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JOINT INSPECTION UNIT

Report on the subregional offices for Central America and
Panama and for the Caribbean of the Economic Commission
for Latin America

Comments of the Secretary-General

The Secretary-General has the honour to submit to the members of the General Assembly his comments on the report of the Joint Inspection Unit on the subregional offices for Central America and Panama and for the Caribbean of the Economic Commission for Latin America (A/36/102 and Corr.1).

* A/36/50.

ANNEX

Comments of the Secretary-General

1. The Secretary-General has considered the report of the Joint Inspection Unit (JIU) on the subregional offices for Central America and Panama and for the Caribbean of the Economic Commission for Latin America (JIU/REP/80/13), dated December 1980. This note presents the Secretary-General's comments on the report and its recommendations.
2. The report contains opportune analysis of the CEPAL subregional offices located in Mexico City and Port of Spain. The analysis and the accompanying recommendations are organized under three headings: the work programme of each office; administration and organization; and the relations between each office and the host Government, specialized agencies and United Nations bodies, and regional and subregional groups and institutions.
3. The focus of the report, however, is on the nature and degree of delegation of administrative authority from ECLA headquarters to the subregional offices in Mexico City and Port of Spain. The report states (paras. 1 and 2) that, concomitantly with the increased responsibilities of the regional commissions deriving from General Assembly resolution 32/197, there is a decentralization process towards subregional offices within the commissions which has to advance if the new responsibilities are to produce positive results. In the case of the ECLA subregional office in Mexico, the report finds that "the necessary authority has been delegated to it and in the pursuit of its agreed programme of work, it has an unfettered freedom" (para. 28). In contrast, the report finds that in matters of personnel in the Port of Spain office "there is urgent need for a delegation of authority to the Director of the office" (para. 81), while in matters of budget and finance there is a general climate of restriction which "reduces the visibility and acceptability of the office as a bona fide United Nations institution in the subregion and weakens its capacity to run its affairs" (para. 89). The report also states in paragraph 124 that decentralization has operated satisfactorily in the case of the subregional office in Mexico, whereas in the case of the subregional office in Port of Spain "Santiago maintained control, particularly in administration, thus weakening the decentralization effort". In paragraph 133 the report concludes that: "While the delegation of authority to the subregional offices in programming and in substantive matters has been perceptible and real, excessive administrative control from Santiago in the past weakened the capacity of the Caribbean office to perform. If its performance is to improve, it needs more freedom of choice."
4. Because the report examines an important aspect which affects the entire United Nations system, the Secretary-General wishes to make the following comments on the general issue of decentralization:

(a) The Secretary-General has stated in paragraph 10 of his report on restructuring of the economic and social sectors of the United Nations system:

implementation of section VIII of the annex to General Assembly resolution 32/197 and section IV of Assembly resolution 33/202 (A/35/527) that the regional commissions, together with other United Nations organizational entities, "should be accorded greater administrative flexibility consistent with sound administrative and budgetary policies and in the context of an increasing measure of decentralization within the organization as a whole".

(b) In the case of the ECLA subregional office for Central America and Panama, a good balance of delegated authority has already been achieved. This office, however, does not have unfettered freedom in administrative matters, nor does the regional commission itself.

(c) In the case of the ECLA subregional office for the Caribbean, the year during which the JIU report was prepared coincided with a significant decentralization of administrative authority, especially in the personnel field, from ECLA headquarters to the subregional office. This decentralization reduced considerably the differences between the two subregional offices while at the same time complicated the task of JIU to determine exactly what was the measure of delegated authority in Port of Spain.

(d) Decentralization of administrative functions involves a financial cost for the United Nations as well as benefits from providing programme managers with more administrative flexibility to enable them to carry out their tasks efficiently. Many administrative tasks require specialized knowledge, and the creation of this capacity in a subregional office does not permit a corresponding reduction in personnel in the headquarters of the regional commission. There must therefore be an appropriate balance between these costs and benefits, which will depend in part on the size of the subregional office. In February 1980 the subregional office in Mexico had a total staff of 119 whereas the office in Port of Spain had a staff of 45 (see table I of report). In January 1975 the Port of Spain office had a staff of only 24. Because of the difference in the size of the two offices, it continues to be cost-effective to differentiate between them in the decentralization of some specific administrative tasks, especially in the financial area. At the same time, the rapid increase in the size of the Port of Spain office has led to the decentralization of many tasks previously carried out by ECLA headquarters.

(e) The determination of the specific tasks which should be decentralized to a particular subregional office, and the design of appropriate reporting and control procedures, is an extremely complex matter. During 1982, the Administrative Management Service (AMS) will carry out a survey of the ECLA subregional offices and will formulate specific recommendations in regard to these matters. The report of JIU will greatly assist AMS in its work.

5. Turning to the specific recommendations of JIU, the Secretary-General takes note of the first three recommendations and will take measures to establish closer links between the subregional office in Mexico, on the one hand, and the subregional office in Port of Spain, UNDP, and planning ministries in Central America, on the other.

6. The Secretary-General agrees that the preparation of an agreement defining the relationships between the Government of Mexico and the subregional office would be highly desirable. Exploratory conversations to this end have already been initiated.

7. In recommendation 5 it is proposed that the existing limits of \$5,000 and \$20,000 on approval authority delegated to the ECLA Contracts Committee under the Financial Rules be raised. The application of this recommendation would affect all of the regional commissions and not just ECLA, and would require a change in Financial Rule 110.17. The matter will, therefore, require further study within this broader context.

8. As regards recommendation 6, the question of adequate resources for travel of staff has actually been addressed recently. As a result of the revised estimates submitted by the Secretary-General (A/C.5/35/23/Add.1) and on the basis of the decision taken on it by the General Assembly, the provision for the travel of the staff of the Port of Spain office for official business and to service meetings has been increased considerably over the level of allocation available to them at the time of the JIU review during February-May 1980. As to the recommendation that the Port of Spain office should be provided with adequate resources for language services, it should be noted that the requirements for translation of documents include both Spanish and French and that work-load fluctuates widely over time. Taking into account also the difficulties encountered in recruiting a French translator since the corresponding post was created in 1978, it may be preferable to continue depending solely on contract translation for both French and Spanish as need arises rather than establishing a second permanent language post for a Spanish translator.

9. The Secretary-General takes note of recommendations 7 and 8 and will take measures for their implementation.

10. In paragraph 4 the Secretary-General has already given his general views on recommendations 9, 15 and 16, and trusts that the AMS survey to be carried out in 1982 will assist in obtaining the required degree of decentralization to the ECLA subregional offices.

11. The Secretary-General agrees (recommendations 10 and 14) that greater efforts should be made to strengthen the contribution of the entire United Nations system to the work programme of the Caribbean Development and Co-operation Committee (CDCC) and will take measures to achieve this objective.

12. The Secretary-General takes note of recommendations 11 and 13. He fully agrees that staff rotation among ECLA headquarters and the subregional offices is highly desirable and will give appropriate instructions for it to be used more extensively.

13. The Secretary-General agrees (recommendation 12) that member Governments should become more organically involved at the level of the Commission in

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identifying and setting the priorities for the region, and in considering the financial implications of their proposals. The Economic Commission for Latin America will, in the future, hold its sessions in even-numbered years in order to permit the Commission to study carefully the proposed work programme before it is presented as the programme budget to the appropriate advisory and intergovernmental bodies at United Nations Headquarters.
