (United Nations, UNDP, UNFPA, WFP) have introduced appointments of limited duration (ALDs) and five more (WHO, UNIDO, UNESCO, UNICEF, UNHCR) are contemplating their introduction. By the end of 1996, the United Nations had employed 809 staff members under its pilot ALD project and UNDP and UNOPS had jointly employed 267. UNFPA has introduced ALD contractual arrangements for non-core staff.

FAO's partnership programmes have expanded the Organization's collaboration with Member Nations and their institutions and experts in an innovative and cost-effective manner, harnessing their resources and skills in the implementation of programmes and projects. The programme for the use of experts under TCDC (technical cooperation among developing countries) and TCCT (technical cooperation among countries in transition) arrangements is based on cost- and responsibility-sharing, promotes national and collective self-reliance and contributes to countries' capacity-building.

UNESCO Young Professionals

The UNESCO Young Professionals Programme, renewed in 1989 after a lapse of 15 years, consists in the recruitment of young graduates under the age of 30 from under or unrepresented Member States after a one-year probation period. Between October 1989 and November 1996, 56 young professionals have been appointed; 35 are from Member States under-represented in the Secretariat’s staff, and 21 from Member States hitherto unrepresented.

For the 1996 intake of the Young Professionals Programme, 8 women were hired out of a total of 9 graduates; this means that the programme has a favourable impact not only on geographical distribution but also on the status of women in the Secretariat.

The World Bank has facilitated internal redeployment of staff by such measures as multigrading of many managerial and technical positions.

UNESCO has reviewed the relevance of existing posts, taking into account new programme requirements. New posts are created where they are indispensable for programme
implementation and where they can be offset by the abolition of vacant posts. The Young Professionals programme has been revitalized (see box below).

**UNHCR** has developed a plan to delegate human resources management for locally recruited staff to the field (in 1998). The aim is to improve the responsiveness of administrative actions by moving them as close as possible to duty stations, while introducing greater accountability in the management of human resources. The first step in the delegation of authority for human resources will be followed by wider delegation in other areas as part of the overall reform process in UNHCR.

**Work environment**

The landscape of the workplace has been transformed by changing demographic and societal trends. There is a growing awareness in the United Nations system of the need for policies conducive to the reconciliation of work and family responsibilities in order to attract and retain top-quality staff. All organizations have expanded options such as flexible work schedules and have subscribed to the idea of family-related leave arrangements so that staff members can deal with emergencies. Such measures reduce absenteeism, improve morale, alleviate recruitment and retention problems and enhance productivity.

ACC is committed to introducing further measures in support of its 1995 work/family agenda policy statement, notably in the areas of spouse employment and promotion of a family-friendly working environment. As spouse employment is a global concern, it calls for collaborative initiatives going beyond the United Nations system and will probably be one of the first areas for pilot schemes with multinational employers and other partners in civil society.

A three-tier system of personnel consultation at the local, regional and global levels has been proposed in **UNHCR** to ensure that staff members at all levels are consulted on issues that affect their working and living conditions.
IV. COMMUNICATION AND INFORMATION

Reform entails the development of a culture of communication so that organizations reach out to civil society, developing partnerships with non-governmental organizations, business and industry, research institutions, professional associations, the mass media, religious and cultural bodies and the public at large. This type of reform not only bolsters the organizations image, but also, and more importantly, offers national civil services, academic institutions, libraries and the general public ready access to high-quality United Nations data at minimal cost.

Civil Society

Many organizations have forged links with academic and research institutions which enable them to benefit from each other’s experience in areas of common concern.

Ever since its establishment in 1919, ILO’s mandate has required it to reflect the views of civil society. It is composed not only of government representatives but also of representatives of employers and workers, the latter having equal power in all policy-making organs and on matters related to the former. As a forum, therefore, its status is unique among intergovernmental organizations.

FAO’s reform process recognizes the need for broader links and closer cooperation with civil society. New initiatives include policy dialogue, promotion of public awareness, field programmes and mobilization of resources from the private sector and organizations representing civil society. Under FAO’s programme of cooperation with academic and research institutions, visiting experts collaborate with the Organization in the implementation of priority activities in a manner which is beneficial to FAO, the sponsoring institutions and the expert alike. Since 1994, the Organization has also been operating a system of external reviews of its policies and programmes in major fields of competence and areas of thrust by high-level panels of internationally renowned experts from academic and research institutions and NGOs.

UNESCO has contacts with private companies willing to finance development projects in Member States. University twinning (UNITWIN) and UNESCO Chairs promote cooperation among universities and create centres of excellence. The Organization spreads its message and enhances its local presence by seeking out new partners such as majors and town councillors, parliamentarians, national and local NGOs and community movements.

Telecommunications has traditionally been a public service provided by a government-owned or -controlled monopoly. But telecommunication development will in future be driven by competing private companies hence the imperative need to strengthen private-sector participation in ITU. Private companies have actually been involved in ITU work since 1871 and some 430 entities are currently members of ITU Sectors. They contribute 10 per cent of the budget and the expertise they bring to meetings and study groups is of even greater value. The rights of non-government entities in the Union are currently being reviewed with a view
to enhancing their participation and 26 recommendations concerning their role and responsibilities have been formulated.

In his Reform Programme, the **United Nations** Secretary-General presented four proposals for bringing the United Nations closer to eminent leaders in different branches of civil society, non-governmental organizations and private business (see box below).

### The United Nations Secretary-General’s proposals in respect of civil society

(a) **A series of gatherings involving eminent leaders of different sectors of civil society and the Secretary-General will be initiated. Constituencies will include academicians, organized labour, non-governmental organizations, private business, youth and the foundation community.**

(b) **All substantive departments of the United Nations will designate a non-governmental organization liaison officer to facilitate access by civil society to the United Nations. At country level, where appropriate, the United Nations system should create more opportunities for tripartite cooperation with Governments and society. Training programmes for United Nations staff will include a component dedicated to cooperation with civil society. This will be reflected in the curricula of the United Nations Staff College.**

(c) **The Secretary-General will consult with the Administrative Committee on Coordination with a view to establishing a jointly funded inter-agency business liaison service to be named the United National Enterprise Liaison Service to be named the United Nations Enterprise Liaison Service, patterned along the lines of the Non-Governmental Liaison Service.**

(d) **Arrangements will be made with leading business organizations to establish improved mechanisms for continuing the dialogue between representatives of business and the United Nations.**

As a result of these proposals to “establish improved mechanisms for continuing the dialogue between representatives of business and the United Nations”, a new website, [www.un.org/partners](http://www.un.org/partners), has been created. The site is designed to function as a virtual enterprise liaison service, helping organizations find their way around the UN system. At a single entry point, users can determine what each UN agency does, where it is located and what are the potential areas of cooperation.

At the heart of the UN’s efforts to improve information and communications outreach, there is an initiative by the Secretary-General to create a “culture of communications throughout the Organization, to ensure that it becomes more open and transparent in its efforts to meet the major peace, development and human rights objectives set out by the UN Charter. United Nations information activities are being further strengthened in order to provide more comprehensive communications and outreach services to the media, non-governmental organizations and other redisseminators by employing the latest information technologies. The UN Information Centres have a key role to play in these efforts. UN is working to enhance its cooperation with other substantive offices of the Secretariat and UN’s funds and programmes, as well as specialized agencies. This cooperation is essential to the
development of system-wide thematic information campaigns on priority issues of concern to the international community. At Headquarters in New York, the Dag Hammarskjold Library (DHL) has recently set up an electronic “UN in the New Service” which offers daily, desktop delivery to over 1,185 staff members worldwide of major news stories concerning the Organization. It has expanded the electronic dissemination of time/mission-critical information via cc: mail to permanent missions and staff at Headquarters and abroad. DHL has also initiated, and serves as the lead agency for the United Nations System Consortium which was formed as a means of sharing the cost of site licenses for electronic services of trans-organizational interest delivered via the internet/World Wide Web. Currently over 20 members in the UN System are taking advantage of these volume-driven subscription rates – UNHQ, UNOG, UNOV, ECE, ECA, ECE, ESCAP, ESCWA, FAO, IFAD, ILO, UNCTAD, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNU, WEP and WHO. These members now have remote access seven days a week, twenty-four hours a day, to the Economic Information Unit reports, Oxford Analytical, NewsEdge and Contemporary Women’s Issues.

The new cyberspace environment in the Library of the United Nations Office at Geneva offers access to a wide range of electronic products and specialized common facilities. While primarily intended for representatives of permanent missions, conference delegates and international civil servants, it is also open to researchers, students and interested professionals.

A new reorientation of public information in the United Nations will be introduced which will have three effects: i) United Nations information activities will in future be geared to providing communications and outreach services to the media, non-governmental organizations and other disseminators, utilizing the latest media technologies and techniques; ii) the information capability of the Secretariat will be more intimately linked with and directly supportive of the activities of the substantive departments; and iii) resources will be decentralized and refocused to the country and regional levels and greater use will be made of local resources.

Spurred by the political commitment generated by the World Food Summit and faced with the urgent issue of hunger, FAO decided to call for financial contributions from countries, business firms and private individuals in support of practical action programmes to combat poverty and food insecurity. On World Food Day 1997, FAO launched an appeal for global solidarity through Telefood, a world telecast involving more than 60 countries and hundreds of TV channels and radio stations throughout the world, and supported by dedicated pages on the Internet.

UNDP is forging closer links with traditional and emerging donors, NGOs, academic circles and other private-sector groups. It has adopted policies and rules that facilitate direct NGO implementation of UNDP projects and promote maximum involvement of civil society in its work. Funding policies and modalities are being simplified in order to foster private-sector development partnerships. UNDP staff in the World Bank and other international financial institutions will be offered exchanges, secondments and other facilities to build complementary relations.
**UNFPA** has established a NGO Advisory Committee that gives guidance to the Executive Director on key policy and programme developments. As representative of this Committee as well as other NGO representatives address the UNDP/UNFPA Executive Board.

**UNICEF** continues to strengthen its network of partners from outside the United Nations system, forging strong links with civil society, notably with religious leaders and groups of mayors. UNICEF National Committees in 37 industrialized countries provide a network of civil-society partners and national volunteers engaged in fund-raising, advocacy for children and support for UNICEF and the UN system.

**UNHCR** is developing contacts with academic and policy institutions to support research on policy issues for which internal resources are limited. For example, twelve eminent academics serve on the recently established External Research Advisory Committee.

### Getting the message out

All organizations disseminate information about their programmes through Web sites over the Internet or intranets.

Information on all the organizations of the United Nations system is accessible through the official website locator for the United Nations system of organizations (www.unsystem.org). Sites, which include information from, and links to, many of the UN organizations such as the UN systemwide Sustainable Development Website are also located there.

Information about the United Nations is being disseminated on the Internet at its website www.un.org, which is linked to the sites of all UN funds, programmes and agencies. This comprehensive site contains up-to-the minute news bulletins, press releases, photographs, official reports and documents containing the decisions of the General Assembly and Security Council.

By accessing this site, Internet users can read UN debates, meetings and press conferences, see pictures and video images of UN activities and search databases containing global information and statistics available only at United Nations, for example, population, international treaties negotiated by the UN, and trade. Comprehensive information on economic and social activities is also provided, via the UN website, and is also linked to the sites of national governments. In addition, UN CyberSchoolBus, an award-winning site, has been created especially for young people.

Since its inauguration in August 1995, the UN website has become a major information resources for peoples around the world. It is now presented in all six official languages (English, French, Spanish, Russia, Chinese and Arabic). The annual number of times the site has been accessed has grown from 11.5 million in 1996 to 42.7 million in 1997 and to some 87 million by November 1998.
The United Nations has been able to produce more language versions of certain public information products, and to update others more regularly by making increased use of the UN’s lower-cost internal printing facilities. In addition, the United Nations has recently entered into agreements with other intergovernmental agencies to sell their publications. Greater cost-savings are foreseen as well as increased income from cross-selling. All UN permanent missions in New York are connected to the Internet through which they can access the Optical Disc System (ODS) to retrieve documents in six languages as well as other United Nations information. Work stations have been installed in the Delegates’ Lounge at United Nations Headquarters to allow for the same access.

The Office for Coordination of Humanitarian Affairs (OCHA), runs a global emergency and natural disaster information system called the “ReliefWeb” to strengthen the response capacity and effectiveness of relief workers (see box below)

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**OCHA’s ReliefWeb**

ReliefWeb is located on the Internet at [www.reliefweb.int](http://www.reliefweb.int) and provides information access to the wider international community interested in humanitarian emergencies.

ReliefWeb consolidates and organizes information on current humanitarian emergencies from a network of 170 information sources comprising 65 NGOs, 24 United Nations agencies and other international organizations, 30 governments and inter-governmental organizations, 39 media sources, and 12 academic institutions. Updated twice a day, five days a week, with emergency coverage on weekends, ReliefWeb features full-text documents of various types, maps, graphs charting contributions to appeals, logistical information for field operations, situation updates, and background section covering seven regions that links to materials in other relevant web sites.

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**UNDP**’s Sustainable Development Networking Programme links over 5,000 institutions, including government agencies, NGOs, the private sector, universities and individuals in 30 countries. Its action to promote the use of technology in development includes support for widespread access to the Internet. All UNDP country offices will be connected to the Internet by 1998. UNDP offices and substantive headquarters units are setting up and managing home pages reporting on development activities that the organization supports.

The **UNESCO** Internet site contains 10,000 pages of information. ILO launched an Internet site in March 1996, which received 20,000 visits in the first month. Two years later, in March 1998, it was receiving over 800,000 visits a month. Most ILO documents and outputs such as databases are now widely accessible to the public on the Web.

ILO developed a Web site 18 months ago and since its creation it has been receiving 700,000 visits per month.
**IMO** is developing an intranet system to facilitate communication with Member States and NGOs and document delivery. Wide dissemination of IMO publications provides essential support for the technical and legal aspects of the Organization's work.

Through a new corporate communications policy and the establishment of the World Agricultural Information Centre (WAICENT), **FAO** has dramatically increased its ability to provide information to its global constituencies. WAICENT supplies statistical information (through FAOSTAT) and textual and hypermedia information (through FAOINFO) to outside users via the Internet and on CD-ROM. WAICENT's third component, FAOSIS, offers similarly wide access to specialized information systems such as the Global and Early Warning System on Agriculture and the Domestic Animal Diversity Information System. FAO is also creating a Virtual Library to allow headquarters and decentralized offices immediate access to the full range of corporate databases and library facilities, including documents and reports. The FAO Web site has received high ratings for its depth, accuracy, elegance and frequency of new information. Encyclopaedia Britannica rated the FAO Web site exceptional, placing it among the top 1% of 65,000 information-providing sites reviewed.

On the World Wide Web, **UNHCR** provides access in English, French, Spanish, Portuguese, German and Japanese to: basic information about the organization; reviews of UNHCR programmes in particular countries; UNHCR news releases with a search engine for refugee-relevant news from various news sources; a photo library; Refugees Magazine; a link to WITNESS - an original documentary series that presents first-person accounts of displaced persons in Bosnia and refugees from Mali; a teacher's guide for incorporating refugee-related issues in school curricula; an overview of the main issues that UNHCR is concerned with; and UNHCR maps. UNHCR has also developed REFWORLD, an encyclopaedia of information containing over a million pages of text, maps, graphs and tables for the benefit of its staff around the world (see box below).

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**REFWORLD: UNHCR’s Encyclopaedia**

REFWORLD is a Windows-based information system with full searching, saving and printing capabilities. It offers easy access to a wide range of refugee-related information emanating from UNHCR (UNHCR Executive Committee reports, including conclusions on international protection, statements of the High Commissioner, selected UNHCR publications, statistics, policy guidelines, manuals and handbooks, and UNHCR maps); the United Nations General Assembly, ECOSOC, Security Council, UN Commission on Human Rights, UN human rights treaty bodies; UN Cartographic Section and UN Public Information; international and national laws jurisprudence; appraisals of country situations from a variety of sources including governmental, intergovernmental and non-governmental bodies (over 17,000 analyses and in depth reports on countries); an extensive collection of bibliographic references and research contacts. A fraction of REFWORLD is also included and regularly updated in UNHCR’s site on the World Wide Web.
WHO is updating its telecommunications infrastructure:

**WHO Telecommunications Development**

- Information bases accessible through Internet are being developed in most of the WHO country offices.
- Programme information on WHO is available on the Internet on a number of home pages.
- All WHO staff will have access to Internet and “Intranet” services via high speed communication links that can accommodate over one million accesses per month, with up to 100 concurrent users.
- A medium-speed, general-purpose (data, voice, video) global communications network is being established connecting headquarters with all other WHO offices, with links to a high-speed metropolitan area network connecting all Geneva-based organizations of the United Nations system, missions and collaborating institutions.

**Advertising success**

Many organizations have set up units specializing in public or media relations.

The UNHCR Public Information Unit handles media relations, public affairs, private-sector fund-raising and publications. UPU has established a public relations and media relations service. UNRWA’s new Director of External Relations and Public Information is responsible for ensuring complementarity between fund-raising and public information.

UNICEF is making progress in managing information as a strategic asset so that “knowledge” becomes a recognized form of UNICEF cooperation. UNICEF’s Internet web page, containing information on the status of women and children world-wide, major UNICEF publications, speeches and evaluation results, now receives over 300,000 visitors per month. The site also hosts interactive information through “Voices of Youth”.

FAO has developed and adopted a comprehensive Corporate Communication Policy and Strategy and is reorganizing its Information Division to respond to the challenge of communicating effectively with civil society as a whole.
V. NEW FINANCIAL ENVIRONMENT

Under pressure to do more with less, organizations have reduced administration/overhead budgets in recent years. All are committed to fulfilling their mandates more effectively at lower cost. This calls for continual alertness to ways of maximizing programme resources by minimizing administration costs while maintaining necessary controls. Throughout the system they are discovering new ways of generating revenue and recovering costs, making their budgets and budget processes more transparent, standardizing financial statements and streamlining cash management.

Reducing administrative and overhead costs

Productivity initiatives continue to be a top management concern in line with the traditional efficiency criterion of doing more with the same or fewer resources. All organizations have taken steps to maximize programme funds by exercising strict control over administrative expenses and emphasizing value for money. Many have cut posts.

The General Assembly of the United Nations suppressed 954 posts in approving the 1998-1999 programme budget. In addition, the Secretary-General has proposed that administrative and overhead costs should be reduced up to one third by the biennium 2002/2003, and that the resultant savings be applied to a Development Account. Currently, $13.1 million has been applied to this account from productivity gains made in 1996/1997. The General Assembly has welcomed the concept of improving efficiency throughout the United Nations, and is reviewing the mechanisms and methodologies for confirming productivity improvement and making the necessary transfer of resources to the Development Account from other parts of the regular budget. In the meantime, the Programme Managers and the Department of Management are building on existing initiatives and identifying new areas in which productivity improvement projects can bring about reductions in administrative costs.

In this regard, the UN administrative bureaucracy is undergoing a critical review, with special emphasis on the follow areas: simplification and streamlining of processes and procedures; discontinuation of activities and outputs that have outlived their usefulness; reduction of administrative redundancies by delegating more to programme managers; creation of an electronic UN; and modernization of the secretariat function. Currently, over 400 projects have been identified in these areas.
All programme managers are being asked to contribute to this effort, the key aim being to discontinue activities that can be done better by others and to concentrate on core activities that the UN does best. As part of the ongoing effort, productivity gains are to be sought through: use of state-of-the-art technology to reach the media, NGOs, etc; the use of new media to enhance interpretation and translation services; optimizing allocation of conference-servicing resources, use of video-conferencing and on-line conferencing techniques; and introduction of computer-aided translation and speech recognition.

Overall efficiency gains achieved in UNICEF have helped maintain a zero-growth support budget since 1996. In 1998-99, UNICEF reduced support budget costs by $33 million and redirected these amounts to enable new support budgets for 25 country offices and fund the development of management information systems. During this period, costs in headquarters locations were reduced by 8 per cent in real terms.

Many UNDP country offices are reviewing the way they do business at the country level and are re-engineering work processes in the interests of efficiency and value for money. UNDP is capturing different experiences in a Change Resource Guide, which will serve as an electronic source of best practices as of early 1998.

Measures to reduce WFP’s administrative costs include the elimination of posts and the decentralization of functional activities. For the 1998-1999 biennium it is foreseen that there will be a further reduction of 63 posts in headquarters, 18.5 of which will be redeployed, achieving a net reduction of 44.5 posts.

Budgeted posts at FAO have been reduced from 4,184 in 1994 to 3,534 in the current biennium, a total of 650 posts, including over 500 in the clerical/secretarial support area. It should be noted, however, that great emphasis has been placed on the human aspect of the staffing equation. Significant efforts have been made to effect the necessary reductions without undue hardship for staff. In fact, no staff members have been separated against their will to date, the process having been managed through redeployment, natural attrition and agreed terminations.

The UNIDO budget has been reduced by 35 per cent since 1995, entailing the abolition of about 500 posts, primarily in administrative and other support areas. The budget reductions coincided with the completion of the UNIDO reform process and approval of a business plan by Member States which narrows the Organization’s focus of activities, decentralizes responsibility to the field and reduces the costs of governance, management and administration by introducing a wide range of efficiency-enhancing measures.

The reforms that IFAD has undertaken over the last four years have contributed greatly to its cost-effectiveness. Thus, while expenditure and project development costs were reduced by some 26% between 1992 and 1997, IFAD’s programme delivery (the projects it finances in recipient countries) rose sharply, by about 30%, over the same period, an achievement in keeping with the reform motto “more for less”.

IMO has strengthened its financial and management control systems and adopted policies designed to increase value for money and reduce indirect and overhead costs.
Revenue generation and cost recovery

Many organizations are increasing the income earned from publications by making them available in electronic formats, using the Internet and CD-ROM technology.

UNESCO, ICAO, UPU and other organizations rent facilities to permanent delegations or other bodies wishing to hold conferences.

The United Nations plans to earn more from guided tours by increasing group size, making tours more attractive by enhancing exhibition areas and improving the flow of traffic in visitor areas. In order to improve cost recovery, the United Nations entered into a new contract for provision of catering services in May 1997. The new contractual terms represent a substantial departure from the previous contract whereby the Organization subsidized the catering operations. Under the new contract, the contractor will reimburse the United Nations for costs related to catering facilities and equipment and will make substantial capital improvements, while the United Nations will receive a share of gross sales, subject to a minimum of $500,000 per annum. In the past, the UN Gift Centre was operated under an arrangement whereby the UN owned and purchased the inventory and the labour was provided under a labour broker contract. Following extensive examination of the continued feasibility of these arrangements and the inherent risk to the UN of owning the inventory, it was decided to outsource the UN Gift Centre operations. Beginning in 1997, a new contract entered into force, whereby the inventory is owned by the contractor, with profits being shared with the United Nations. The contractor has also undertaken extensive renovation of the Gift Centre at its own cost.

The United Nations Postal Administration is embarking on an aggressive marketing plan for its stamps, with increased distribution through national postal administrations. Counter sales in New York went up by 50 per cent in 1997.

UNOV exchanges surplus or under-utilized interpretation resources with other organizations. Borrowing units have saved over one million dollars and under-utilization has plummeted.

The 1994 Plenipotentiary Conference of ITU resolved, inter alia, that a cost attribution framework be developed to identify clearly the costs associated with specific functions and activities of the ITU; that an examination of the costs and revenue options in ITU activities be undertaken, including ways of making better use of ITU’s information resources and of charging fees for ITU services, particularly where these services are sought on a discretionary basis or to a greater extent than the level of facilities generally provided. ITU practises cost recovery for sales of publications, the attribution of Universal International Freephone Numbers and the holding of TELECOM.

WIPO is largely financed by private-sector income from patent and trademark registration and other activities. The WIPO Arbitration and Mediation Centre charges fees for its services.
IMO sales of its conventions and statutes are an important source of extra-budgetary revenue. Printing fund surpluses have been a major source of income for the technical cooperation programme.

UNESCO recently adopted internal guidelines on increasing its long-term potential for obtaining private-sector funding for its activities.

**Improved budget procedures**

Organizations are reviewing budget procedures to enhance their role in providing strategic direction. Performance yardsticks and reporting have been improved and the focus is shifting from input accounting to accountability for performance (see box below).

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<th>Results-based budgeting: the United Nations plans</th>
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<td>The Secretary-General submitted to the General Assembly at its fifty-third session his proposals for a shift to results-based budgeting (A/53/500 and Add.1) as part of his efforts to use resources more effectively and to enhance the responsibility and accountability of programme managers. With results-based budgeting, greater emphasis would be placed on what the Organization intends to accomplish in terms of results rather than on required inputs and anticipated outputs. It is envisaged that with results-based budgeting the weak links in the programme planning, budgeting, monitoring and evaluation cycle would be strengthened. Monitoring of programme implementation would concentrate on the process of achieving results rather than on the counting of outputs. Evaluation studies would be enhanced through analysis of the extent to which results have been achieved, thus making it easier for Member States to decide on the effectiveness, relevance and continuing validity of programmes and subprogrammes.</td>
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Having considered the report of the Secretary-General, the General Assembly, in its resolution 53/205, decided that while the proposed programme budget for the biennium 2000-2001 should be prepared in accordance with existing budgetary procedures, the Secretary-General should also submit to its fifty-fourth session, prototype fascicles, utilizing a results-based budgeting format, for budget areas such as political affairs, international cooperation for development, a regional commission and common support services. The General Assembly also requested the Secretary-General to submit a comprehensive and analytical report on his proposal on results-based budgeting which would, inter alia, justify the proposed change in the current budgetary arrangements, identify the regulations, procedures and information systems that should be in place for implementation of results-based budgeting and demonstrate the applicability of the concepts of results-based budgeting for all sections of the programme budget.

By drawing attention to cost efficiency, improved budget formulation processes have made the cost of administrative activities more transparent. Across the common system, they have enabled line managers to be more proactive in monitoring and implementing programme activities.

WHO has developed a user-friendly budget (see box below).
WHO’s “user friendly” budget

A clearer, more transparent and user-friendly strategic programme budget has been developed. This include:

- An improved structure – 19 major programmes under 6 appropriation sections;
- Policy orientation and strategic priorities preceding each appropriation section;
- Concise situation analysis indicating how WHO will address the problem for each of the 19 major programmes;
- Quantified WHO targets for each specific programme;
- Outcome defined as products.

ITU’s new budget presentation integrates income and expenditure under its Ordinary and Publications budgets as well as other planned cost recovery activities. Invoiced costs for internal services are no longer included in respective sector appropriations but shown separately for cost management control and reporting.

IFAD links the operational plans of each department or division to an analysis of their underlying cost implications. Corporate strategy is thus the decisive factor in determining budget size. Under the Budget Management and Control System, each division receives online budget information which permits the decentralization of budgetary management and control.

The recosting technique applied by UNESCO to the Programme and Budget for 1998-1999 brings it into line with the United Nations and most specialized agencies. A new system of detailed workplans will facilitate follow-up and assessment of programme management, enhance staff accountability and allow managers greater flexibility in adapting to circumstances.

WFP’s biennial programme support and administrative budget is based on strategic priorities approved by its governing body; it is not fixed but linked to the volume of operations.
UNICEF is increasing moving towards budgeting processes focused on obtaining planned outcomes and results. UNICEF’s Medium Term Plan, adopted by the Executive Board for the period 1998-2001, provides a strategic framework outlining organizational priorities, strategies, financial planning and systems for monitoring and reporting on performance. Improved budget procedures have been introduced resulting in more effective decision making processes on the allocation of resources. Actions taken include:

- Accountability for programme and budget decisions was transferred from HQ to regional management teams allowing for budget decisions to be more closely informed by the country and regional context;
- UNICEF country offices are now required to prepare country programme management plans to ensure that effective office structures and systems are in place to support the successful achievement of programme objectives.
- HQ divisions are also required to prepare management plans to guide decisions for the allocation of resources. Open budget forums are held to review the objectives and strategies of HQ divisions encouraging wider staff participation in the budget process and contributing towards greater coordination of the roles of HQ Divisions to support field offices.

UNFPA has initiated the process of developing results-based approaches to programming, management and budgeting. This includes the use of the logical framework approach to programme and project design and development as well as preparing proposals on how to expand use of results-based approaches in management, to be discussed with the UNFPA Executive Board.

Significant improvements in FAO’s programme budget process include modified versions of the Medium-Term Plan and Programme of Work and Budget documents and a project approach to the formulation of the work programme. This should provide the framework for setting detailed objectives in a medium-term horizon and specifying better resource use in relation to planned outputs and expected outcomes.

WMO has increased the transparency of budget presentations to its Congress and Executive Council.

IMO’s new programme-based structure in its resource allocation and planning framework is designed to improve governance, promote organizational effectiveness and efficiency, and identify the costs of policy options.

UNIDO has revised its budget presentation and introduced a comprehensive programme and budget. The new approach emphasizes the achievement of programme objectives and results, and attaches more importance to the impact of programmed activities than to the channelling of specific financial inputs to organizational units. The recosting methodology used in the budget process has been brought into line with that used by the United Nations. The UNIDO programme and budget has also introduced basic performance indicators to permit assessment of the Organization’s performance over time.
The WIPO Assemblies approved the Organization’s new strategic, result-oriented budget for the 1998-1999 biennium, which is now being implemented. In terms of structure and format, it encapsulates a distinct change of management approach and style. Policies and major activities are set out with their respective budget provisions under main programmes and subprogrammes corresponding to the lines of management responsibility. The main objectives, current situation, strategy for the future, main lines of action and expected results are set out in detail for each programme and subprogramme. The estimated costs of each main programme and subprogramme and staff requirements for each main programme are also clearly and concisely specified. This approach ensures that the links between programme activities and budget expenditures are transparent. Each programme manager is to be allocated a budget for programmed activities and designated staff and to be fully accountable both for the achievement of expected results in accordance with approved programme objectives and for the cost-effective utilization of allocated resources.

UNDCP’s "costed workplans" provide the link between mandate, activities and resource requirements. The programme activities and resource implications outlined in the workplans are reflected in the budget proposals submitted to the General Assembly and the Commission on Narcotic Drugs (see box below).

A new budget presentation by UNDCP

1. The budget presentation for the Fund of UNDCP has been revised in accordance with the harmonized budget model as applied by UNDP, UNICEF and UNFPA and by introducing a new integrated programming approach. The approach provides for two budget documents: the biennial support budget and the programme budget.
2. The harmonized approach aims at responding to the following:
   (a) The expressed wish of Member States to receive information that would support strategic decision-making;
   (b) The need to create a basis for reasonable comparison of estimates between organizations and changes over time within the same organization;
   (c) The need to utilize a practical and simple format so as to ensure that the application of the classifications results in meaningful, consistent estimates.
3. The main features of the biennial support budget provide for:
   (a) A clear separation between the biennial support budget and the programme budget;
   (b) An integration between the biennial support budget within an overall resource framework, including programme activities;
   (c) A clear separation within the biennial support budget between programme support, and management and administration;
   (d) Transparency between headquarters resources and country operations.
   (e) A budget classification based on organizational units, identifying the primary focus of the responsibilities and functions of each unit.
4. The last point constitutes a marked change from the previous budget approach whereby posts and other resources were classified by core and programme support functions. The new approach introduces considerable simplification in the presentation which ultimately facilitates budget transparency. The following budget concepts have been introduced in the harmonized budget model as applied by UNDCP:
Budget harmonization

UNICEF, UNDP and UNFPA have agreed on:
(a) A common format for presentation of their biennial support budgets;
(b) Common terms and definitions relating thereto;
(c) A common methodology for the preparation of budget estimates.

The current biennial Support budgets for 1998-1999 were presented to and approved by their respective Executive Boards in the harmonized budget formats.

Following discussions in ACABQ, UNDCP decided to adjust its budget format along the same lines.

UNHCR has reviewed the agreement reached by UNICEF, UNDP and UNFPA on this issue and has started work along similar lines. A proposal will be made to the Standing Committee of UNHCR’s Executive Committee later in 1998.

WFP’s 1998-1989 budget document also follows the common format and reflects the Programme’s unique cost recovery modalities. It is the first budget to be based on WFP’s new resource and long-term financing policies introduced for a two-year trial period in 1996.

The harmonized budget process makes for greater comparability among organizations, is user-friendly and promotes effective decision-making based on key facts and figures.

New United Nations Accounting Standards

ACC has approved common inter-organization accounting standards. Their primary objective is to provide a framework for accounting and financial reporting in the United Nations system which reflects generally accepted accounting principles, while taking account of the system’s specific characteristics and needs. A second objective is to promote consistency in accounting and financial reporting practices. Underlying these objectives is the need for governments and other contributors to have the means of judging how resources made available by them are used and for the management of each organization to demonstrate that it has fulfilled its responsibility for stewardship and accountability in respect of such resources.
The Accounting Standards take the form of a living document, subject to revision and expansion in the light of organizations’ experience and changes in their operating environment. A Working Party of CCAQ(FB) met during 1998 to review experience in applying the standards to financial statements and recommended some revisions/additions/clarifications. Further development will follow in the light of organizations’ experience in applying the standards to financial statements for the period ending 31 December 1997.

### United Nations Accounting Standards – new formats for financial statements

*Organization have agreed together on formats to cover statements or schedules:*

- Of income and expenditure and changes in reserves and fund balances;
- Of assets, liabilities and reserves and fund balances;
- Of cash flow;
- Of appropriations.

*The formats are designed to ensure that similar accounts are dealt with in the same way in the different organizations, to facilitate comparability between different organizations’ financial statement, and to cover all the organizations’ activities.*

### Enhanced financial procedures. Strengthening cost control and accountability

Accounting processes have been made more efficient through the development of automated systems incorporating validation processes to minimize input errors. Improved integrated management information systems provide more timely and accurate cost information and more accurate details of available funds so that unintentional spending beyond budgetary allotments is avoided. Managers also have greater authority to redeploy resources and to be more responsive to changing requirements while staying within overall budgetary limits. Financial rules, regulations and procedures are being reviewed and simplified.

**UNICEF** will use the Human Resources and Payroll modules of IMIS and interface these with the Programme Manager System PROMS (for field operations) and the financial and Logistics System.

**IFAD** has new systems, such as the Financial Information System (FIS), which covers the Expenditure Cycle and Budget Management; the Loans and Grant System (LGS), which captures loans and grant disbursements and repayments and generates billing statements directly to borrowers; and the Project Portfolio Management System (PPMS), which tracks the history of IFAD projects from inception through development and implementation.
**UNDP** is to shift oversight away from control of inputs to assessment of results and impact. It will implement a new accountability framework through a process for control and risk self-assessment and will re-write the organizational handbook as a core manual establishing clear accountability and reporting lines.

**WHO** has introduced an organization-wide performance-oriented planning process to implement the strategic programme budget. It incorporates systematic monitoring of progress and expenditure and staff appraisal reports linked to planned activities. An Activity Management System (AMS) will facilitate tracking and collation of data world-wide on specific planning elements, provide cost information on staff and activities, and streamline internal processes, generating efficiency savings.

**ITU** is enhancing its Integrated Financial Management (IFM) system by means of a full cost attribution system, full cost recovery applications, and a new version of its financial management software and related development of new applications with maximum usage of standard functionality. The use of cost accounting and internal invoicing for in-house services improves management of ITU resources at all levels.

**WMO** has instituted “internal trading”, whereby the “customers” of the Languages, Publications and Conferences Department (LPC) now have to pay services rendered by LPC, using programme funds together with credit allocations from the LPC budget. This helps to instill a more cost-conscious attitude and greater accountability at all levels.
**ILO** has introduced PC-based software packages to support the delegation of financial responsibility to allow electronic updating of financial records, significantly improve the timeliness and accuracy of information and budgetary control.

Interim modifications to **UNICEF**'s financial management have reduced the time required for accounting per cent. Budget functions have been consolidated in a single division and the Office of Administrative Management incorporated in the Division of Financial and Administrative Management.

The newly created posts of Financial Management Adviser (FMA) at **UNHCR** are being staffed to enhance financial administration and to make advice available to Directors of Operations on all aspects of budgetary management. A paper on Financial Management Accountability prepared by the Division of Financial and Information Systems (DFIS) has been distributed to all Representatives in the field. It defines key principles for the guidance of management, increased responsibility for financial management. A practical checklist on financial management accountability and an instrument specifying what kind of authority is being delegated to whom are being prepared.

To monitor project execution, **UNDCP** has developed systems for biannual project revision and quarterly reporting. An up-to-date projection of all commitments for current and future years is therefore available ever.

**FAO** has prepared specifications for the new key systems that define its financial management structure, the objectives of which include support for a more fully decentralized management system, simplification and financial transaction processing and accounting, and enhanced management information transparency and accountability. These systems are now entering the implementation phase.

Many organizations have increased the frequency of internal audit examinations, made greater use of regular and prompt follow-up systems for auditing of recommendations.

In 1996, **UNFPA** established the Office of Oversight and Evaluation, an independent unit that monitors products of various oversight functions, including audits, policy application reviews and evaluations.

**UNIDO** is currently reviewing its certification/authorization procedures with a view to increasing management for both substantive results and financial utilization in respect of activities under its control. Systems for electronic financial information, such as budgetary authorities, staffing tables and financial reporting, are being developed to review its cost structures through independent cost measurement studies pertaining to the delivery of cooperation.

**Cash management**

Improved cash management has been achieved through consolidation of fund management, the introduction of electronic funds transfer, the use of computerized bank
statement reconciliation and, in the foreign currency area, increased use of aggregation of purchases and competitive bidding.

**UNESCO uses new electronic payment system**

*Under a new system, payment instructions are forwarded electronically to banks, replacing mail transfer orders for all transactions involving the US dollar and the main European currencies. This results in increased security, more efficient cash management and reduced costs. Annual savings are estimated to exceed $150,000 for 1997 and will be greater as the system is extended to other currencies.*

The cash concentration system of **the United Nations**, established in 1995, has been expanded to encompass all US dollar accounts which hold significant balances. The most recent audit of Treasury indicated that the Cash concentration system generated incremental interest income of $8.5 million during 1997. The system allows all participating US dollar accounts to accrue interest at institutional rates and includes wire transfer capability. The major components of the system have been shared with UNICEF and UNDP which are in the process of converting to similar arrangements.

The UN Treasury has also carried out several system upgrades including: an electronic funds transfer system for the settlement of investment transactions and for the replenishment of bank accounts; implementation of cheque stock with an array of features designed to prevent fraud; a service known as **match pay**, which is the strongest known deterrent to cheque fraud; and a state-of-the-art investment software package to replace the legacy system. A draft document regarding the safeguarding and management of the cheque issuance process has been circulated under the auspices of the Financial Services Working Group.

Organizations have reviewed and improved their investment policies, replacing the issuance of cheques, where appropriate, by direct deposit and introducing more streamlined procedures for the payment of small claims.

UNOG has reduced the number of cheques issued by at least 33 per cent by means of electronic funds transfer; 6,600 payments per month are now electronic.

UNOV has reduced transfer changes by almost 80 per cent or roughly $50,000 per year through the introduction of electronic banking.

**WFP** has hired a cash manager to oversee the management of cash resources. Electronic transfer systems and better banking services and investment policies have resulted in increased savings.
**VI. RE-ENGINEERING WORK PROCESSES**

Organizations continually review existing operations to weed out cumbersome and inefficient processes and make their activities leaner, more responsive and more cost-effective. The potential of modern information technology is turned to account wherever possible.

All organizations have been seeking to deliver more with the same resources or the same with fewer resources.

Managers and staff in the **United Nations** have designed and initiated more than 550 efficiency projects that are enhancing services, reducing duplication, speeding up processes, achieving economies of scale and making better use of information technology. Work on project implementation and follow-up is continuing.

**Streamlining documentation, editorial and translation services**

Documentation, editorial and translation services are being streamlined by a reduction in the number and length of documents, computerization of the tracking of document processing, advanced text processing, desktop publishing and reliance on oral rather than written reports.

The number and volume of documents submitted to the twenty-ninth session of **UNESCO**'s General Conference were reduced by 32 and 60 per cent respectively.

**WMO** has reduced the document word count for each governing body session by 30 per cent. Departments drafting documents are charged for publication services under an internal trading mechanism. In addition, document reproduction requirements have been reduced by internal intranet and external Web site facilities.
UNDP has established a 15-page limit for policy documents. Executive Board delegations have been informed that additional copies of documents will no longer be available in the conference room.

In 1997, some 350,000 fewer photocopies were produced in UNHCR than in the previous year, the recto verso procedure being used in most cases. Where appropriate, staff with mass photocopying requirements are contacted to determine whether the documents concerned could be posted on the HCR-Net or sent by e-mail.

WFP page limits vary according to the category of document. Strict controls on the issue of pre-session documents to delegations have reduced the number of copies of each document issued in one language from 3,000 to 650. Electronic versions of Executive Board documents are posted on a Web page within a day or two of dispatch of the printed copies.

FAO has set an overall limit of 25,000 words on meeting documentation, with individual papers restricted to 6,400 words. It is also taking steps to reduce the number of copies of publications produced, to improve their quality and to focus their distribution. The number of printed copies of meeting documents was drastically reduced following a first review of distribution lists and the introduction of electronic dissemination for internal users. In addition, a selection of both pre-session and in-session documents for the 1997 session of the FAO Conference was posted on the Internet, further reducing requests for additional printed copies.

Some organizations have introduced remote translation and document processing with corresponding reductions in travel and other expenses incurred in moving staff between duty stations and conference sites. Changes in shift patterns for staff servicing conferences have reduced overtime costs (see box below).

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**Conferences services at the United Nations**

Steps taken by the United Nations to streamline procedures and improve productivity in conferences services include the introduction of new technology such as video-conferencing, computer-aided translation, computer-aided speech recognition and an off-site verbatim facility. Streamlining is also envisaged in such areas as planning of meetings, assignment of interpreters and the post structure of the verbatim reporting service, and there are plans for additional technological improvements in reproduction and distribution, a review of clerical support for the translation and editorial services, and a review of functions with a view to introducing on-screen database retrieval for translators.

The United Nations Office at Geneva (UNOG) Conference Services has saved $5.4 million:

- Limited internal distribution of documents available on-screen;
- Culling of mailing lists;
• Reduction of stocks of documents and distribution of publications.

Publication and document management

Optical disk systems have been introduced to store documents and make them accessible on-line. CD-ROMs are used as an alternative to paper for dissemination of information. Document print runs have been reduced substantially, with consequent savings in production, distribution and storage costs. In some cases, outsourcing of document printing and distribution has proved a cost-effective alternative to in-house operations.

United Nations Headquarters has made substantial savings through expanded use of optical disk storage, electronic mail, the Internet and CD-ROM technology. The estimated figure for paper use in 1997 is 3,975,000 pounds, compared with 5,862,000 pounds in 1995, a decline of 30 per cent (see box below).

UN management of documentation

An optical disk system stores documents and enables on-line access and prints copies as needed. Document distribution in meeting rooms has been limited and stocks cut. The optical disk system is linked to the Internet Web site, which permits users to read, search and store all recent parliamentary documents in all six official languages.

In 1999, United Nations will introduce electronic commerce on the UN Publications website, which will enable customers to buy UN publications and items from the UN Bookshop.

FAO provides internal and external users with electronic access to its statistical databases and textual information. One recent initiative has been the on-line provision of Conference documentation for both viewing and downloading.

ITU has an electronic bookshop on its Web site (see box below).

ITU’s electronic bookshop

ITU customers can now purchase individual publications by ordering, paying and downloading them on-line from the ITU Internet World Wide Web site. Orders can be charged to credit cards (using secure, encrypted data) or a customer can choose to become an account customer.

The electronic bookshop is fully automated and contains more than 10,500 individual publications. The service is available around the clock, serving customers in any time-zone of the
world. It has alleviated the workload of the Sales service, especially as regards urgent small transactions, and improved the level of service to customers.

UNHCR has created a new restricted Web site, annexed to the UNHCR Web site, for electronic dissemination of official documents to Executive Committee Members and Observers, thus providing recipients in missions and the corresponding capitals with timely and efficient access to information.

UNDCP has shifted to electronic distribution of documents, providing the Commission on Narcotic Drugs with documents, technical information papers and other documents entirely via the Internet.

UNCHS delivers documents to Member States by electronic mail and posts official documents on its Web site.

Other IT developments

Electronic transfer of financial information between field and headquarters systems and among organizations has led to savings in staff and management resources and improved the timeliness and accuracy of information.

Electronic Dissemination of Information by IAEA

IAEA has implemented GovAtom, a service for dissemination of information electronically to Member States. This has resulted in more timely dissemination of information and reduces paper and printing costs. IAEA has also implemented a standardized format for on-line distribution of administrative and other internal information (OASIS). The Vienna International Centre Library has implemented access to the United Nations Optical Disk, providing access for all staff to the complete documentation collection of the United Nations.

Consolidation of United Nations mainframe computer operations with the International Computing Centre in Geneva has yielded estimated annual savings of $1.2 million.

The United Nations is completing the development and implementation of the Integrated Management Information System (IMIS). IMIS, which is now in operation at 11 locations and 4 different Organizations, is the only existing system supporting most of the administrative functions performed within the United Nations system, ranging from recruitment, staff administration, funds control, budget execution, accounting, procurement to travel and insurance. IMIS is
expected to bring increasing benefits in terms of management capabilities for the UN and other organizations. The timely availability of data, access to information and the quality of information have dramatically been increased. By the end of the third quarter of 2000, the entire system is expected to be implemented at all major UN Secretariat duty stations and in UNDP while parts of the system will have been implemented by UNICEF and ILO. Other entities of the common system such as UNFPA, UNOPS and ITC also rely on the system. Recent technological developments allow remote access to small duty stations and offices with limited investment and low operating costs. This allows the very rapid deployment of the system to new duty stations and mission areas and could lead to a major reorganization in the work of the Organization. The system is updated and enhanced so as to continuously meet the evolving requirements of the Organization and of other users. In addition, a common maintenance structure is being envisaged between the major users of the system.

An IMIS-based strategic peace-keeping database in the United Nations provides management information and makes standardized financial and other management reports available to field missions and 28 Member States. Access will be extended to all field missions and interested Member States over the next two years. The UN Department of Peace-Keeping Operations has connected all peace-keeping operations with headquarters through VLSAT earth stations and increased line capacity in 5 missions. It has established an inter-mission dialling plan in 9 missions and introduced an Automated Facsimile Switching System in 2 missions.

In addition to Internet Web sites, many organizations have developed intranets as a faster and cheaper means of internal communication than paper distribution.

The UN website provides direct access to the public to the work of the UN. It is an effective means of communicating with libraries, academic and other institutions of civil society all over the world at minimal cost. Advances in electronic information technology have enabled the Dag Hammarskjöld library to transmit an increasing amount of the official documentation and public information materials sent to UN depository libraries in all parts of the world by this means. Where libraries have this capacity, the more timely delivery of materials has enhanced their value. The reduction in postal charges has resulted in large costs savings for the Organization.

WFP’s intranet and computerized document warehouse provide on-line access to up-to-date corporate documents and data at headquarters and in the field.

UNICEF, in conjunction with UNDP, UNFPA, and UNOPS, has negotiated an agreement with a commercial carrier that dramatically reduces the unit cost of E-mail traffic.
The discounted rate offered is applicable to other United Nations system organizations that adopt the same agreement. The greater the volume of combined traffic, the greater the discount. UNICEF has linked all its 149 country offices to its New York headquarters by electronic mail, using direct dial connections and the Internet. Over 80 per cent of offices have an Internet connection. An intranet has been established for internal documentation and key UNICEF documents, such as those for Executive Board meetings, are posted on the UN Internet site.

**WFP and UNICEF** have set up a communications network in the Great Lakes region which uses a combination of radio, satellite and other telecommunication facilities to provide E-mail access to emergency locations that are not served by normal telephone services.

At **UNHCR**, the HCR-Net was launched at Headquarters in July 1997 to keep staff informed of operational and administrative matters and to serve as a centralized repository for a wider body of organizational information, a medium for technology-assisted learning and a basis for productivity-enhancing workflow applications. In early 1998, the HCR-Net will be adapted for field use, especially in locations with poor telecommunication infrastructure. The HCR-Net and the constantly growing HCR e-mail system, with over 200 locations, will permit substantial economies through reduced paper reproduction and distribution and will give both field offices and Headquarters staff timely access to pertinent information, thereby supporting, *inter alia*, decentralized decision-making.

As a result of the Communications Infrastructure Project (CIP), **FAO** has connected over 100 field offices with each other and with Headquarters, initially for e-mail services and subsequently for linkage to local Internet service providers. The Project provides for the installation of standard desktop hardware and software in small offices, the deployment of local area networks (LANs) in large offices and gradual connection of all offices to the Internet. This infrastructure has provided vital support for the decentralization of technical and administrative staff to Regional and Subregional Offices. It has also laid the foundations for a FAO Intranet environment and will be upgraded according as new standards are adopted on an organization-wide basis.

**IMO**'s Home Page is proving popular among circles with specialized maritime interests and with the public at large. Its scope is to be extended in line with the needs of the industry.

**UNOV** has a globally accessible Home Page and an intranet accessible within the Vienna International Centre. At United Nations Headquarters, facilities for bilateral meetings of Member States can also be booked via e-mail.

**Management of meetings**
In addition to reducing the number and length of meetings and documents meeting management has been improved by using teleconferencing, videoconferencing and other electronic communication facilities to replace meetings where appropriate (see box below).

**FAO reduces meeting length**

Encouraged and supported by its governing bodies, GAO has taken measures to streamline and reduce the costs of all meetings, including those of the governing bodies themselves. To this end FAO has initiated:

- The introduction videoconference facilities and increased use of remote translation;
- Fewer and shorter meetings;
- More focused agendas and briefer documents;
- Review of statutory bodies and panels of experts with respect to continued existence and duration of their sessions.

For example, the cost of the June 1997 session of the Council was reduced by 50% in relation to the cost of the June 1995 session and effective Conference time was reduced from 14 working in 1993 to 8.5 working in 1997, the shortest in FAO history. In addition, a joint session of the Programme and Finance Committees previously held every biennium has been cancelled.

**UNCTAD** has improved conference servicing by means of on-line registration and on-line group drafting and retrieval of General Assembly and UNCTAD resolutions. Savings from streamlined intergovernmental machinery and a halving of the number of meeting units are estimated at $1.7 million.

**UNOV** has designed an Electronic Conference Planning Form which can be distributed via e-mail. It has computerized the Short-Term Conference Service Staff Roster as a time-saving and efficient means of selecting short-term staff for meetings and keeping the roster up to date. Automated production of meeting statistics and the graphic chart for Conference Services save considerable working time and allow prompt analysis and reporting and ongoing assessment of meeting workloads.

**UNDP** has launched a Better Meetings Programme at headquarters, providing private coaching on meeting management for its top 30 managers, a measure that should save considerable staff time and effort.

**Common premises and common services**

Where possible, organizations have opted for wider use of common premises to reduce occupancy costs and to facilitate sharing, where appropriate, of staff, services, equipment, and communication and information systems.
With a view to expanding and strengthening common services among the UN Secretariat, funds and programmes, a Task Force on Common Services identified specific common service objectives, including: the provision of cost-effective, high-quality and timely services on a competitive basis designed to ensure full client satisfaction; economies of scale through a fair and transparent pricing structure; provision of services to all clients fairly and equitably, with full accountability in qualitative and quantitative terms; and harmonization of policies, rules, regulations and procedures. In the light of these objectives, the following Working Groups were set up to identify deliverables with implementation schedules:

(a) Procurement: The Working Group has been developing harmonized regulations and rules on procurement activities to facilitate joint procurement activities based on efficiency and transparency. The United Nations has worked on several practical implementations of the Secretary-General's goals, for example, by facilitating the development of an actual common “UN house” at ESCWA, Beirut, shared by various agencies of the organization and also conducted exercises in the area of Office Supplies and Equipment.

(b) Information technology (IT), including telecommunications, networking: The Working Group established an Information Technology Common Service Management Committee comprising IT-knowledgeable individuals from each agency. It reviewed the agencies’ position on service areas with a view to selecting particular areas for a pilot review of approaches, and has been evaluating the effectiveness of current management.

(c) Integrated Management Information System (IMIS): The Working Group has agreed on the need for a common maintenance strategy for IMIS and is conducting a jointly funded study to outline governance and cost distribution for IMIS as a common service.

(d) Personnel services, including medical services: The Working Group has been developing an inventory of existing common services in personnel services at Headquarters, identifying areas of possible improvement in quality and cost-effectiveness, examining areas where common services could be expanded and looking at ways of involving offices away from Headquarters and field offices in the exercise.

(e) Financial services, including banking, treasury: The Working Group has been examining the potential for joint provision of services such as payroll, short-term investment, establishment of bank accounts/banking facilities, payment systems (cheques and electronic funds transfer), cash transportation, and foreign exchange management and infrastructure, including information systems.
(f) Transportation and traffic operations: The Working Group has focused on expanding the common Travel Agency Contract covering the UN organizations, funds and programmes at Headquarters. It is considering the possibility of introducing an Internet-based travel booking system which would allow staff to book their own travel online and have the record passed on electronically to the travel agency for review and ticketing. It has also been coordinating efforts by the different organizations to harmonize their travel- and transportation-related Web pages and make them accessible to all users. It is studying a uniform standard for requesting travel agency services world-wide, thus enhancing the productivity of UN travel management and further improving travel administration at offices away from Headquarters. A draft request for a corresponding proposal and contract has been prepared. Similar efforts are under way for household goods removal contracts. The Working Group is also exploring the possibility of achieving data entry savings by creating a bridge between IMIS and the travel agency booking system.

(g) Security and safety services: The Working Group has developed a common recruitment standard for new recruits and an agreement on in-service and promotion training standards. It has refined Headquarters uniform standards and developed common weapons standards.

(h) Facilities management: With a view to establishing a mechanism for better management and planning of office space, the Working Group has tested the use of electronic mail for transmitting information so that data or space planning can be shared among agencies in the interest of prompt identification of vacant space and efficient use of existing space.

(i) Printing facilities: The Working Group has been exploring the best way of sharing printing services and facilities at Headquarters and in agencies based in New York.

(j) Archives and records management: The Working Group has established a Coordinating Committee on Archives and Records Management and established an Archives Research Centre. It has also been developing a common strategy for long-term preservation and retrievability of electronic records.

Other services, such as legal and insurance services, have also been identified for review.

Efforts are also under way to identify opportunities for extending common services facilities to the country level. Consultations are also under way with other groups such as the United Nations Development Group (UNDG), the Consultative Committee on Programmes and Operational Questions (CCPOQ) and the Joint Consultative Group on Policy (JCGP).
The United Nations will coordinate the linkage between the Inter-Agency Procurement Working Group (IAPWG) and the Working Group on Procurement of the Task Force on Common Services.

The integration of United Nations information centres with UNDP field offices is to continue, in a cost-effective manner, whenever feasible and on a case-by-case basis, taking into account the views of the host country.

The UNDG sub-group on Common Premises and Services has made very good progress on developing both a framework for evaluating the costs and benefits of common premises, and a methodology for going forward that is expected to result in an increase in the numbers of common premises which the Secretary-General will be able to designate as UN houses during the next 2 to 3 years.

The United Nations Office in Nairobi (UNON) provides consolidated administrative services to HABITAT and UNEP.

UNDCP’s country/regional offices obtain administrative services from UNDP on a reimbursable basis.

**Travel management**

Organizations have increasingly opted for automated processing of travel authorizations and claims. Substantial savings have been achieved through changes of travel class, more frequent use of negotiated, advance-purchase and other discount rates, and the introduction of a lump sum approach to the reimbursement of certain kinds of entitlement travel such as home leave.

### FAO reduces travel costs

Costs have been reduced by:

- *Changing the status of airline tickets from fully endorsable to non-endorsable (saving $2.5 million per year);*
- *Having regional and subregional offices handle their own travel arrangements;*
- *Relying more local FAO offices to represent the Organization at meetings held outside headquarters.*

### IAEA’s new ATLAS Travel System
The system replaces the previously separate travel plan, travel request, travel authorization and travel claim with one document, handled electronically, including electronic approvals.

The United Nations has negotiated with airline companies and its concept of the preferred carrier agreement has yielded cash rebates of over $5 million. Additional net savings of some $2.5 million for the current biennium were achieved through negotiations in connection with conference, peace-keeping and election-monitoring travel. These savings are above and beyond reduced fares negotiated through innovative discount agreements. In addition, the United Nations is reviewing the overall process for requesting travel, making bookings, processing travel claims and electronic invoicing in order to complete the total automation of the travel process which began with the introduction of the IMIS travel module in 1997. Possibilities that are being considered include offering travellers flexibility to decide when travel is necessary, eliminating prior approval of travel and travel orders, and decentralizing responsibility to programme managers, while preserving the benefits that accrue to the Organization from the centrally negotiated arrangements mentioned above.

WFP’s staff travel policy of using the most economical means available has resulted in a one-sixth reduction in the 1998-1999 travel budget compared with the previous biennium. WFP managers use non-endorsable tickets and Apex fares whenever possible.

UNOV is making extensive use of Budget, Pex and Apex fares for travel within Europe and miscellaneous special fares for other categories of travel. Savings on individual tickets range from 12 to 35 per cent.

Procurement and inventory management

Organizations have introduced revised procedures for requisition and bid distribution and for receipt and payment processing, in many cases producing faster procurement cycles through computerized tracing and processing. Some organizations have centralized and standardized vehicle procurement and made greater use of time-chartering of sea transport.

UNICEF’s Copenhagen warehouse

The re-engineering of UNICEF’s Copenhagen warehouse has reduced supply costs, cut cycle times and reduced inventory costs from $35 million to $22 million, while improving warehouse output and inventory levels. Staff costs have been reduced by $1.4 million.

The United Nations is committed to the establishment of a supplier roster on as wide a geographical basis as possible.
For productivity improvement and greater transparency, organizations have developed systems contracts for the acquisition of standard goods based on global search arrangements and aggregate annual UN purchasing volumes. Organizations system-wide are cooperating under the umbrella of the Inter-Agency Procurement Working Group (IAPWG). Some have been designated lead agency for specific commodities in the light of their competencies. Systems contracts are developed for use by all organizations and their field operations. Remarkable cost savings have been achieved through better prices and simplified and harmonized contract administration, for example centrally negotiated global supply arrangements for vehicles and office equipment (UNDP/IAPSO), contraceptives (UNFPA), shelter items (UNHCR) and vaccines (UNICEF).

To facilitate registration of potential suppliers through one UN window, twelve major UN organizations have launched a global project for a new United Nations Common Supplier Database (UNCSD). This facility will end the current requirement for some 30 UN registrations per supplier and will serve as a single gateway for sharing information on suppliers and their performance. The United Nations has joined in the effort, seeking to extend the geographical basis of its supplier roster as widely as possible. The roster, which increased from 1,550 to almost 3,000 between November 1996 and September 1997, will become part of UNCSD.

Apart from improving its supplier roster, the United Nations has issued a new Procurement Manual and has been developing standardized supplier/contractor performance criteria and reporting sheets, which will permit much closer performance monitoring and earlier intervention where problems arise. In addition, taking advantage of IMIS computerization of the retention of consultants, it has established a searchable database on consultants. Testing has also begun of a Web page announcement section, including, where possible, the posting of international requirements at the Request for Expressions of Interest stage. It has furthermore increased the use of System and Requirement contracts, with the attendant benefits to the Organization of volume pricing. These advantageous arrangements are now being actively offered to other agencies. In addition, Expressions of Interests have been published on the web-page since March 19989.

Some organizations are currently revising their Web sites in order to channel information on upcoming business opportunities more speedily to the global business community. The Inter-Agency Procurement Services Office (IAPSO) has discontinued the hard-copy version of Procurement Update and is making the information available on IAPSO’s Web site, which will be updated twice a month. Any urgent notices will be posted immediately.

Inventory management has been improved through increased delegation of authority to local Property Survey Boards, the introduction of bar-coded inventory recording and automation of inventory controls and maintenance scheduling. Logistic support for political offices and electoral assistance missions is being streamlined.
A comprehensive Field Mission Logistics System, including asset management and movement control, is to be installed at United Nations Headquarters and in 16 field missions. Transport, engineering and communication logistics modules will be completed during 1998. In addition, the UN and its funds and programmes are using common software to manage premises, including leases, office utilization and office inventory.

With regards to inventory management at UN Headquarters, the automation of introduction of a bar-code system is scheduled for 1999 at the time when the “Reality” Database management System for inventory maintenance scheduling will be implemented.

The trend towards further decentralization of procurement authority to field operations, including country offices and projects, continues in many organizations. Central development of tools and databases and arrangements for proper training and transfer of skills are of paramount importance for the maintenance of efficiency, cost-effectiveness, transparency and full accountability throughout this process.

UNHCR, for example, is developing a fully integrated purchasing system called Global Supply Chain, which is maintained by Headquarters for decentralized use. Its main purpose is to create a single fully integrated function for the delivery of goods and services to beneficiaries, UNHCR staff and implementing partners. The Supply Chain will use modern information technology to streamline current procurement and logistic activities within the organization and will expand capabilities, improve response and generate cost savings. Key accomplishments to date include: a comprehensive survey of logistic activities throughout the Great Lakes region of Africa; completion of the basic outlines of Supply Chain training modules, ranging from procurement transport/shipping and customs procedures to asset management and operational support, with a view to training all target staff groups; mapping of current business processes and development and documentation of ideal business processes, with inputs from various working groups; completion of the Motor Information Management System (MIMS) software and commencement of field testing; conclusion of a Global Freight Forwarding Agreement in October 1997; and progress on the harmonization of United Nations coding and standards - an important component of the Supply Information Management System.

Other cost-saving initiatives are under way, notably at Headquarters locations, for the combined or coordinated purchase of commonly used items such as office supplies. The just-in-time supply principle is observed to avoid stocking large quantities of supplies. For example, UNOV’s just-in-time approach to office supplies has resulted in savings of about $40,000 annually, or 24 per cent. Bi-weekly ordering via facsimile can be processed in one stage, thus saving staff time. The project has strengthened the planned capacity of requesters in the field and reduced dead stock-on-hand, surplus stock and cumbersome labour-intensive monitoring of physical inventories.

A concerted staff training effort in all organizations is designed to further enhance professionalism in procurement. UNDP/IAPSO is conducting International Procurement
courses, particularly at the country and regional level. UNDO/UNOPS/UNICEF have joined forces to develop and conduct Ethics in Procurement courses, supplementing other organizations individual staff development efforts.

A review of IMO procurement purchasing practices revealed scope for consolidation of contracts and improvement of contract management. Major economies have been achieved as a result in the common services areas.

**Outsourcing**

Outsourcing enables organizations to reduce costs and enhance flexibility in the case of non-core activities. In the past, it has been used mainly for peripheral activities such as document printing and distribution, cleaning, maintenance of premises and machines or catering services.

IMO, for example, has outsourced all major functions related to maintenance and upkeep of the headquarters building, including security, building and engineering services and cleaning. However, many organizations are now branching out into other areas, outsourcing of interpretation and translation services, for example, is becoming more widespread.

WHO obtains advice and guidance on specific accounting matters from professional firms and academic sources.

FAO pursues an active outsourcing policy wherever it is likely to prove cost-effective. For example, professional firms are hired to conduct specific audit procedures in field locations as part of the financial control process. It has been possible to reduce internal staff in the administrative services area by one half over the past ten years.

UNDP and UNFPA use the services of professional accounting firms for account examinations and internal audits.

WFP uses outsourcing for audits in regional and country offices and for highly specialized areas at headquarters in order to extend audit coverage with fewer resources. Coverage is expected to increase by between 30 and 40 per cent in regional and country offices.

Over the years, UNHCR’s Centre for Documentation and Research (CDR) has outsourced most routine document management functions, from scanning of hardcopy documents to publication, with a view to enhancing efficiency and reducing costs. The biennial State of the World’s Refugees report and the Refugee Survey Quarterly are printed,
The United Nations has been outsourcing a variety of specialized services including catering operations, travel service, computer installation and maintenance, software applications development and support, building maintenance, cleaning services and the Gift Centre. In addition, some special services have been outsourced, such as services for the peace-keeping missions, training programmes, professional services on management, expertise, etc. Under the management reform, the United Nations is trying to make use of outsourcing in a selective manner with a view to assuring the cost-effectiveness of support services.

UNOV is outsourcing the purchase and administration of office supplies, mailroom operations, and some translation, editorial design and composition services. Restructuring of contracts has also yielded savings, for example $300,000 in the case of the cleaning contract.

UNOG is outsourcing maintenance services and architectural and engineering functions.

ECA and ECLAC are planning to outsource some professional work to enhance flexibility in the implementation of work programmes and to draw on expertise that is not required on a full-time basis. Other Commissions are realizing substantial savings by outsourcing activities such as computer installation and maintenance, security, cleaning, and electrical and messenger services.

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