General Assembly

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Agenda item 125

JOINT INSPECTION UNIT

Decentralization of organizations within
the United Nations system

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "Decentralization of organizations within the United Nations system" (JIU/REP/92/6 - A/48/78).
ANNEX

Comments of the Administrative Committee on Coordination

I. GENERAL COMMENTS

1. The Administrative Committee on Coordination has found the topic of this report of particular interest at a time when the United Nations faces new challenges and new priorities that provide an opportunity for Member States to adopt far-reaching reform measures in respect of the operational structure of the United Nations system. The report makes a number of interesting observations and provides a timely input to ongoing review and reform of the United Nations system aimed at bringing it closer to its global membership. It calls for a greater decentralization of United Nations activities towards the regional and country level and for the strengthening of the field presence of the Organization.

2. The idea of decentralization and the way to make its implementation effective have been the subject of continuing attention by the organizations and agencies of the United Nations system. The policy of decentralization to both national and regional structures was outlined in detail by the Secretary-General in his statement to the General Assembly on 2 November 1992. A crucial part of this policy is the strengthening of the role and the contribution of the Regional Commissions, while ensuring that they operate within a coherent organizational strategy. Increased delegation of authority to the Commissions should be accompanied by enhancing their accountability. The current restructuring of the economic and social sectors of the United Nations includes, as its integral component, the arrangements aimed at enhancing the contribution of the Commissions to the integrated United Nations global programme in the economic and social fields.

3. ACC members agree with the Inspector’s views that the process of decentralization started virtually with the creation of the United Nations and the larger specialized agencies, derived new impetus from General Assembly resolution 32/197 of 20 December 1977 and found its repeated legislative reflection in a number of subsequent General Assembly and resolutions of the Economic and Social Council, including the most recent resolutions 44/211 of 22 December 1989, 46/235 of 13 April 1992 and 47/199 of 22 December 1992. In accordance with these resolutions, measures have been taken over the years with a view to improving the distribution of responsibilities in identified programme areas, promoting joint activities and enhancing the coordination. The members of ACC recognized that further steps should be undertaken to support the coordinating and leading mandates assigned to the Regional Commissions by the above legislation.

4. ACC members recall that the concepts and approaches related to decentralization have been discussed by the agencies and organizations of the United Nations system within ACC, in particular by its former Consultative Committee on Substantive Questions (Operational Activities) (CCSQ (OPS)), currently the Consultative Committee on Programme and Operational Questions (CCPOQ). The Committee has agreed on objectives and guiding principles of decentralization. One of the main principles endorsed by CCSQ (OPS) was that
decentralization must be seen as a strategy and mechanism for enhancing the efficiency of external support to the development efforts of countries and should include the establishment of appropriate mechanisms and procedures responding to the development needs of countries. It was also agreed that the degree of decentralization would depend on the mandates and tasks of organizations and agencies at the field level, as well as on the achievement of the balance between headquarters and field units, within the overall budgetary considerations.

5. Some ACC members express their appreciation that the report recognizes the initiatives of the Joint Consultative Group on Policy (JCGP) and its constituent programmes for increasing decentralization and improving the effectiveness of operational activities.

6. ACC considers helpful the part of the report that summarizes the approaches and experiences of the United Nations system organizations and agencies.

7. ACC members fully share the Inspector’s emphasis on more forceful coordination of field operations at the country level, which might enhance effectiveness and efficiency, in so far as stronger consolidation in this area would result in potential savings of overhead expenditures that could be channelled to assistance.

8. However, in some instances the report was found to contain shortcomings that to some degree diminish the value of the study. Thus, for instance, the Inspector seems to presume that the locations and activities of all the United Nations system organizations and agencies should be decentralized closer to developing countries and that this action could be undertaken in some uniform manner. While ACC members support the overall idea of decentralization, they still believe that decentralization and modalities for development cooperation should conform with the specific mandates and areas of technical expertise of each agency. Furthermore, the location of agencies has been determined by political and historical factors and, therefore, should be faced as a fact. Moreover, the report does not present any convincing arguments, either substantive or financial, for changing the present pattern. In the view of ACC members, the relocation of agencies would disrupt their operations for a long period of time and would be very costly.

9. ACC members recall that the logic of the geographical spread of United Nations duty stations is inherent in the United Nations mandate. The Regional Commissions, all but one of which are located in developing countries, are part of the United Nations Secretariat, as well as of the whole United Nations system, and are providing multidisciplinary links with the regions. Unfortunately, their important role in this regard is inexplicably overlooked by the Inspector in the first part of the report; this inhibits its analysis. Since the adoption of General Assembly resolution 32/197, each United Nations Regional Commission has endeavoured to find ways of how best to carry out the mandate of acting as the main general economic and social development centre within the United Nations system for its region and how best to exercise team leadership and responsibility for improving the coordination of those activities in the region. Many of those activities are performed in close coordination with relevant agencies through the established inter-agency meetings or task forces covering various socio-economic fields.
10. The reasoning of the report is based on the premise that decentralization is a sound management principle in its own right. However, decentralization implies a centralized guidance and leadership as a foundation for the existence of the entire system. Decentralization is a means and not an end in itself; it could be employed as a sound management principle only to the extent that it achieves its objectives. The approach of the United Nations combines centralized policy-making, control and monitoring with decentralized execution. In the view of ACC members, certain administrative functions, such as management, accounting, budgeting and auditing do not lend themselves easily to decentralization if uniformity and acceptable standards of internal control have to be maintained.

11. The report appears to miss a crucial distinction between physical de-concentration of seats of organizations and decentralization of specific Organization’s functions to the field. While the Inspector correctly stresses that the financial costs of de-concentration in a period of zero-growth budgets are a serious obstacle to decentralization, he is of the opinion that these costs can be substantially reduced through the optimal use of common premises and services at potential relocation sites. This opinion, however, is not supported by any cost-benefit analysis. It should be noted in this regard that cost reduction through reliance on common services is now actively encouraged within the United Nations system.

12. ACC members feel strongly that any analysis of decentralization should include such seminal issues as the delegation of authority, managerial reforms, programmatic redistribution and structural changes as foreseen by General Assembly resolution 47/199. However, the report reduces the concept of decentralization largely to de-concentration, which being only one element of decentralization, is evidently not the main one. The main thrust of the report seems to be a physical transfer of United Nations bodies and activities to the regions for the sake of de-concentration, whereas decentralization should be a means of strengthening regional and field activities, on one hand, and ensuring a desirable measure of control by the centre, on the other.

13. ACC members feel that the direct and beneficial relationship between the regular and field programmes of agencies have been underestimated by the Inspector, whereas, in many instances, the Governing Bodies have emphasized the complementarity of these programmes.

14. ACC members cannot share the Inspector’s view that the established mandates and work programmes of agencies under the regular budget would hamper field programme activities. In fact, the capacity of an organization to provide appropriate technical support to its field activities depends on the assurance of solid back-up drawn from its accumulated experience and its extensive networking arrangements across countries and regions, as well as the logistical base made possible by its active regular programmes.

15. In the view of ACC, the Inspector’s assumption concerning savings in staff costs through the outposting of personnel has not taken into account some other criteria, such as the availability of suitably qualified support staff. Once all the factors are taken into account, de-concentration would be a very expensive exercise unless organizations could effectively offset, by savings in staff costs, the increase in operational communication and administrative...
support costs required to maintain offices in the field along extended lines of communication. At headquarters many of these costs would continue at current levels and the economies of scale currently enjoyed would be lost.

16. ACC members feel that the efficiencies gained by holding conferences at headquarters with well-established conference service infrastructures are completely ignored by the Inspector. The additional costs involved in holding conferences away from headquarters can in some instances amount to millions of dollars, equivalent to the cost of a development programme for the host country.

17. Some ACC members are of the opinion that shifting headquarters’ regional units towards regions would, under the present circumstances, both weaken the ability to ensure that appropriate regional dimensions are reflected in central policy decisions, and result in a critical loss of effective programme delivery. Shifts should instead be carried out to strengthen country-level offices, which contribute directly towards programme delivery. Furthermore, any undue weakening of headquarters’ units can easily result in the loss of the truly international and global character of United Nations programmes. Instead, regions are likely to become more isolated from each other and will be deprived of the valuable benefits of interregional exchange. It was also noted that the consensus on the need for a unified United Nations presence and approach at the country level has continued to grow. In this context, UNDP’s role as the central funding and coordinating body in the United Nations system of development is crucial. The steps initiated by the Secretary-General to coordinate and unify the United Nations presence at the country level, without compromising the distinctiveness of individual programmes, are pursued in the light of relevant provisions of General Assembly resolution 47/199. Furthermore, steps are being taken to translate into reality the decision contained in paragraph 9 of that resolution concerning the "country strategy note". Measures are being introduced to ensure that the management of technical cooperation activities is brought closer to the constituencies it is intended to serve through greater decentralization and increased delegation of authority to field offices.

II. COMMENTS ON RECOMMENDATIONS

Recommendation 1: Strengthening of regional and interregional cooperation.

In pursuing his current efforts at reform of the United Nations Secretariat in the economic, social and related sectors, the Secretary-General should consider the need to ensure full implementation of all the provisions of chapter IV of the annex to General Assembly resolution 32/197, taking into account:

(a) The proposals made in chapter I of Part II of this report with respect to the need for functional integration between the Regional Commissions and global secretariat entities in the economic, social and related sectors;

(b) Paragraphs 90-95 above and recommendation 6 below concerning the feasibility of establishing United Nations system integrated and multidisciplinary regional development structures.
18. In the view of ACC, the thrust of this recommendation is in line with the decentralization efforts at the United Nations Secretariat as reflected in the Secretary-General’s report on regional cooperation, 1/ which endorsed the conclusions of the Task Force on Decentralization. They aim, inter alia, at strengthening the role of the Regional Commissions through the transfer of certain programmes with commensurate resources and the restructuring of inter-agency cooperation and coordination at the regional level. In pursuing the issue further, due account needs to be taken of the different nature and specific mandates of the various organizations of the United Nations system. ACC recalls that some agencies and organizations have already taken concrete steps to integrate their sectoral work with that of the Regional Commissions through the establishment of joint divisions/units. These arrangements, in addition to the global mandates of the specialized agencies and organizations, provide an important facility for dealing with interregional cooperation in their respective field of competence.

Recommendation 2: Coordinated approach to decentralization

(a) The Administrative Committee on Coordination (ACC) should develop a harmonized framework of decentralization, including degrees of authority decentralized to the field by all the organizations, the complementarities of roles at headquarters, regional and country levels, the grade structures of representation, communications and information management systems. The proposed framework should fully reflect the increasingly intersectoral nature of operational activities for development, the new modalities of technical cooperation, the marked disparities among regional, subregional and country situations and work already done on the subject by JCGP organizations, and measures proposed in recommendation 6 of this report.

(b) All the specialized agencies should take advantage of the United Nations telecommunication network pursuant to resolution 50 of the International Telecommunication Union Plenipotentiary Conference of 1989.

19. ACC members supported this recommendation in general, on condition that a clearer distinction should be made between the specialized agencies, to which the recommendation appears to be addressed, and JCGP organizations. They agreed that harmonized approaches of decentralization should be developed within the United Nations system, but that each organization should tailor its specific policy according to its own Governing Body’s appreciation of an optimal balance between resources put at the disposal of its field offices and those available at its headquarters. ACC noted that some of its members had already taken steps to organize their field structures in such a way as to reflect the increasing intersectoral nature of operational activities for development.

Recommendation 3: Mandatory target of decentralization

The Governing Bodies should establish decentralization targets to be achieved by their respective organizations within a specified time-frame. Because of the differing constitutions and circumstances of the organizations, the Inspector recommends no hard and fast target, but believes that the target should reflect the volume of each organization’s technical cooperation activities and measures proposed in recommendation 6 of this report.
20. Despite the indispensable validity of the principle of decentralization, most ACC members have serious reservations as to the feasibility of establishing mandatory targets for an issue as complex as decentralization. They believe that specific decentralization objectives and criteria may be established by each organization and agency on the basis of their own mandates and regular programme activities, but that their technical cooperation activities cannot be the only decisive factor.

Recommendation 4: Integration of development cooperation with regular programmes

Organizations that have not yet done so should further integrate development cooperation concerns within their regular programme functions, backed by constitutional amendments, if necessary, as done by ITU in 1989.

21. ACC fully supports this recommendation and notes that the recommended integration of development cooperation with regular programme functions is being actively pursued by its members, particularly since the adoption of General Assembly resolution 44/211. In particular, the recommended integration is being pursued within the United Nations Secretariat, both centrally and at the level of its Regional Commissions. The Department of Development Support and Management Services, created in the course of restructuring, will serve as a focal point for the provision of management services and will also act as an executing agency in cross-sectoral areas, with emphasis on institutional development and human resource development. Its technical development activities will be focused particularly on the least developed countries and the economies in transition.

Recommendation 5: Professional staff composition of decentralized units

Measures should be introduced to restore fully the international character of the professional staffing tables of decentralized units in each region (excluding national professional officers, associate experts and junior professional officers), so that not more than 40 per cent of internationally recruited staff should originate from any one region. This recommendation applies in particular to the United Nations regional economic commissions, member organizations of JCGP, the World Health Organization (excluding the Pan American Health Organization), the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization and the International Labour Organization. Appropriate accompanying measures may be necessary, such as intensive language training, to satisfy the linguistic conditions for service in some regions.

22. Some ACC members express their strong belief that an International Civil Service implies that officials could and should serve in any region regardless of their region of origin and that the adoption of a minimum floor level would violate this basic principle and hinder staff mobility opportunities. Others are of the opinion that this recommendation could be accepted in principle with regard to its intent, but, in view of the distinctive cultural as well as linguistic factors in each region, they foresee serious difficulties in meeting this target. While a mix of staff from all regions is desirable, it seems clear that persons from a region are normally more aware of local problems and more sensitive to local conditions. At the same time, it is increasingly felt that...
the current maximum of 75 per cent of staff from the region in the staff subject to geographical distribution is not conducive to mobility and should be reviewed. A maximum of 50 per cent of regional staff would probably be a more realistic target, taking into account the political and practical realities involved.

Recommendation 6: Towards a regional system of decentralization

The United Nations Economic and Social Council, in the context of its revitalized mandate and new global developments, and in accordance with Articles 55, 62 and 63 of the United Nations Charter, should initiate studies and consultations with all appropriate Governing Bodies so as to determine the feasibility of establishing United Nations system integrated and multidisciplinary regional development mechanisms or of transforming the Regional Commissions into United Nations system regional commissions along the tentative lines suggested in this report.

23. ACC notes that this recommendation is addressed to the Economic and Social Council.

Recommendation 7: Decentralization of the venues of Governing Body sessions

Following the practice established by the Governing Bodies of the United Nations Conference on Trade and Development, the International Atomic Energy Agency, ITU, the Universal Postal Union, UNESCO, the Economic and Social Council, the UNDP Governing Council, the United Nations Children’s Fund Executive Board, and the General Conferences of other organizations may wish to review the possibility of meeting periodically away from their organizations’ headquarters on a rotating regional basis. To this end, the secretariats should develop a set of incentives designed to motivate Member States to host legislative sessions within their territories, in the context of United Nations General Assembly resolution 40/243 of 18 December 1985.

Recommendation 8: Progressive decentralization of the organizations’ headquarters

(a) The Administrative Committee on Coordination should develop a minimum set of criteria (e.g. adequacy and efficiency of logistic and communications infrastructure, racial tolerance and harmony, security and safety conditions, cost and standard of living, readiness and ability of host cities or Governments to provide rent-free premises and/or contribute substantially towards removal and installation costs, etc.) to be fulfilled by Member States currently hosting or wishing to host the headquarters or some divisions of any organization, to ensure that present and future headquarters agreements are uniform and fully serve the needs of all Member States, the organizations and their staff;

(b) The seats of the organizations should therefore not be considered permanent, constitutionally or otherwise, and discussion of the relocation of some of them could be placed on the agendas of the Governing Bodies following competitive bidding procedures based on ACC criteria and other considerations set forth in this report, mutatis mutandis, with the ultimate goals of achieving...
a more global pattern of headquarters locations, for the benefit of the organizations and of the international community;

(c) The Governing Bodies of organizations wholly concerned with development-related issues could consider the possibility of gradually moving the seats of these organizations or some of their services to the developing regions, subject to (a) and (b) above. Similar consideration should be given in the context of this recommendation to the Nordic countries as well as Central and Eastern Europe and Commonwealth of Independent States.

24. ACC members feel that these recommendations do not show sensitivity to the present climate of budgetary constraints that prevails not only in the United Nations agencies and organizations as such, but also in the Governments of the traditional donor countries. With reference to General Assembly resolution 40/243, which permits United Nations bodies to hold sessions away from headquarters when a host Government has agreed to defray the actual additional costs involved, the Inspector recommends that present principles and regulations should be reviewed to devise a more imaginative and economical system of calculating additional costs to be borne by host countries. This recommendation can hardly be assessed at such a level of generality. Holding periodic meetings of Governing Bodies away from headquarters has significant financial and administrative implications and puts a heavy burden on host countries. The provision of facilities at one location establishes continuity of purpose and derives the optimum in cost and efficiency. It should also be noted that participation in Governing Bodies’ meetings is often provided by countries’ permanent representatives at headquarters.

25. ACC members stress the sensitivity and divisive political ramifications of considering changes in the location of their headquarters and believe that this recommendation is not based on realistic considerations of benefits to be derived by the developing world as a whole from the relocation of headquarters to developing regions. No ACC member envisages changes in the location of its headquarters and there is no indication that this may become an issue unless an offer meeting all the criteria is received.

26. To summarize, ACC while agreeing with the intent of the proposals of the Inspector, believes that the questions raised in the report should be studied carefully from the point of view of their cost effectiveness and other implications, by the secretariats and relevant intergovernmental bodies, as appropriate.

Notes