

DECENTRALIZATION OF ORGANIZATIONS  
WITHIN THE  
UNITED NATIONS SYSTEM

PART I : DECONCENTRATION AND MANAGERIAL PROCESSES

CORRIGENDUM

<u>Page</u>	<u>Paragraph</u>	<u>Line</u>	<u>Error</u>	<u>Correction</u>
IV	1	3	"appears is"	appears
8	31	7	"operation"	co-operation
14	33	3	"This table is"	These figures are
31	92 (a)	3	"Council had"	Council has



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## II

### LIST OF ACRONYMS

UN	United Nations
UN system	United Nations system of organizations
ACC	Administrative Committee on Co-ordination
CCAQ	Consultative Committee on Administrative Questions (ACC Body)
CCSQ	Consultative Committee on Substantive Questions (ACC body)
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICJ	International Court of Justice
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organization
INSTRAW	International Research and Training Institute for the Advancement of Women
ITC	International Trade Centre (UNCTAD/GATT)
ITU	International Telecommunication Union
JIU	United Nations Joint Inspection Unit
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNIDIR	United Nations Institute for Disarmament Research
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNOG	United Nations Office at Geneva
UNOV	United Nations Office at Vienna
UNRISD	United Nations Research Institute for Social Development
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNU	United Nations University
UPU	Universal Postal Union
WFC	World Food Council
WFP	World Food Programme
WHO	World Health Organization
WHO/AFRO	WHO Regional Office for Africa
WHO/AMRO/PAHO	WHO Regional Office for the Americas and Pan-American Health Organization
WHO/EMRO	WHO Regional Office for the Eastern Mediterranean
WHO/EURO	WHO Regional Office for Europe
WHO/SEARO	WHO Regional Office for South-East Asia
WHO/WPRO	WHO Regional Office for the Western Pacific
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

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## EXECUTIVE SUMMARY

The significant evolution in the memberships of the UN system organizations since their creation has consecrated their universality. But because the seats of the organizations and of UN affiliated bodies are concentrated in Europe and North America, the UN system appears is highly centralized in relation to its global membership and is more particularly remote from close to eighty per cent of its constituency: the peoples of the developing Member States. The present geographical pattern of headquarters' location which was historically conditioned and justified in the past may no longer be so.

The report reviews the decentralization efforts of individual organizations pursuant to the directives of the UN General Assembly and other governing bodies of the system. It concludes that progress towards effective decentralization of staff and delegation of authority from the organizations' headquarters to the field level, especially for the specialized agencies, has by and large been chequered and inadequate to secure sound management of and accountability for the large volume of technical co-operation activities executed by the agencies in the field. One major constraint in this regard has been the absence of a co-ordinated and strategic approach involving all the organizations represented at the level of the Administrative Committee on Co-ordination (ACC) which should have moved with more deliberate speed in giving operational expression to the directives of the General Assembly. CCSQ/OPS is now taking the very first steps in this direction, but much more remains to be done.

Another constraint concerns the absence of a decentralization ethos not only in relations between headquarters and the field but also within the organizations' headquarters where decision-making is in general centralized around executive heads. Moreover the limited use of the regular budgets in support of technical co-operation in some organizations and more particularly the distinction between technical co-operation financed primarily from extrabudgetary sources, and so called universal mandate comprising normative, regulatory functions supported by the regular budgets, have also placed brakes on effective decentralization towards the field. Yet another drawback is limited policy co-ordination on the issue within some individual Member States which adopt different positions in different organizations, and among the governing bodies of the system.

The report concludes that the vast challenges of famine, drought, AIDS, civil wars, uprooted and dislocated populations and deepening human misery in many parts of the World make dramatic demands on the UN system to strengthen significantly its field presence, as well as its operational capabilities and responsiveness. This would require bold efforts to redesign the delivery structures and methods of the organizations. To that end the report proposes that the UN Economic and Social Council in the context of its revitalized mandate and of global new challenges and in accordance with Articles 55, 62 and 63 of the UN Charter, should initiate studies and consultations with all relevant governing bodies of the UN development system in order to determine the feasibility of establishing UN system integrated and multidisciplinary regional development mechanisms akin to the structures of the Regional Development Banks and charged with the UN system's operational activities for development.

The proposed regional arrangements which would enable the UN system to relate better to specific subregional and country situations, could, for example, incorporate the existing regional structures, including the regional economic commissions, as well as the divisions, services and units in the organizations' headquarters concerned with operational activities for development. The UN Economic and Social Council would serve as the global policy organ of the new structures. Their executive heads would be appointed by ACC and not more than forty per cent of their internationally-recruited professional staff should originate from any one region. The same ceiling is recommended for all existing field establishments of the UN system.

The second point on the agenda of decentralization should be a review of the present location of the seats of the organizations and the eventual relocation of some of them with a view to achieving a more global spread of the organizations' headquarters or some of their divisions.

Independent of the location or relocation of the organizations' headquarters, the conference function and the legislative sessions in particular should be used more often, following the practice in some organizations, to promote cross-cultural empathy with the peoples and cultures of the different regions. The report therefore sees merit in motivating Member States to host some major UN conferences and the periodic sessions of supreme policy organs on a rotating regional basis.





## I. INTRODUCTION

1. The subject of decentralization has been on the agenda of the United Nations and the larger specialized agencies virtually since their creation. Much of the debate on the subject has centred on ways and means of adapting the original organizational concept and structure of the UN system to the significant changes of the past forty-five years.
2. One of these changes has been the considerable growth in the membership of all the organizations of the system. The 51 original signatories to the UN Charter, excluding the People's Democratic Republic of China, today represent barely 30 per cent of UN membership and only about 10 per cent of the membership population. This expansion in membership has not only transformed the United Nations into a truly universal Organization but has also furnished its agenda with an entirely new set of priorities.
3. Foremost among these priorities are international development co-operation, environmental protection, peace-keeping and humanitarian relief operations. Almost non-existent forty-five years ago, these activities today account for a substantially greater portion of the total expenditures of the UN system. Because the original constitutions and organizational structures had not been designed to anticipate this exponential expansion of operational activities for development, the UN system as a whole and the specialized agencies more particularly, which should have been the catalyst of progress, appear instead to have been overtaken by the winds of change. However, the organizations are now seeking to adapt in varying degrees to the new world context.
4. The end of the cold war is yet another major development that has heightened pressure for a significant reform of the UN system. The prospects are now brighter than ever before for achieving more effective international co-operation on a wide spectrum of issues which had eluded global consensus: from the North-South dialogue, social and economic development and environmental protection to a post cold war peace and security agenda. These new realities clearly call for new organizational responses. For a system with a universal constituency one such response inevitably lies in physical and functional decentralization for the benefit of its entire membership.
5. Among the many directives of United Nations governing bodies on this subject General Assembly resolutions 32/197 of 1977 and 44/211 of 1989 are of special relevance to this report. Resolution 32/197, in chapter IV of its annex, provides for strengthening the role of the regional commissions as the "main general economic and social development centres within their respective regions". Resolution 44/211 calls upon the organizations of the system to decentralize resources and delegate authority from headquarters to the regional and country levels so as to strengthen the quality and timeliness of programme delivery. The governing bodies of FAO, ILO, ITU, UNESCO and WHO have also adopted specific measures to promote decentralization.
6. Actions taken by the organizations in response to these legislative injunctions are anything but thorough and uniform. Within the United Nations, implementation of resolution 32/197 did

not result in strengthening complementarities and eliminating duplication between headquarters departments and the regional commissions, nor in any agreement in the course of fifteen years on decentralization of responsibilities and resources to the regions. The new restructuring exercise now in progress takes as its starting point, like fifteen years ago in the context of resolution 32/197, the reorganization of headquarters departments in a "first phase". However, in his 1992 report on the work of the Organization, the Secretary-General declares his intention to extend the reform process to other parts of the United Nations to achieve an "Organization-wide distribution of responsibilities and balance between functions performed at Headquarters and those carried out by the regional commissions and other United Nations organs and programmes". The Secretary-General also expresses in the same report his "firm belief that the focus of the United Nations must remain in the field where economic, social and political decisions take effect".

7. Other United Nations entities such as UNDP, UNICEF, WFP, UNFPA, etc., which have developed co-operative relations within the Joint Consultative Group on Policy (JCGP) have made progress in physical and functional decentralization of resources and activities, as would be required by their essentially funding and operational mandates.

8. The picture is less consistent for the specialized agencies which form the hard technological wedge of the common system. The point frequently made by some organizations in this group is that their scope for decentralization is limited by the very nature of their constitutional functions. The relatively smaller agencies with less than 200 professional staff remain highly centralized. Among the larger agencies, WHO, the most decentralized, is a special case which is reviewed more elaborately in a separate JIU report. In UNESCO, at whose request the present study was initiated, decentralization was a priority item on the agenda of the April 1991 session of the Executive Board which debated an in-depth study prepared by its special Committee on the organization's field offices. Following the review of this study, the General Conference (25 C/Resolution 15.22) and Executive Board (136 EX/36, 3.3) adopted measures to guide and strengthen the process of decentralization in UNESCO. Actions taken by the Director-General pursuant to these directives are discussed at a later stage in this report. In requesting the JIU to undertake a system-wide study of the subject, UNESCO wished to draw lessons from the decentralization policies and practices of other specialized Agencies. FAO, ILO and ITU are three other agencies that have reviewed their programmes and structures in the recent past with a view to strengthening their field presence and role.

9. These reform efforts are commendable. But they appear isolated, unsynchronized and uneven in depth and compass. The Administrative Committee on Co-ordination (ACC) as a whole which desirably should have been in the forefront of the reform process has seemed to lag behind the JCGP organizations which are pursuing bold programme restructuring efforts. This comparison exposes a fissure between the JCGP members comprising mainly funding UN organizations on the one hand and the specialized, technical members of the ACC on the other. Efforts at decentralization cannot be thorough and effective unless carried through a co-ordinated and system-wide strategic approach to the delivery of field programmes and activities.

10. The present haphazard approaches to decentralization are duplicative, especially in infrastructural and staff costs, horizontally among the organizations and vertically within individual organizations supporting field activities at the country, regional and headquarters

levels. A more strategic and rationalized deployment of resources not only holds promise for significant savings in establishment and staff costs but also will significantly solidify the comparative advantages of the United Nations system on the ground vis-à-vis the multilateral financial institutions.

11. Such a comprehensive and uniform approach is made all the more essential by the new guidelines on operational activities for development of the UN system contained in General Assembly resolution 44/211 of 22 December 1989. These guidelines emphasize among other things government and national execution, full utilization of national capacities, programme approach as opposed to sector-specific project approaches, simplification and harmonization of rules and procedures governing the programming processes and project cycles as well as of the roles of the organizations' country offices, delegation of authority from headquarters to the country level, increased team-leadership capacity of the Resident Co-ordinator coupled with a clarified and strengthened ACC mandate in this regard, and closer co-operation of the system's country representation with the Resident Co-ordinator.

12. These directives bear directly on the substance and goal of decentralization since they cannot be implemented fully without the outposting of staff and delegation of authority to the field. The Inspector has drawn on previous JIU reports on the subject but has broadened the scope of his inquiry to include for the first time a review of the geographical distribution of the seats of the organizations. The concept of decentralization used in this report includes deconcentration and managerial aspects. The Inspector hopes that the report will make a useful contribution to the on-going debate on reform of the UN system so as to redeploy and equip the organizations to serve as an effective international centrepiece for the next century.

13. Chapter II. reviews the geographical spread of the organizations to the extent that their present location and concentration have implications for their effectiveness in relating to their global constituency and supporting operational activities for development. Chapter III. looks at decentralization from the view point of the development co-operation role of the organizations. Chapter IV. outlines a possible strategic reorganization of the development related structures and resources of the system. Conclusions and recommendations follow in chapter V.

14. Part II of this report subtitled "Comparative Approaches", which is contained in a separate volume, reviews the decentralization policies, approaches and experiences in individual organizations of the system. This second part, which serves as an addendum, should be read together with Part I. The Inspector records his thanks to all those throughout the UN system who provided views and documentation in the course of his visits to several headquarters and to the field.

## II. GEOGRAPHICAL SPREAD

15. The present chapter views decentralization in geostrategic perspective. It seeks to answer a fundamental question: how decentralized or universal is the UN system in terms of the present location of the headquarters, resources and activities of the organizations? The question is inescapable because of the profound growth in the membership, universality and activities of the organizations since their inception in the 1940's. To remain relevant in the course of time every organization must continually readapt itself to its changing environment in order to interact better with its constituency. Depending on the nature and size of its activities or the expectations of its members, an organization's location and geographical deployment can strengthen or inhibit its overall effectiveness or influence its perception and approaches to problems. Which is why any discussion of the ways and means of making the UN system ever more relevant to the priority concerns of its entire membership must start with a candid analysis of deconcentration issues.

### A. Location of headquarters

16. The table on page 5 shows the main UN regions, as well as countries and cities hosting the headquarters of the organizations of the UN system. The last column to the right lists UN affiliated bodies which could have been located in any region or country. This list therefore excludes UN regional economic commissions and other regional or subregional offices of the system with a specific geographical focus and mandate. The table reveals that all the organizations of the system are currently headquartered in Europe and North America and that the same holds true for the location of UN affiliated bodies, with the exception of Africa where Kenya hosts the UN Environment Programme and the UN Centre for Human Settlements. Other minor exceptions are Asia and the Pacific region where the United Nations University is located in Tokyo and Latin America and the Caribbean, where the International Research and Training Institute for the Advancement of Women (INSTRAW) is located in Santo Domingo, Dominican Republic. In terms, therefore, of the location of the seats of the organizations the UN system appears highly centralized in relation to its global membership.

17. The reason for this geographical concentration of the UN system headquarters would seem to be mainly historical. European and North American Member States were not only the principal architects of the UN system but also formed the majority of the original membership of most of the organizations. Moreover, the UN system itself is by and large a successor to erstwhile essentially European institutions such as the League of Nations (1919), the International Labour Organisation (1919), International Telecommunication Union (1865), World Meteorological Organization (1873) or the Universal Postal Union (1874), etc. Equally important is the fact that in the 1940s Europe could justifiably be considered the centre of the world with its colonial dependencies across the globe, while the United States emerged from the second world war as the foremost architect of the UN Charter and, together with the former Soviet Union, as guarantor of world peace and security. These factors explain the original concentration of the UN system in Europe and North America.

**LOCATION OF THE HEADQUARTERS OF UN SYSTEM ORGANIZATIONS**

REGION	COUNTRY AND CITY	ORGANIZATIONS HEADQUARTERS	UN AFFILIATED BODIES
AFRICA	<u>KENYA</u> Nairobi		UNEP UNCHS
ASIA AND THE PACIFIC	<u>JAPAN</u> Tokyo		UNU
EUROPE	<u>AUSTRIA</u> Vienna	IAEA UNIDO	UNOV UNDCP UNRWA
	<u>FRANCE</u> Paris	UNESCO	
	<u>ITALY</u> Rome	FAO IFAD	WFP WFC UNICRI
	<u>THE NETHERLANDS</u> The Hague		ICJ
	<u>UNITED KINGDOM</u> London	IMO	
	<u>SWITZERLAND</u> Bern Geneva	UPU GATT ILO ITU WHO WIPO WMO	UNOG UNHCR ITC UNCTAD UNRISD UNIDIR
LATIN AMERICA & THE CARIBBEAN	<u>DOMINICAN REPUBLIC</u> Santo Domingo		INSTRAW
NORTH AMERICA	<u>UNITED STATES</u> New York	UN	UNDP UNICEF UNFPA UNITAR
	Washington	IBRD (Group) IMF	
	<u>CANADA</u> Montreal	ICAO	

18. The world scene of 1992 bears little if any comparison with that of 1945-1950 when the UN system came into being. The end of the cold war has depolarized international security concerns and displaced emphasis from armaments to preventive, collective action through the Security Council. A consensus is emerging that the UN system should play an ever increasing role and that social and economic development and co-operation, respect for human rights and fundamental freedoms and accountable, democratic systems of governance should in future form the bulwark of peace and security, resting on the effective involvement of the entire UN membership. The practical application of this new world agenda requires the organizations to intensify their interactions with all Member States. Such interactions would be enhanced by a more deliberate spread of the organizations.

19. The share of World economic output and scale of assessed contributions to the budgets of the organizations may not be sufficient justification for the present pattern of headquarters location. If such criteria were decisive Germany, Japan and the Russian Federation would be among the foremost candidates to host some of the organizations. Indispensable and important as they may be to the functioning and mission of the UN system, economic and financial considerations should not detract from the more important substantive attributes of the system: its lofty charter ideals and universality, equality of nations, neutrality, multicultural pluralism and democratic value system, which form its conceptual and legal foundation as the pivot of international relations. These unique attributes carry no price tag.

20. Within Europe itself the present physical configuration of the organizations may no longer be justified in the post cold-war era. The erstwhile important concept and status of neutral states have been eroded as criteria for locating neutral international organizations. Northern European countries which are among the most active UN members and generous promoters of its objectives do not host a single organization. Also, Eastern and Central Europe and the Commonwealth of Independent States could especially now be considered potential home to significant UN system presence to help support their political and economic transformations.

21. In relation to the global constituency of the organizations, their present location appears even more skewed. They are all geographically distant from close to 80 per cent of their constituency comprising the populations of the developing Member States. Much of the long-standing debate and voluminous documentation of the system on decentralization and co-ordination derive from this anomaly of the organizations' physical remoteness from the developing countries. The establishment and extension of field office networks has not redressed this hemispheric imbalance. There is no doubt that the present headquarters locations have very well served the organizations and their Member States for the past forty-seven years. But the absorptive capacity of some of these locations may now be under strain, and some countries in the southern hemisphere and elsewhere have made adequate progress to serve as hosts to some of the organizations.

22. However, the location of an organization may not be of great consequence depending on its geostrategic spread such as by national civil services or on how effectively it employs the means at its disposal to interact with its constituency in order to attain its objectives. The following paragraphs therefore review the extent of deconcentration of the organizations' resources and selected activities.

## **B. Financial resources**

23. Total expenditures in 1990 by organizations of the system, excluding IBRD group and IMF, amounted to US\$7.5 billion (\$2.3 billion from regular assessed budgets and \$5.2 billion from extrabudgetary and voluntary sources).<sup>1</sup> The geographical distribution of these expenditures is hard to determine with any degree of precision. A rough guide is provided by the share of these

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<sup>1</sup> ACC/1992/FB/R.20

expenditures allocated to operational activities for development. That share stood at \$3.7 billion<sup>2</sup> in 1990, or about 50 per cent of total expenditures. This would imply that the 4 billion peoples of the developing countries received in 1990 a per capita income value of US\$0.9 from the organizations of the system. A regional breakdown of development-related expenditures for 1989 is provided in figure 1 (page 9).

24. These data are however not a very reliable guide as to the actual locus of expenditure and accrued benefits to the extent that development and humanitarian activities are administered for the most part by headquarters personnel and supported by equipment, supplies and services procured mainly from the developed countries. Furthermore, over 70 per cent of these expenditures are attributed to four UN bodies: UNDP, UNICEF, UNFPA, and WFP.

25. Development-related expenditures financed from the organizations' regular budgets, which are more stable and predictable and on which extrabudgetary programmes are dependent for their effectiveness and impact, may be more suggestive of the organizations' world-wide commitment to their development mission. Figure 2 (page 10) reveals that the organizations incurred in 1990 US\$233.9 million from their regular budgets for technical co-operation expenditure. This amount represents only 10 per cent of their total regular budget expenditures for that year. WHO which alone accounts for 45 per cent of these expenditures also happens, not by coincidence, to be the most decentralized among the specialized agencies. Indeed, technical co-operation is a key-stone in the Constitution of WHO as it is not in the basic texts of most other technical agencies (see chapter III). Its field-based technical co-operation structures and programmes absorb upwards of 60 per cent of the regular budget, a level which has not yet been matched by any other agency.

26. In their comments on the draft of this report some agencies pointed out that WHO alone includes staff in its regular technical co-operation expenditures, and that many important regular budget activities are not reported by the agencies as technical assistance, such as UNESCO's scientific programmes. It was also observed that the agencies contribute a regular budget "subsidy" to project implementation. UNESCO estimates this contribution at US\$200 million for all technical agencies, which quantify their actual assessed-budget contributions to technical co-operation at between 40-50 per cent of all regular programme funds. Should that be the case more decentralization would be justified, not less.

27. Unlike expenditures on operational activities for development which are significantly decentralized among the developing countries, headquarters' related expenditures are inevitably concentrated in those countries hosting more than one organization, namely the United States, Switzerland, Austria and Italy. For the United States and Switzerland, for which estimates<sup>3</sup> are available, economic benefits of hosting the organizations are valued for each country at US\$1 billion annually, or a per capita gain of US\$4.2 for the United States and US\$156 for Switzerland. The implication is that a deconcentration of the organizations would also further spread out the economic benefits of their location. These benefits become more substantial when the organizations' investments of all sorts are factored, particularly pension fund investments whose market value in 1990 was US\$8.56 billion.

28. Figure 3 (page 11) exhibits the distribution of these investments as follows in descending order of US\$ million: North America - 3,730 (43.6%); Europe - 2,640 (30.9%); Asia - 1,480 (17.2%); International Institutions - 318 (3.7%); Latin America - 270 (3.2%); and Africa - 120 (1.4%). Fund investments in all of Eastern Europe came to \$39 million, or 1.5% of the total for Europe, while Australia, Japan and New Zealand accounted for 70% of the total for Asia. For all developing countries total fund investments amounted to US\$831 million or 9.7% of the aggregate total.

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<sup>2</sup> DP/1991/69

<sup>3</sup> International Herald Tribune: May 26, 1992  
La Tribune de Genève: June 17, 1992

29. Several organizations have pointed out that the management of the UN Joint Pension Fund is irrelevant to the subject of this report because neither the technical criteria guiding fund investments (e.g. safety, convertibility and profitability) nor the wisdom of the investments committee could possibly be challenged. But this report in no way suggests that those criteria be modified for the sake of decentralization. The question that may be relevant is whether, as repeatedly urged by the General Assembly, opportunities for investment diversification are systematically sought in all regions. The following correlation is moreover noteworthy: fund investments and the organizations' sources of procurement of equipment and services, despite recent improvements, are concentrated in the same countries and regions where the seats of the organizations are located. In these examples - fund investments, procurement sources and location of headquarters - the Nordic countries, Eastern Europe and the developing countries are all under-utilized. The organizations are physically and substantively remote from these regions.

### C. Staff resources

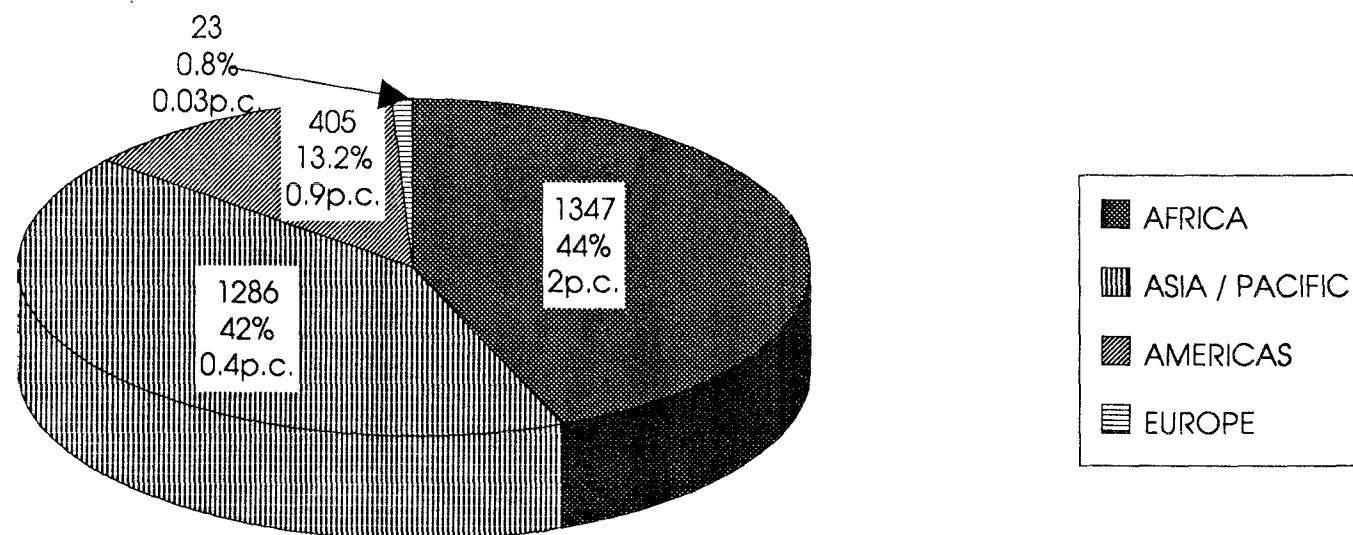
30. Figure 4 (page 12) illustrates the degree of decentralization of the organizations' total human resources in 1990. It shows that UN system staff per million inhabitants in the five regions numbered: North America - 30; Europe - 25; Africa - 21; Latin America - 8; and Asia - 2. These figures need to be qualified with the observation that close to 80 per cent of staff in the developing regions consist of extrabudgetary staff, project staff or national staff employed by the organizations. Figure 5 (page 13) is a more accurate index to the degree of decentralization of the organizations' regular professional staff. This figure shows that the JCGP organizations which are concerned almost wholly with operational activities for development have outposted an average of 77.7 per cent of their staff away from headquarters. Excluding WHO with 59 per cent of decentralized staff, the technical agencies have from 0-23 per cent of their regular staff outposted to the field.

31. These agencies argue that their constitutional and highly technical functions do not lend themselves to decentralization. While this argument may be partly valid, especially for the very small agencies and the International Atomic Energy Agency, the example of the World Health Organization's decentralized model shows that decentralization is not necessarily incompatible with the highly technical nature of these organization's mandates. Moreover, their present level of decentralization is not adequate to ensure proper management of and accountability for the large volume of technical operation activities funded from various sources and implemented by these agencies in many parts of the world.

32. The financial costs of decentralization in a period of zero - growth budgets for all the organizations are frequently invoked as perhaps the most important obstacle to significant outposting of staff from the headquarters to the field. The cost of moving a staff member at P4 step 1 with two dependants is estimated, for example, at about US\$30,000 from New York to Buenos Aires or at almost US\$25,000 from Geneva to New Delhi. Infrastructural costs, such as for the establishment of office premises, are not included as these are provided free of charge in some cases by the developing countries. The Inspector acknowledges the initial cost implications of outposting staff but believes these costs can be substantially reduced through optimal use of common premises and services, as well as by reduced travel expenditures of headquarters staff on frequent field missions. The Inspector came upon an example in one organization whereby one field project was visited 15 times by different headquarters staff within 18 months.

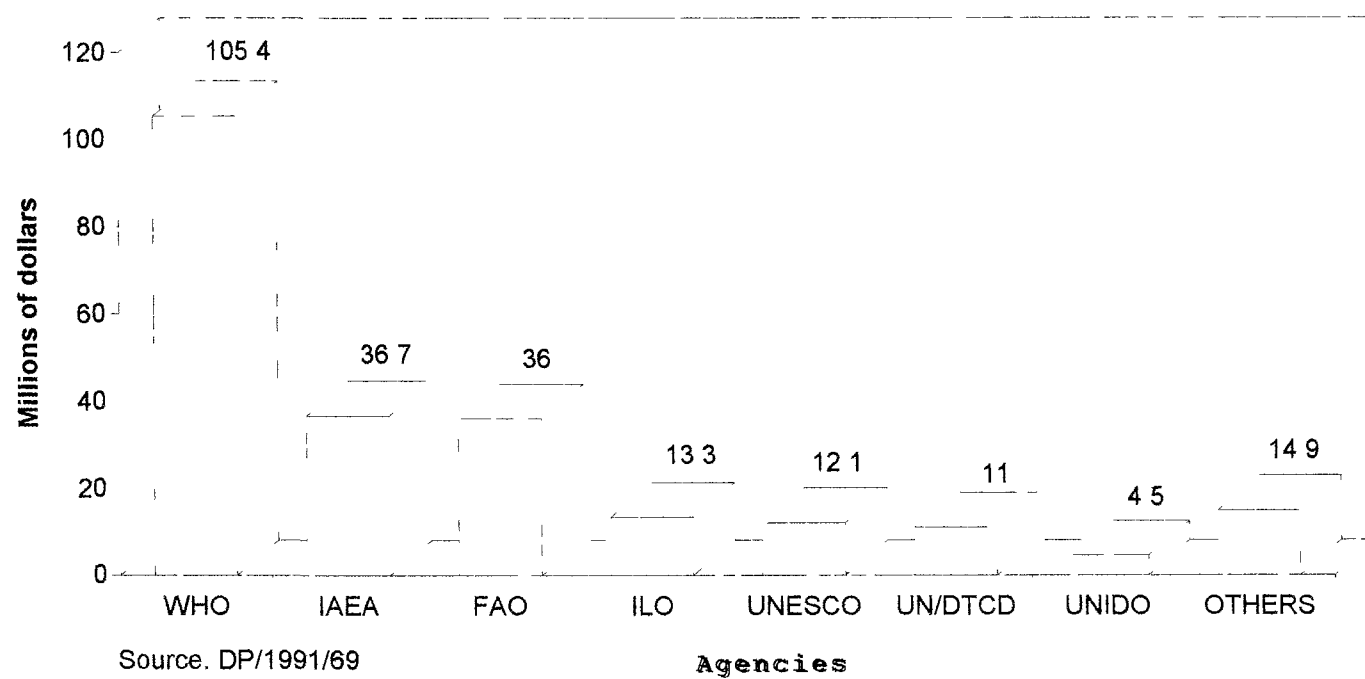


**Figure 1 : EXPENDITURES ON OPERATIONAL ACTIVITIES OF THE UNITED  
NATIONS SYSTEM : 1989  
( REGIONAL SUMMARY )  
( In US \$ millions and percentage )**



Source of data : A / 46 / 206 / Add. 1

**Figure 2: Distribution of regular budget technical co-operation expenditures by the specialized agencies in 1990, in millions of US dollars**



**Figure 3 : TOTAL UNITED NATIONS PENSION FUND BY REGION OF INVESTMENT AS AT 31 MARCH 1990**  
(In millions of US dollars )

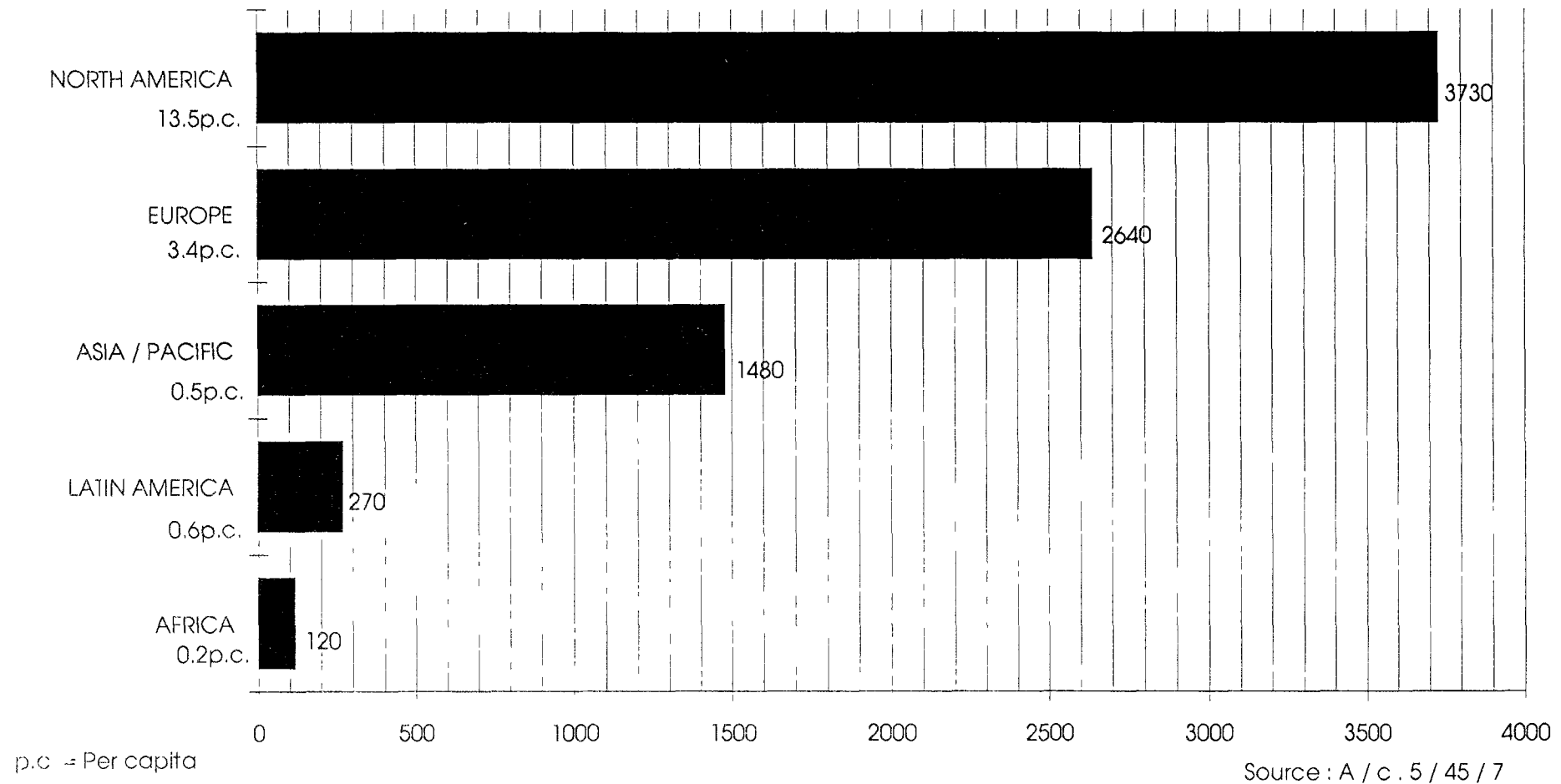
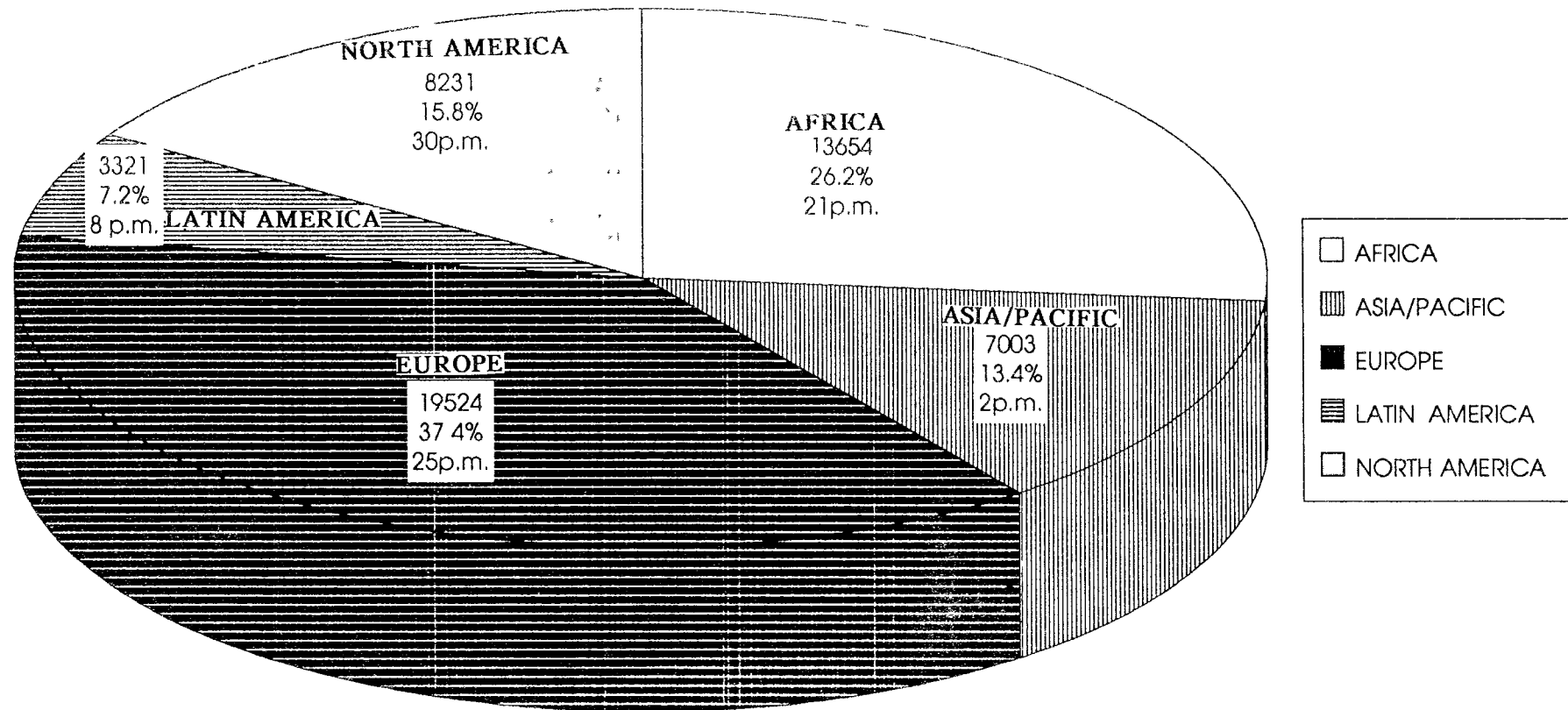


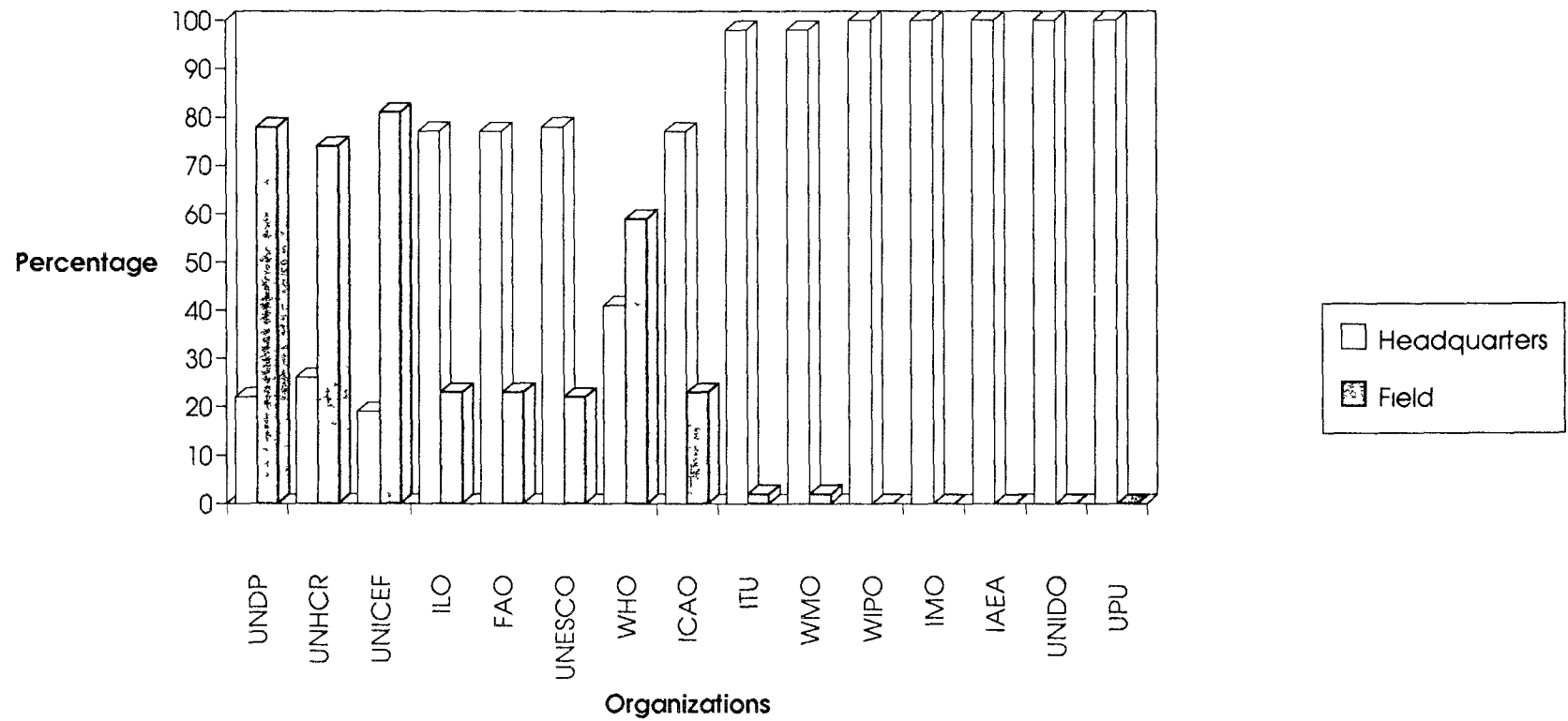
Figure 4 : TOTAL UNITED NATIONS SYSTEM STAFF BY DUTY STATION  
( 1990 REGIONAL SUMMARY)



p.m. = Per million inhabitants

Source of data : CCAQ 1990 personnel statistics

**Figure 5 : Distribution of United Nations system regular staff between headquarters and field in 1989**



Source of data A / 46 / 206 / Add 3

33. Figures 6.1 and 6.2 (pages 15 and 16) which provide data on staff costs at different duty stations reveal that it would be far less expensive for the organizations to have staff at field duty stations than at their present headquarters. This table is particularly instructive with regard to the frequently heard contention by some Member States and the organizations about the significant cost implications of decentralization. The data show for example that, Geneva which hosts a high concentration of the organizations and staff, happens to be the most expensive in terms of salary costs. The cost of a staff member at P4/1 with two dependent children at Geneva in January 1991 was almost double the average cost of a staff member at similar grade employed in New Delhi, Manila or Warsaw. Because general service staff currently represent 64.4 per cent of total UN system staff, their comparative costs at different duty stations are suggestive of the significant savings that can be derived by Member States from relocation of some of the organizations and staff decentralization. The cost of one general service staff at top grade employed at Geneva for example in January 1991 was adequate to employ 2 of the same in Buenos Aires, 3 in Tunis or Warsaw, 7 in Nairobi, 9 in New Delhi and 10 in Manila. These comparative data do not include the costs to the organizations of education grant and medical insurance schemes which are considerably higher at present headquarters locations than at field duty stations.

34. More fundamentally, decentralization as proposed in this report, while implying evident start-up costs, should ultimately conduce to savings in establishment and overhead costs. The proposed approach would imply reform of structures, procedures and even staff profiles to promote and apply the new modalities for technical cooperation. The organizations argue, rightly, that their scope for action is limited by arrears in assessed contributions totalling close to US\$2 billion at present and by a zero-growth budget ceiling. But the Inspector notes that the total field staff (about 24,000) of the organizations of the common system are presently more than double the total staff (about 11,000) employed by the World Bank and the Regional Development Banks in the Americas, Africa and Asia.

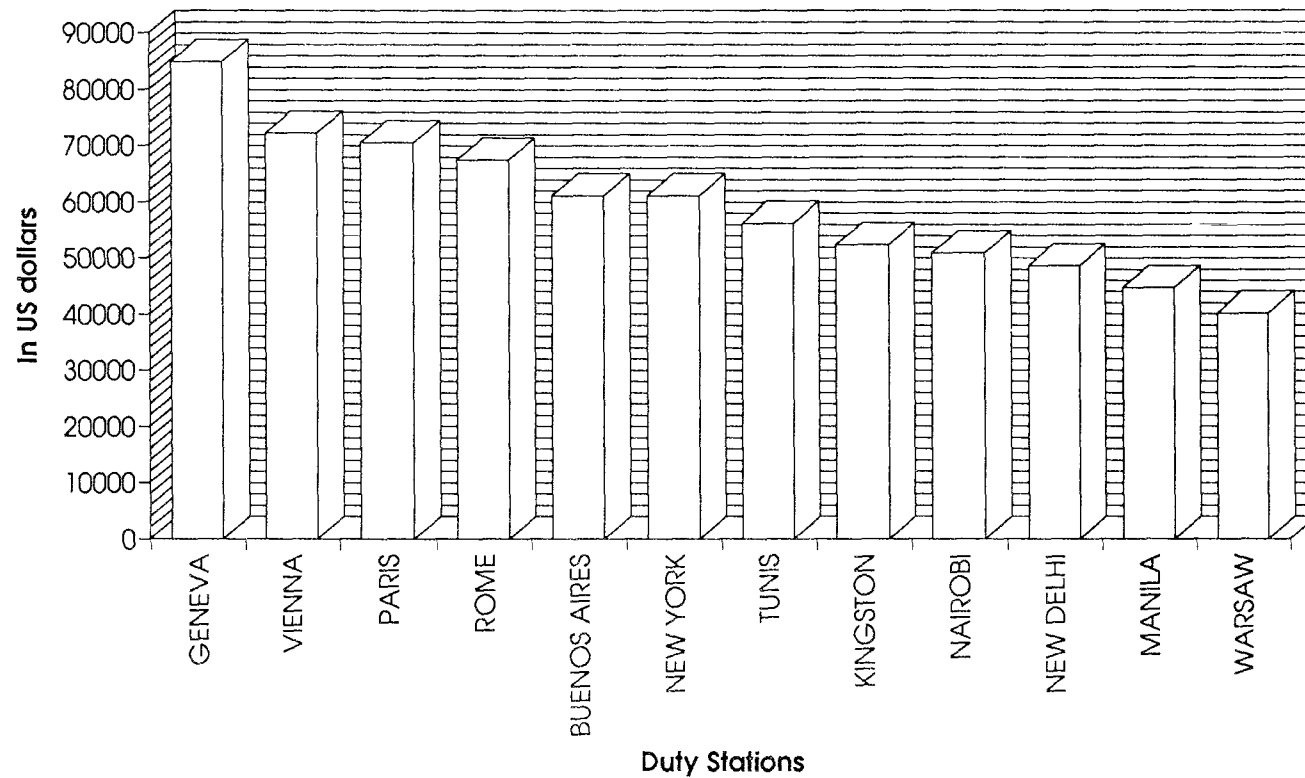
35. The four Banks in question now deliver, in addition to their central statutory functions, more technical assistance than the UN common system excluding emergency relief expenditures. When headquarters-based technical co-operation staff (over 3000) are included in this comparison, the result shows that the common system of organizations appears clearly over-manned relative to the level of resources delivered, no doubt because the bewildering fragmentation of field programmes and structures as well as decentralization approaches has considerably jacked up overhead costs. For example, in FAO alone there are no less than six overlapping layers of decentralization in support of field operations (see Part II, chapter V). The main thesis therefore is that a more streamlined and concerted approach to decentralization in support of operational activities for development and other statutory activities would result in significant savings, not costs (see also chapter IV).

36. A more valid explanation for the concentration of staff at headquarters is, firstly, that technical co-operation priorities are not yet fully integrated with the regular programmes of some organizations, and secondly that the organizations are located in the most economically advanced and therefore attractive regions of the world. The Inspector noted in the course of this study a strong resistance to staff decentralization to the developing regions. Some headquarters staff, especially of the specialized agencies, have grown accustomed and even wedded to the host country milieu. For various personal reasons such as children's education, comfortable standard of living, climate suitability, fear of tropical diseases, investment in real estate, etc., many headquarters staff in the agencies are reluctant to accept field assignments of any protracted length. Field service is not considered as "prestigious" as headquarters tenure, particularly if it carries no built-in career advancement prospects.

#### **D. Information Resources**

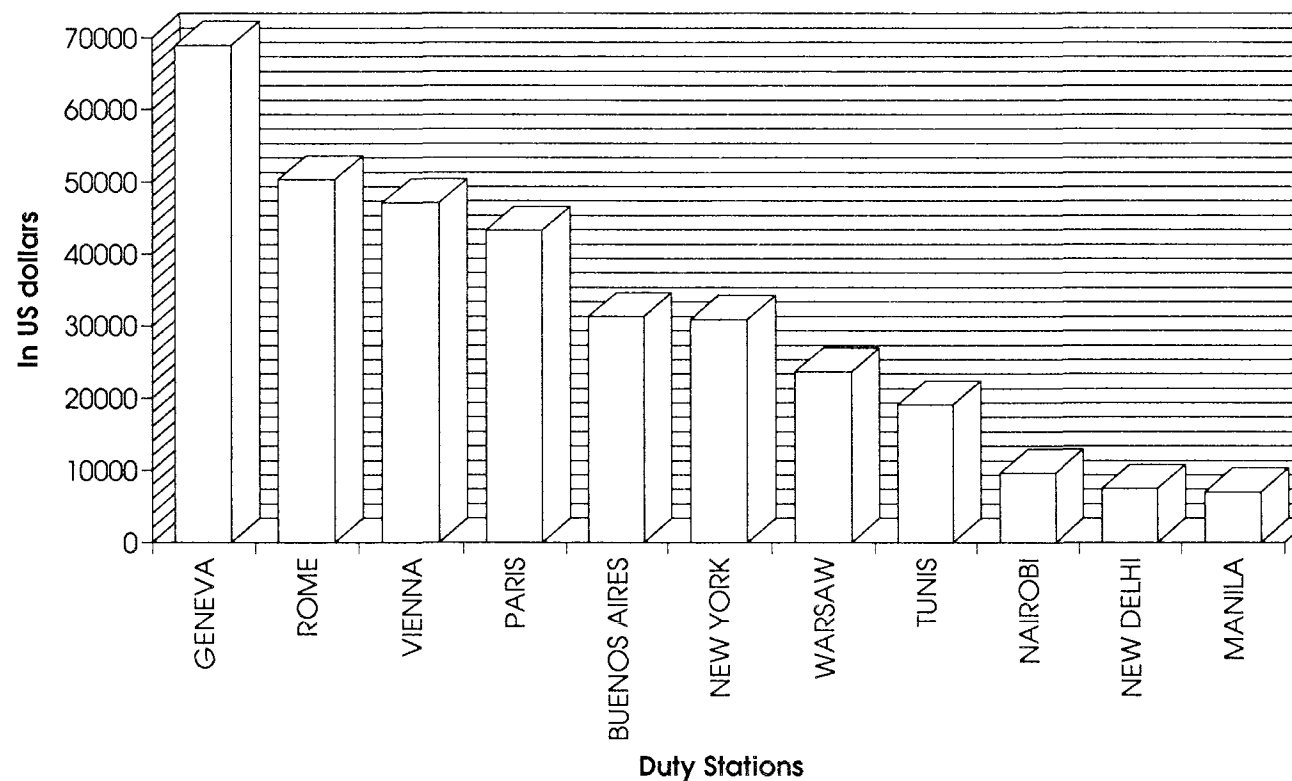
37. Decentralization is an obvious vehicle for more effective dissemination of the organizations' information resources comprising scientific, technical and general knowledge stored in bibliographic, electronic or mechanical form. Thus defined, information is without doubt one of the organizations' most precious products and their primary medium of technological diffusion. In some respects this product is unique in the world: it is neutral and objective (or supposed to be so); it cannot be

**Figure 6.1 : UNITED NATIONS SYSTEM STAFF COSTS AT DIFFERENT DUTY STATIONS  
P4 / 1 WITH SPOUSE AND TWO DEPENDENT CHILDREN AS AT 1 JANUARY 1991**



Source of data : United Nations Office at Geneva, Financial Resource Management Service,  
At the request of the Joint Inspection Unit

**Figure 6.2 : UNITED NATIONS SYSTEM STAFF COSTS AT DIFFERENT DUTY STATIONS  
GS 7 / 1 OR EQUIVALENT WITH SPOUSE AND TWO DEPENDENT CHILDREN AS AT 1 JANUARY 1991**



Source of data : United Nations Office at Geneva, Financial Resource Management Service,  
At the request of the Joint Inspection Unit



obtained easily from other sources, and most important, it is usually the "last word" on any subject matter dealt with. It can thus be likened to a treasure chest for the scientific, academic and general intellectual community of the localities, countries and regions hosting the organizations.

38. For evident reasons these resources are now concentrated in the libraries and databases at the organizations' headquarters in Europe and North America. The Inspector could not assess the extent to which information resources are organized to back up operational activities for development or to facilitate their accessibility to the developing countries. The organizations' information systems (e.g. FAO/AGRIS, ASFIS, IAEA/INIS, UNEP/INFOTERA, UNIDO/INTIB, etc.) are considered by some experts<sup>4</sup> as too sophisticated for the developing countries having in most cases only rudimentary information and communication infrastructure and different languages. A recent JIU report on UN system libraries also underscores this point. The examples of UN regional commissions, UN information centres and WHO regional offices which are major repositories of information resources in the developing regions show that the more decentralized the organization the more easily it can bring information as close as possible to its constituency, through simple, conventional approaches.

#### **E. Conference activities**

39. Major conferences staged by the organizations, and especially periodic sessions of their governing bodies, represent a flexible and expedient tool for the organizations to interact with their memberships and peoples.

40. UN document A/AC.172/133 of February 1990 entitled "Calendar of Conferences and Meetings of the United Nations for 1990-1991" shows that UN system conference activities programmed for 1990-1991 were concentrated at the headquarters of the organizations in New York, Geneva, Rome and Vienna. In contrast to the practice in other intergovernmental organizations, notably the European Economic Community, Organization of American States, Organization of African Unity, Arab League, Association of South East Asian Nations, or IBRD/IMF and the Regional Banks, UN system governing bodies very seldom meet away from the organizations' headquarters, with the exception of ITU, UPU, UNCTAD and WHO's Regional Committees, but not the World Health Assembly or Executive Board. Even the governing bodies more specifically concerned with economic and social development issues, such as the UN Economic and Social Council, UNDP Governing Council, UNICEF Executive Board, etc., have not had the opportunity to meet more often outside New York and Geneva.

41. The Inspector recognizes that conferences and meetings held outside the established headquarters do imply additional costs to the organizations, which UN General Assembly resolution 40/243 of 1985 is intended to avoid by providing that:

"UN bodies may hold sessions away from established headquarters when a Government issuing an invitation for a session to be held within its territory has agreed to defray, after consultation with the Secretary-General as to their nature and possible extent, the actual additional costs directly or indirectly involved".

42. The key question is calculating "the actual additional costs directly or indirectly involved". The Inspector understands that inviting governments try to negotiate down such costs and that there appears to be a lack of understanding between these governments and UN conference staff as to what it takes to host a UN conference which must be governed by the same regulations wherever it is held. The UN Committee on Conferences and other governing bodies of the system may wish to take another hard look at the present principles and regulations governing the choice of venue for conferences in general and their legislative sessions in particular. Member States should be actively

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<sup>4</sup> See report of the International Symposium on Training and Technology Transfer, Nancy, May 1980.

encouraged to host special conferences and legislative sessions of the organizations, which could devise a more imaginative and perhaps economical system of calculating additional costs to be borne by potential host governments, without prejudice to established standards of efficiency.

43. The current method of estimating additional costs generally tends to financially penalize rather than encourage governments wishing to host UN conferences. For example, the cost of moving a large complement of headquarters conference servicing personnel, particularly language and documentation staff, as well as equipment to support conferences held away from headquarters could be reduced substantially through greater reliance on conference services, especially interpreters and translators, of the host country or region, modern communications technology, if they exist and are adequate, and in particular more rigorous advance planning procedures including drilling of local conference personnel by the organizations' secretariats. Current agreements administered by CCAQ between the organizations and language unions<sup>5</sup> implanted at headquarters duty stations may be an obstacle to the expanded use of local conference services of inviting governments, thereby narrowing the cost reduction options available to the organizations. These associations traditionally require the recruitment of their registered members and the application of remuneration rates established in advance by agreement with organizations of the system.

44. While the developed Members States can host UN system conferences and legislative sessions without much difficulty and should therefore be encouraged to continue to do so, the same may not be true for most developing Member States, more particularly the least developed category, who may need both encouragement and leverage to enable them to meet additional costs. Sponsorship could come from several sources, including the donor community and private sectors while special rates could be negotiated with airline companies and hotel chains.

45. There is no doubt that special conferences and legislative sessions of the system constitute a ready and effective means for the organizations to promote cross-cultural empathy and understanding with the different peoples and regions of their constituency. Since that is one of the major goals of decentralization it would seem reasonable to use the conference function much more frequently than hitherto to achieve that goal. The Inspector therefore recommends that the governing bodies should consider the option of establishing the principle of meeting outside headquarters and, to the extent possible, on a rotating regional basis.

46. While the objective of physical decentralization of the organizations cannot be reduced to obtaining a more equitable distribution of the tangible and intangible benefits of headquarters location, the foregoing paragraphs leave no doubt that those benefits are so substantial that their implications for the universal membership of the organizations need to be discussed following the democratic tradition and practices of the system. Two such implications may be worthy of mention.

47. Firstly, the present concentration of the organizations has signified for the past forty-seven years a significant disproportion of representational and duty travel costs borne, on the one hand, by the host countries and, on the other, by all other countries. That disproportion remains valid, if to a lesser degree, between Member States in regions hosting the organizations and all other Member States, particularly the developing Member States whose representational costs in some of the most expensive cities hosting the organizations would seem to follow an inverse proportion to their scales of assessed contributions.

48. Secondly, the principle of local recruitment of general service staff, as actually applied in several headquarters locations where the first cardinal requirement is proof of local residency, practically excludes nationals from outside the host countries and regions from competing for general service recruitment unless they are locally resident. For those nationals, local residency is a vanishing likelihood as the host countries increasingly tighten the screws on foreign immigration.

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<sup>5</sup> Two of these unions are: International Association of Conference Interpreters (AIIC) and International Association of Conference Translators (AITC); both of which use French acronyms.

Since the general service category represents two-thirds of all headquarters staff, the implication is that two out of every three posts in the organizations' headquarters are potentially inaccessible to nationals in countries and regions not privileged to host the organizations.

49. Also worth mentioning is the significant political prestige and sheer publicity accruing to the host cities and countries, especially today that the UN system has regained all its vigour and sheen. Since the organizations are in effect the collective instrument and common weal of all Member States, decentralization should be considered in that context and headquarters location should explicitly and implicitly benefit all Member States, balancing to the extent possible their legitimate membership rights and interests.

50. The Inspector therefore sees the need for the Administrative Committee on Co-ordination to develop uniform minimum criteria to be fulfilled by Member States desiring to host the organizations. The criteria should clearly reflect the benefits to be derived by all Member States, the organizations and staff in moving an organization or some of its activities to any given location in the world, and should include the proviso that inviting Member States would provide rent-free premises and to a great extent bear removal and installation costs.

51. The need for standard criteria for relocating the organizations is particularly important in at least three respects. Firstly, such criteria could serve as terms of reference for a thorough feasibility study of the prospective city and country of location, since some basic conditions must be satisfied, such as racial tolerance and harmony, efficiency of transport and communications infrastructure, political and social stability, cost and standard of living, absorptive capacity, etc.

52. Secondly, the criteria would redress the present discrepancies between advantages enjoyed by the organizations and their staff in some Member States, which provide rent-free premises and grant diplomatic status to all internationally-recruited professional staff, on the one hand, and other Member States which neither provide rent-free premises nor grant diplomatic status in the same way, on the other. Thirdly, the criteria should form the basis for competitive bidding by Member States wishing to host any organization of the system. Once relocated an organization could remain in place for a minimum period of 25 years before it can be subject for another discussion for a relocation bidding procedure. This means that constitutional amendments will be necessary for those organizations (ITU, WIPO and UNIDO) whose basic texts specify where their seats should be located.

53. In the judgment of the Inspector, the present world context is just about the right time to consider deconcentrating the organizations and their headquarters functions. The objective should be to achieve a more global pattern of headquarters' location. Organizations and/or Departments wholly concerned with development related issues should, as a general principle, move some of their headquarters to the developing regions subject to the criteria proposed above. Similar consideration should be given to the Nordic countries as well as Central and Eastern Europe and Commonwealth of Independent States in the perspective of achieving a more global spread of the organizations headquarters.

54. In their comments on the draft of this report some organizations queried the feasibility of this recommendation on account of the infrastructural costs of relocation and additional representational costs to Member States. The Inspector addresses these valid concerns as follows. Firstly, this report is not a crusade for decentralization for its own sake. As a factual description of various aspects of (de)centralization, the report is designed to spark discussion of these issues in the governing bodies - the ultimate assessors of the merits and demerits of each organization's (re)location. Secondly, it is observed that some Member States in the distant and recent past have relocated their political capitals (headquarters) for various overriding reasons notwithstanding significant attendant costs to themselves and to other Member States who also had to move their embassies as well as to international organizations who had to move their representations.

55. It is the belief of the Inspector that in view of the significant tangible and intangible benefits of hosting the headquarters of any organization of the system, prospective host cities and countries should at the very least be required to finance the infrastructural costs of relocating the organization and should provide rent-free premises. As for representational costs, it may be observed that the present pattern of headquarters location requires Member States to have delegations in seven different cities in Europe and North America. Deconcentration would not necessarily increase that number of host cities or countries.

### III. THE MANAGERIAL FRAMEWORK

#### A. Rationale and objectives

56. Decentralization is a sound management principle in its own right. Most national civil services or public utility corporations as well as multinational firms are usually extensively decentralized in staff and operating authority. One way or another decentralization is the vehicle by which services and goods are brought as close as possible to the citizen or customer. That vehicle will serve UN system organizations even better considering the complex diversity and global nature of their "customership". Through decentralization the organizations can have a direct and sustained feel for local cultural values and brittle particularities whose intimate understanding is a necessary condition for the success of their development mission. They can also build an enhanced image for themselves through more intense interaction with their global constituency. It is interesting to note in this regard that some highly decentralized organizations like UNICEF, UNDP and WHO seem to be better known and to enjoy a positive image in the field.

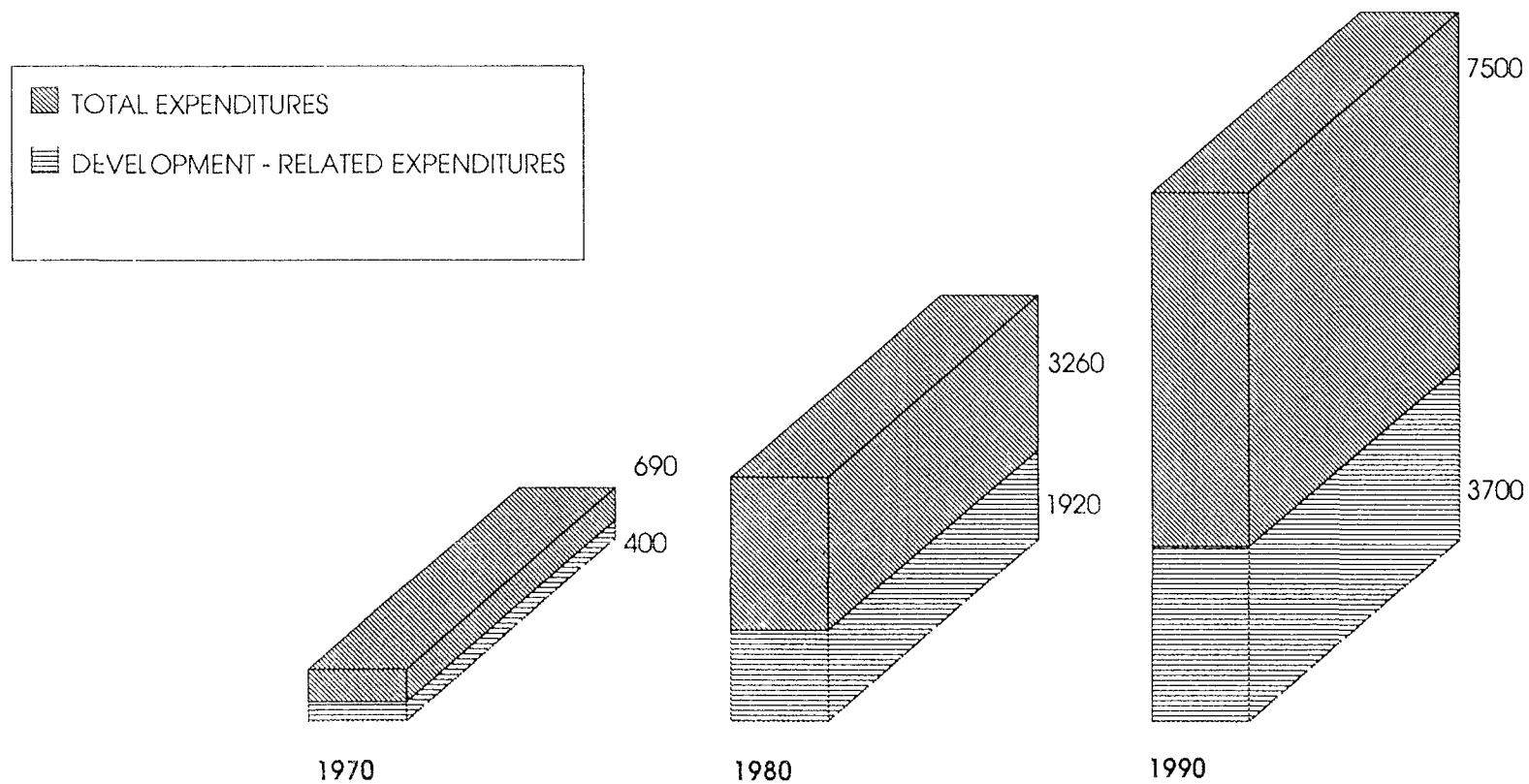
57. Further, the rationale for decentralization is partly to be found in the constitutions of some organizations (UN, WHO, FAO, ILO,) which provide for regional or subregional structures. For the UN system as a whole the impetus to decentralize has come from the governing bodies which have enjoined on their organizations to adapt their programmes, regulations and structures to the evolving needs of their memberships. For example, UN General Assembly resolutions 32/197 of 1977 and 44/211 of 1989 provide directives to the entire common system on the subject. More specifically, WHO's Health Assembly resolution 29/48 of 1976, FAO Council resolution 10/89 of 1989, ITU resolutions PLEN/5, PL-A/1, COM61-COM6/18 of 1989, and more recently UNESCO 1992 Executive Board guidelines (132 EX/Decisions) have all sought in various ways to bolster the decentralization processes in these organizations.

58. Decentralization also pursues a practical managerial objective: to ensure efficient application of and proper accountability for the ever increasing resources for operational activities implemented world-wide by the organizations. The grant and catalytic nature of these resources compels a hands-on field involvement by the organizations to ensure that the resources are used to optimal developmental effect. Over the last two decades those resources have expanded from about US\$400 million in 1970 to US\$1.9 billion in 1980 and to US\$3.7 billion in 1990 (see figure 7, page 22). Much to their credit, the organizations as a whole have, during the corresponding period, expanded their field offices from 300 in 1970 to 568 in 1990. However, as discussed further below, these offices, with few exceptions, are staffed mainly by extrabudgetary and local staff with limited delegated authority and knowledge of their organizations' financial and administrative rules.

59. More revealing still, the expansion of field offices has in most cases not implied decentralization of staff or increased delegation of authority from headquarters to the field level. Indeed, while resources for operational activities almost doubled between 1980 and 1990, there was during the same period a centralization process at work in the organizations, the overall ratio of headquarters staff to total staff having edged up by two percentage points according to CCAQ personnel statistics. Between 1985 and 1990 when decentralization was much discussed in the system, that ratio increased by an average of 4 per cent in 8 specialized agencies, remained constant in 3 agencies and dropped in only 2 agencies; in ILO by 5 per cent and in UNESCO by 1 per cent. It could be inferred from this analysis that the organizations' staff management or deployment policies are not congruent with their worldwide resource expenditure patterns, or that a good portion of their resources in the last decade went into financing headquarters expansion instead of field programmes.

60. Decentralization is also about achieving field-level objectives common to the organizations, such as developing unified field programme strategies, harmonizing intervention procedures, co-ordinating inputs, providing advisory and analytical support to governments, etc. In general, the attainment of these objectives is inhibited by:

**Figure 7 : TOTAL UNITED NATIONS SYSTEM EXPENDITURES ; 1970 - 1990**  
**( IN US MILLION DOLLARS )**



Source of data : DP/1991/69; DP/199/74; A/46/206/add.1;  
 and CCAQ statistics on the organizations' expenditures

- (a) uneven degrees of delegated authority to field representatives by different organizations in various aspects: programme/project development, negotiation, approval and revisions, local and external procurement, recruitment and personnel administration, commitment and disbursement of funds, accountability requirements; fund-raising, etc.
- (b) differences in the grade structure of the organizations' field representatives as well as in project and programme cycles, fiscal years, administrative procedures, etc.;
- (c) frequent and sometimes considerable and costly delays in headquarters decision-making processes with regard to field operations;
- (d) different geographical levels of representation.

61. These difficulties can be directly attributed to the lack of a system-wide co-ordinated strategy of decentralization, as implied by UN General Assembly in resolution 44/211 urging organizations of the common system to, among other measures:

- (a) decentralize capacity and authority to the country level in order to increase responsiveness to the needs of developing countries;
- (b) fully utilize national capacities in all aspects of the programming processes and project cycles of operational activities;
- (c) shift from a project approach to a programme approach, and develop programme-oriented mechanisms for the provision of technical co-operation in support of national programmes;
- (d) take specific measures to achieve a greater degree of accountability and transparency in the use of funds for operational activities in the light of the reorientation of the UN development system towards in particular government/national execution, decentralization, delegation of authority and adoption of a more programme-oriented approach; etc.

62. These guidelines together with measures taken by other governing bodies of the common system (see paragraph 57 above) provide clear marching orders for a renewed system-wide drive towards decentralization. Part II of this report subtitled "Comparative Approaches" describes how each organization is responding to these orders.

## **B. Summary of progress and constraints**

63. The detailed review in part II of this report of the status of decentralization in each organization of the system is only a digest of the Inspector's findings in the course of his numerous interviews and analyses of documentation on the subject. These findings can be summarized as follows.

64. **Momentum:** Since the JIU's 1986 Report on Field Representation of Organizations of the United Nations System: Structure and Co-ordination (JIU/REP/86/1) and the 1989 UN General Assembly resolution 44/211 on operational activities for development, there has been perceptible movement within the UN system on the issue of decentralization. Some organizations are adjusting faster than others, while some others seem to have a clear strategic road map (e.g. JCGP, ILO, and ITU). Overall, however, the efforts of individual organizations are neither synchronized nor standardized: they are not based on a clear over-arching strategy and goal at the level of the Administrative Committee on Co-ordination (ACC) where all the organizations are represented, and as required by the spirit of General Assembly resolution 44/211 and the mandate of ACC. CCSQ/OPS has, however, very recently taken the first steps in this direction. But much more remains to be done.

65. **Technical Co-operation and regular programmes:** With the prominent exception of WHO, there is a partition varying from one agency to another between their technical co-operation work, on the one hand, and regular programmes, on the other. Although some agencies dispute this finding, it seems pretty obvious to the Inspector. True enough, several agencies have endeavoured of late to bring their technical co-operation work under the irrigation of their regular, technical co-operation programmes, without however approaching the integration between the two which is the norm in WHO.

66. Whereas most other agencies finance their technical co-operation services from project support costs income, WHO finances them mainly from its regular budget. While other agencies have separate Departments of technical co-operation which sometimes co-exist uncomfortably with their regular programme structures, WHO has no such separate Department because virtually all its substantive Departments are cross-sectionally permeated by technical co-operation concerns. In other agencies technical co-operation services are organized to support project implementation in the field. WHO's substantive Departments are all geared to support the health programmes of Member States. In other agencies, technical co-operation delivery structures are based essentially at headquarters. In WHO they are based in the field, in the regional offices, where they ideally belong. The principal reason for these vital differences is that technical co-operation is writ large in WHO's Constitution. The original constitutions of most other agencies (UNIDO being another major exception) differ in that technical co-operation does not enjoy the same emphasis as global co-ordination, normative and regulatory functions. For this reason the International Telecommunication Union (ITU) amended its basic text in 1989 to make technical co-operation for development a major constitutional requirement. This reform paved the way for ITU's progressive decentralization process.

67. Other agencies which have not yet undertaken similar constitutional reforms since their creation may not be marching fully abreast of the rapidly expanding development requirements of the vast majority of their members. Where development-related functions are not embedded in an organization's constitution, when those functions are not integrated with regular programme functions, and when there is no purposeful decentralization, any involvement in field-level development activities on the present scale can only logically result in ineffectual and even wasteful application of scarce development resources. This correlation has been validated in a recent JIU study of the technical co-operation operations of the International Civil Aviation Organization (ICAO). There is therefore a clear need for organizations which have not yet done so to further integrate development co-operation concerns within their regular programme functions, backed where necessary by relevant constitutional amendments as done by ITU in 1989. Additionally, each Organization should establish its desirable target of decentralization to be achieved within a specified time-frame, taking into account the volume of its operational activities for development, and recommendation 6 of this report proposing UN system regional structures.

68. **Regular and extrabudgetary staff:** Decentralization equally comes to grief on the distinction between regular and extra-budgetary staff. This distinction has been one of the major brakes on decentralization. Extrabudgetary staff, consisting mostly of "project staff", are generally recruited for field service and are therefore concentrated in the field. The vast majority of them know little about their employer organizations, and least of all about the UN system. For the most part they lack headquarters experience. They can neither effectively apply the organizations' technical co-operation policies nor their financial regulations and rules. Management accountability suffers. On the other hand, regular programme staff seem to be recruited for and are concentrated in headquarters. They are the organizations' real institutional memory, their best and brightest, their standard bearers. Extrabudgetary staff do not enjoy the same degree of stability of tenure as regular staff and they are the first victims of budgetary crises. This situation would seem to give the technical co-operation staff a lower status in most agencies.

69. **Universality:** The Inspector also found some agencies on the horns of a dilemma in trying to strike "the right balance" between their "universal" calling on the one hand and development mission on the other. The universal calling is considered of utmost importance, usually requiring strategic expertise or "critical mass", that cannot possibly be decentralized from headquarters or



duplicated at field level without significant cost implications. The "strategic experts" are almost always paid from the regular budgets. Here again the distinction between universality and technical co-operation appears artificially overdrawn. "Universality" and technical co-operation concern all the Member States of the organizations. Technical co-operation ideally should create in the developing countries the political, socio-economic and technological conditions which are fundamental to the relevance and applicability of universal conventions, standards, regulations and rules in the various sectors covered by the organizations. Viewed in this context technical co-operation is deeply interrelated with standard-setting and regulatory activities of the UN system.

70. **The lack of policy co-ordination** within some Member States on the issue of decentralization is yet another problem worthy of note. Some Member states support decentralization in some organizations but take exception to it in others. There is an underlying feeling that some executive heads have demurred on decentralization because of these contradictory signals. For example, the use of the regular budget for technical co-operation is fully accepted in WHO but resisted in ICAO or UNIDO. Member States impose a zero-growth on the regular budget but increasingly provide extrabudgetary funds. They recognize UNDP as the central funding organization, call for a programme approach, the simplification and harmonization of delivery procedures, etc, but at the same time special purpose or sector specific funds continue to proliferate and to complicate the practical application of a programme approach, and the simplification and harmonization of delivery procedures. Member States might wish to come to grips with these inherent contradictions if they wish to give a new fillip to decentralization.

71. **The Resident Co-ordinator** institution came under sharp criticism in some agencies in the course of this study. Its workability and usefulness were considered to be heavily dependent on the personal qualities, managerial experience and international stature of the individual co-ordinators, rather than on the institution per se. The country-level goals of decentralization cannot be fully attained if the Resident Co-ordinator's office does not command the necessary authority or function as efficiently and smoothly as it should to co-ordinate anything. In the judgement of officials in the specialized agencies those conditions are by and large still to be satisfied.

72. **A decentralization culture or ethos** is in most cases lacking in the headquarters of most of the organizations although some improvements are now being introduced. There is no mandatory staff rotation policy in any specialized agency between headquarters and field, except for the recently introduced ILO scheme. Headquarters makes reporting from the field mandatory but never the reverse. Long delays are reported to occur in headquarters decision-making processes without regard for the urgency of field operations; etc.

73. **Delegation of authority and discharge of accountability** are two related aspects of decentralization that would deserve a separate study in view of their importance. The present situation (excluding WHO and JCGP) can be summed up as follows:

Personnel: Recruitment of international project personnel remains centralized at headquarters. Field offices can recruit local personnel only for a few months and for junior positions.

Procurement: Field representatives can raise purchase orders under a ceiling of US\$20,000 (from 10,000 until recently). Procurement remains highly centralized even in cases of local purchase orders as these still must be processed and paid for by headquarters in most cases. Headquarters procurement/supply officers seldom travel to the field to acquaint themselves with local purchasing possibilities.

Subcontracts: Field representatives can invite local tenders under prescribed limits but cannot control resources.

Accountability: This is always discharged by headquarters together with performance control functions such as audit, monitoring and evaluation. As noted above the regular

programme staff who are conversant with the organizations' administrative and financial rules and managerial processes are generally concentrated at headquarters, notwithstanding the considerable growth in the field activities of the organizations and increased need for accountability.

Project approval is usually done by headquarters, including in most cases approval of project revisions and signing of project documents. In some cases these may be done by field Representatives but only on authorization by headquarters.

Funds: The picture here is not very clear. The extent to which field Representatives can financially commit their organizations and make disbursements is largely dependent on conditions for operating imprest accounts. Fund-raising is generally not undertaken by field Representatives.

74. The overall limited delegation of authority from headquarters to the field was succinctly described in the 1986 JIU report on Field Representation, which stated: "Some agencies are overly cautious or reluctant to give to their officers in the field the responsibility and the authority to take necessary action without reference back to Headquarters. Many administrative procedures exercised by Headquarters run counter to real decentralization and make work in the field less effective and more costly. Too many decisions have to await Headquarters' sanction. The Inspectors learnt that field office purposes were sometimes defeated by lower level controls at Headquarters. Country representatives should be tried and talented Professionals chosen for their capacity to manage affairs, to exercise initiative and judgment: they should have the authority to take the necessary decisions in the field. The Inspectors came across cases where representatives found their Headquarters' approach self-defeating: one representative who needed urgent temporary help to pursue the approved business of his agency could not take a decision for this purpose without approval from his Headquarters, the approval did arrive but so late as to have adversely prejudiced the work intended. Administrative procedures ought to support rather than obstruct field offices aims. The need is for the Headquarters' role, functions and procedures vis-à-vis the field to be clearly delineated and so shaped as to serve the aim of rapid decision-making in the field".

75. This situation may again be due to the absence of a decentralization ethos, not only in headquarters' relations with the field, but equally so within headquarters where decision-making appears highly centralized, and between the latter and the governing bodies, which increasingly tend to micro-manage programmes already approved. In addition to the directives of the governing bodies, individual major donors set rules of accountability so high that headquarters adopt excessively prudent and therefore centralized management approaches. The increasing trend by some donors to impose their own priorities, preferences and wishes on the organizations, including differing formats of accountability requirements, limits the flexibility and the authority of the executive heads to enforce regular programme priorities approved by the governing bodies and checks delegation of authority to the field. The Inspector therefore sees the need for more management trust between the policy organs and executive heads, so that organizations' internal performance control and management review services may be further strengthened and utilized to their full capacity as much for the regular budget as for all other sources of funding.

76. **Professional staff composition:** The tendency to fill decentralized units mostly with internationally-recruited professional staff originating from within the host region appears to the Inspector to defeat the ultimate goal of decentralization. The UN system can be viewed as a unique, global multilateral network for pooling and sharing innovative ideas, technology and experiences. In this light decentralization of the organizations enables all parts of the world to share in that global pool of knowledge and experience. This can be achieved more effectively only if the staff composition of decentralized establishments fully reflects the international, multiracial and multicultural character emblematic of the UN system. This hallmark makes the substantive difference between the decentralized structures of the system and exclusively regional and national institutions.

77. The indispensable need for UN system programmes to cater to distinct local socio-cultural factors is addressed, on the one hand, by regional and national institutions in their interaction with the UN system and, on the other hand, by local professional officers increasingly used in the decentralized structures of the organizations. Internationally-recruited staff are expected by definition to bring internationally value-added experience to bear on the solution of development problems and to gain in the process new experience that they can use in subsequent assignments. It is thus particularly regrettable to note the very limited number of nationals from the developing countries serving in the decentralized European Offices of the UN system, and vice-versa. Decentralization should not be used to caution racial exclusion which violates the spirit, if not the letter, of UN system constitutions.

78. The Inspector therefore recommends that appropriate measures be introduced to restore where necessary the world-wide international character of all decentralized units with special reference to all UN regional economic commissions, WHO regional offices (excepting PAHO) and field establishments of JCGP organizations. The executive head of each organization should establish the principle that not more than 40 per cent of internationally-recruited professional staff in decentralized offices (excluding national professional officers, associate experts and junior professional officers) should originate from any one region.

79. **Communications:** One positive trend noted in the course of this study concerns the general modernization of communications and management information systems, which are an important feature of any system of decentralization. Several individual organizations, especially the JCGP group, have significantly strengthened their telecommunication linkages with the field offices. But for the common system as a whole, more efforts are required to achieve an integrated global telecommunication network that would considerably reduce costs, ease communications between headquarters and field offices and among the latter, and facilitate decentralization and management control processes. Such a network can now be considered entirely feasible following the adoption in 1989 by ITU Plenipotentiary Conference of resolution 50 authorizing the United Nations to act as a common carrier for the communications of the specialized agencies as well as the organizations already served by the United Nations network. An ITU consultant's study of the cost-benefits of a network shared by the UN system suggests savings upwards of US\$40 million annually, compared with the US\$100 million the common system now spends each year on telecommunications activities. All the organizations should therefore take advantage of the UN global network, and co-operative efforts in this direction should be intensified by ACC's Advisory Committee for the Co-ordination of Information Systems (ACCIS) as an integral component of a co-ordinated approach to decentralization.

80. **Role of ACC:** In view of the central role that ACC can and should ideally play in evolving a more disciplined and concerted approach to decentralization, in accordance with the spirit of General Assembly Resolution 44/211 and ACC's co-ordination mandate, the Inspector recommends that ACC should undertake a comprehensive study of certain elements of decentralization to explore the possibilities of a more uniform level of delegation of authority to the field, uniform profile and grade of field Representatives and closer co-operation in communications systems not only between headquarters and field but also at field level. The very recent position adopted by CCSQ/OPS on this subject should be considered as only very preliminary and tentative. A great deal more needs to be done in the light of the findings and conclusions of this report.

#### IV. TOWARDS A REGIONAL SYSTEM OF DECENTRALIZATION

81. A common UN system approach to decentralization would have to resolve the present ambiguity regarding the relative importance to be assigned to country or regional representation from the vantage point of cost efficiency and effectiveness. Some organizations are currently represented only at the country level, others only at the regional or subregional level, others still at both levels, while others either have no country representation or depend on UNDP resident representatives. In addition, the organizations represented at the regional or subregional level do not delegate the same authority or have similar territorial jurisdictions. Furthermore, some organizations represented at both levels either give a prominent lead role to country representation (FAO and UNIDO) or regional/subregional representation (WHO and UNESCO). Only UNICEF would seem to award equal importance to both regional and country representation. Important factors such as territorial and demographic size, level of development, governmental capabilities to handle modern techniques and the existence of adequate infrastructure define the relationships between the organizations and host countries and also determine the location, size and structure of their representation. Countries like China, India, Indonesia, Brazil or Nigeria may qualify better for subregional structures of representation, subject of course to the wishes of the governments concerned.

82. The present overall pattern of representation shows the JCGP organizations heavily represented at the country level. This approach would seem to accord with their essentially operational mandates and nature of activities. Among the specialized agencies only WHO and FAO have a dense network of country representation in addition to their regional structures. In both cases, however, each country office rarely has more than two or three professional staff, which begs a cost-benefit question. Other specialized agencies appear more inclined towards a regional or subregional approach to decentralization, no doubt for reasons of cost-effectiveness (e.g. ICAO, ILO, ITU, UNESCO, WMO). A few agencies with no field offices have regional advisory services (IAEA, IMO, UPU). WIPO is the only agency still to initiate some form of decentralization towards the field.

83. While the organizations' basic texts in no instance provide for country representation, they explicitly or implicitly call for regional structures of co-operation in the majority of cases. The governments of Member States are, in point of fact, the organizations' "representatives" and action arms within their respective territories. UNESCO's Constitution makes this requirement more explicit with its concept of "national commissions". The regional focus of decentralization seems moreover to be consistent with the emerging importance of regions in international political and economic relations, as exemplified by the proliferation in the last decade of regional and subregional organizations and associations of an intergovernmental or professional character, in all parts of the world. The policy organs of the organizations operate on the basis of regional groups which have become established institutions in their own right.

84. Furthermore, world-wide environmental protection and socio-economic development efforts are exhibiting increasing regional disparities and specific characteristics calling for regionally-tailored approaches, which may require the introduction of new provisions in the constitutions or the strengthening where necessary of existing constitutional provisions on decentralization. For example, Western Europe and North America might wish to give special priority to the protection of their ecosystem and expanding ageing segment of their population; Eastern Europe and Commonwealth of Independent States to the management of economic transformations and development investment flows; South America to redressing income disparities, curbing drug traffic and enhancing debt management capabilities; Africa to reduction of illiteracy and poverty rates, building stability through political institutions and strengthening national executing capabilities through mass vocational training programmes; Asia to the acquisition and management of advanced technologies to sharpen its competitiveness, and curbing population growth; etc.

85. Being universal, the organizations will no doubt continue to adopt plans of action based on global strategies. However, to be effective in their applications and results, global schemes must be

adapted to the specific cultural, social and economic setting of each region and eventually to each subregion and country. This perception is also underscored in a recent report<sup>6</sup> by the UN Secretary-General in the area of peace and security: "Under the Charter, the Security Council has and will continue to have primary responsibility for maintaining international peace and security, but regional actions as a matter of decentralization, delegation and co-operation with United Nations efforts could not only lighten the burden of the Council but also contribute to a deeper sense of participation, consensus and democratization in international affairs".

86. The JIU has issued a number of reports in the past recommending the strengthening of the operational effectiveness of the organizations' regional structures. A notable example is the 1975 report on Regional Structures of the UN system (JIU/REP/75/2) which, among other measures, urged the system to:

- (i) achieve a common definition of regions and subregions and identical location of regional and subregional offices;
- (ii) decentralize adequate authority and responsibility to their regional offices accompanied by appropriate redeployment of professional staff and resources;
- (iii) Reinforce technical and co-operative links between the regional structures of the system and regional inter-governmental organizations outside the UN system;
- (iv) involve the regional economic commissions and other regional offices in country programming exercises;
- (v) improve communications and working relations between the regional economic commissions and other regional offices of the system; etc.

87. General Assembly resolution 32/197 (in chapter IV of its annex on regional and interregional co-operation) articulates basically the same directives. Another JIU report in 1985 on Some Reflections on Reform of the United Nations (JIU/REP/85/9) called for the creation of "regional development agencies" with an interdisciplinary focus and responsible at once, for health, agriculture, industry, education, etc. The report argued that the sectoral approach is altogether inappropriate for development problems which call for an integrated approach and organic co-operation by all the parties concerned, and that any action in respect of development at world level means ignoring regional and national peculiarities and makes for a superficial view of the problem. The report concluded that "the solution can only be regional or subregional and integrated, which means that all those having to do with development should be sent into the field".

88. The international political, economic and social setting is currently marked by profound changes which by themselves are a dramatic call for a thorough reform of the operational structures and approaches of the UN system. Drought, famine and the global AIDS disease are ravaging entire regions. Vast new demands in Central and Eastern Europe and Commonwealth of Independent States must legitimately be addressed by the international community. So also must the upshot of civil wars in many parts of the world, accompanied by floods of refugees and displaced persons. The rapid expansion of UN peace-keeping and related operations, estimated to cost close to US\$3 billion in 1992, has opened yet another front in the international struggle against human deprivation and misery. Since there can be no development in the context of famine, pandemics, civil wars and uprooted populations, the challenge facing the UN system today is a single hydra-headed phenomenon that cannot be overcome through traditional, sector-segmented approaches or existing organizational framework for operational activities. The organizations must face this challenge in disciplined, interlocking ranks.

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<sup>6</sup> Agenda for Peace (A/47/277 of 17 June 1992)

89. The moral will of the UN system to develop an integrated response and to concentrate its diverse strength like a laser beam on present global priorities is sorely tested at a time when practically all Member States of the organizations are working actively towards economic integration for mutual benefit. Large corporations with several times the human and financial resources of the UN system are merging or integrating to achieve greater competitiveness and economies of scale. If Member States are willing to yield some elements of their sovereignty for the general good, and private firms to lose their corporate identity for larger profit, why would the organizations of the system be unable to overcome the burden of "sectoral competence" and constitutional isolationism in the overriding interest of human welfare?

90. The Inspector firmly believes that the time is now opportune for Member States to adopt within appropriate organs courageous reform measures in respect of the operational structures of the UN system. In order to assist the governing bodies in their review of those structures, the Inspector recommends the following. The UN Economic and Social Council in the context of its revitalized mandate and acting under Articles 55, 62 and 63 of the UN Charter, should initiate studies and consultations with the appropriate governing bodies of the UN development system so as to determine the feasibility of establishing UN system integrated and multidisciplinary regional development structures or mechanisms akin to the Regional Development Banks.

91. The proposed mechanisms which would enable the UN development system to give solid shape to inter-agency co-operation and to relate more effectively to regional, subregional and country specifics, could for example have the following elements:

- (a) They could include the present field-based regional structures of the system as well as the divisions, units and services in the organizations' headquarters concerned with field operations. These divisions, units and services might therefore be decentralized fully to the regions.
- (b) The terms of reference and programmes of all the regional economic commissions could be reviewed and if necessary recast to permit the full integration of the commissions with the new regional arrangements, which could simply be called UN system regional commissions with redefined mandates and programme thrusts.
- (c) The executive heads of the new structures could be appointed by ACC exclusively on the basis of their credentials and stature. The composition of the professional staff of each regional structure would scrupulously reflect the world-wide international and multiracial character of the UN system and not more than 40 per cent of such staff should originate from one region. Pending the establishment of the new mechanisms, the professional staff composition of existing regional offices and economic commissions should be altered accordingly.
- (d) The global policy organ of the proposed regional structures would be the UN Economic and Social Council, while the regional policy organs might be constituted at the level of heads of state or their representatives. Existing regional inter-governmental organizations could serve this purpose (e.g. Organization of American States, Arab League, Organization of African Unity, European Economic Community, Association of South East Asian Nations, etc.)
- (e) The new regional structures would have distinct budgets shared proportionally by organizations of the system, on the model of ACC bodies.
- (f) The regional structures would be responsible or not for establishing and overseeing unified subregional and country offices which would be set up, structured, reinforced, or pared down on the basis of a selective strategy focused on needs and problems as well as on considerations of cost-efficiency and effectiveness rather than on the present fragmented approaches to country representation by individual organizations.

- (g) The development-related role of headquarters would be confined to interregional and global themes and issues, including policy research and analysis, fund-raising and conceptual co-ordination at the global level.
- (h) In setting up the proposed structures-a flexible approach could be adopted to reflect the magnitude and nature of the development challenge specific to each region. For example, the feasibility of the structures could be tested in the first instance in Eastern Europe and Commonwealth of Independent States as well as in Africa, two regions where the organizations' integrated actions would appear desperately necessary.

92. **The rationale** for the proposed new structures can be further argued as follows:

- (a) To cope effectively with the new global realities and priorities, including Agenda 21 of the Rio Conference on Environment and Development (Earth Summit), the Economic and Social Council had undertaken unprecedented reforms of its structure and subsidiary bodies in order to revitalize its global policy co-ordination role for the entire United Nations system. The full realization of the goal of this intergovernmental reform process may not be a foregone conclusion without corresponding significant reform and revitalization of the organizations' implementing structures in the economic, social and related fields. As proposed above, the new structures, based within the regions, should considerably facilitate the rapid, efficient and integrated application by ACC members at the field level of General Assembly and Economic and Social Council directives, which is hardly possible under the present fragmented and duplicative programmes and approaches of the organizations, each responsible and reporting to its governing body.
- (b) While the regional commissions vary in their capacity for inter-agency co-ordination within their respective regions, as envisaged by General Assembly resolution 32/197, it is obvious that the vast problems facing Africa and Eastern European countries and Commonwealth of Independent States could not possibly be left solely to the genius of the Economic Commissions for Africa and Europe. A broader and higher-level system-wide coalition would appear indispensable, in the form of the proposed new regional mechanisms.
- (c) The development of UN system integrated country programmes and representations which is now gaining acceptance and momentum, would seem to justify a similar approach at the regional level, where all agencies, however small, can financially afford field representation within an integrated structure.
- (d) The new modalities of technical co-operation contained in General Assembly resolution 44/211, and in particular the shift to a programme approach, national execution and capacity building, cannot properly be supported by remote control from the organizations' headquarters as at present. As exemplified by WHO's decentralized model, these modalities require closer proximity to the countries in order to provide technical support on a continuing basis. Unlike projects, programmes have an indefinite life-span.
- (e) The UN Conference on Environment and Development, as well as recent reports by the UN Secretary-General (Agenda for Peace, Work of the Organization, restructuring process) emphasize more than ever before the need for an integrated approach to development issues, encompassing environmental, political, economic, social, demographic and cultural aspects. The proposed new mechanisms should readily guarantee the practical application of such an approach.

93. **The feasibility** of the new arrangements can be argued as follows.

- (a) Pursuant to Economic and Social Council resolution 1992/40 in which the Council reaffirmed the importance it attached to an integrated United Nations system approach to, and presence in, the Baltic States and the Commonwealth of Independent States, the Secretary-General

already has established a nucleus of integrated UN system offices in six countries of the region. Though limited for now to the country level, these offices suggest the feasibility of a similar approach at the regional level.

- (b) The JCGP organizations and the entities concerned almost wholly with operational activities for development and emergency relief operations would continue to concentrate their actions at the country level, serving as a trip-wire force for the rest of the system. The regional commissions, appropriately integrated with other substantive UN entities and technical agencies of the system, would form the technological tooling structures designed to translate global policies and strategies into more specific regional blueprints and programmes for implementation by national governments, assisted by the country-level operational force of the system.
- (c) The regional commissions already have joint divisions or units with other organizations of the system. This underscores the feasibility of expanding such arrangements to include more or all technical agencies of the system, including the Regional Bureaux of UNDP, depending on the development requirements of each region.
- (d) The establishment of the proposed structures would not imply additional costs - on the contrary - if implemented as advocated by the Inspector, for example by pooling the existing regional resources, or most of these resources, and by decentralizing headquarters-based technical co-operation services, which are already conveniently organized on a regional basis.
- (e) The ultimate shift to national execution and to a new regime of support costs may no longer justify the continuation of sizeable and expensive technical co-operation support services at headquarters. The limited resources that may ultimately be available to each agency could be used more economically and no doubt to greater effect within integrated UN system structures at the regional level.
- (f) The organizations would not necessarily lose their constitutional identity while participating in the integrated structures, and special arrangements could be envisaged between the new structures and the regional organizations of WHO because of their unique character.

94. **The benefits** to be expected from the proposed mechanisms include, for example:

- (a) Significant savings in infrastructural and staff costs.
- (b) Management and financial accountability for all the organizations' field operations would be more easily and effectively performed, with built-in management and financial control systems.
- (c) The organizations would be able to co-operate more creatively, as a unified field force, with the multilateral financial institutions, as stressed in a recent JIU report: "United Nations system co-operation with multilateral financial institutions" (JIU/REP/92/1).
- (d) The effective integration of the analytical, technological and operational capabilities of the organizations at the regional level would considerably strengthen their comparative advantage vis-à-vis other development partners and could even guarantee increased donor funding of their field programmes.
- (e) The new structures would serve as coherent field transmission belts between the UN General Assembly, the Economic and Social Council, and the governing bodies of the specialized agencies, on the one hand, and national governments as well as unified UN system country representation, on the other.
- (f) Supporting countries from a regional level would seem to make sense in circumstances where



national co-ordinating and administrative capabilities are weak, or where governmental institutions are overwhelmed by social strife or civil wars, since regional and subregional programmes place fewer demands on national services, and are less affected by government changes and socio-economic instability.

95. **Some basic preconditions** for success include, for example:

- (a) The full participation of all the specialized agencies in the design, staffing and management of the proposed mechanisms in which the Bretton Woods institutions could also be invited to participate.
- (b) Scrupulous attention would need to be given to selecting and organizing the executive management of the proposed mechanisms, which could include an ACC - appointed Executive Board similar to the Boards of Directors of the multilateral financial institutions.
- (c) The mechanisms should not be regional organizational behemoths; they should in turn address differences within their respective regions by spreading out into subregional task forces similar to the Multinational Programming and Operational Centres (MULPOCS) of the Economic Commission for Africa, but much more technically equipped than the latter in their combination of analytical, technological and operational capabilities.
- (d) Development of new staff profiles and programme strategies designed to tackle head-on the most serious development problems facing each region, such as frameworks for economic transformations in Eastern Europe and Commonwealth of Independent States or poverty and illiteracy eradication in Africa and Asia.
- (e) At a time of diminishing development aid world-wide and much of it flowing into emergency relief programmes, it is obvious that a central priority for some of the proposed mechanisms should be economic integration as well as local generation and proper management of resources within their respective regions. This would require intensified emphasis on the strengthening and networking of regional and subregional institutions in various sectors, as well as on private sector support and investment promotion strategies, policies and laws, coupled with building of national managerial and technological capacities across the board.

## **V. CONCLUSIONS AND RECOMMENDATIONS**

### **A. CONCLUSIONS**

96. Although the subject of decentralization has been much discussed within the UN system for many years, only in the last couple of years has it begun to find practical expression in some organizations. The profound changes that have supervened in the memberships of the organizations and in the international political, economic and social fabric since the UN system came into being, and more dramatically in recent past with the end of the cold war, have justifiably heightened pressure for a thorough-going reform of the operational structures of the UN system to enable it to interact more creatively with the different regions, peoples and cultures which constitute the organizations' universal constituency.

97. In this broad canvas of reforms the entry point for any serious discussion of decentralization should be a review of the present location of the headquarters of the organizations and the eventual progressive relocation of some of them in order to achieve a more global pattern of headquarters' location. Additionally, the periodic sessions of the governing bodies of the system should be used more effectively to promote the practical goal of decentralization if they are held away from headquarters on a rotating regional basis.

98. The resolutions of the UN General Assembly and of other governing bodies of the system on the subject of decentralization constitute an authoritative source of policy guidance for the restructuring efforts that are inevitable for the UN system. But overall progress has been chequered, and no clear overarching strategy of decentralization has been developed as yet at the level of ACC, save for the very recent initial steps in this direction by CCSQ/OPS.

99. The Inspector concludes that such a co-ordinated and strategic approach involving all the organizations of the UN system is indispensable and urgently needed in view of the rapidly evolving nature and scope of operational activities for development and the new modalities of technical co-operation mandated by the UN General Assembly resolution 44/211. Moreover, the scourge of famine, drought, AIDS, uprooted populations, civil wars and deepening social misery in many parts of the world calls for significant strengthening of the field presence and operational capabilities and responsiveness of the organizations working as an integrated field force.

100. This implies that the decentralization process of the UN system should go far beyond half measures or the mere tinkering with existing structures and procedures. It should focus squarely on the feasibility of establishing UN system integrated, multidisciplinary regional development mechanisms similar to the structures of Regional Development Banks, and responsible for the organizations' operational activities for development.

101. As part of the preparatory measures for the establishment of new regional arrangements, more specific moves would be called for in order to harmonize several elements of decentralization and particularly the levels of authority delegated to the field, operating relationships between country and regional representation, grade structure of representation, communications and information management systems.

### **B. RECOMMENDATIONS**

#### **Recommendation 1: Strengthening of regional and interregional co-operation**

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 UN system integrated and multidisciplinary regional development structures.

#### Recommendation 2: Co-ordinated approach to decentralization

(a) The Administrative Committee on Co-ordination (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 co-operation, 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 ITU Plenipotentiary Conference of 1989.

#### 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 co-operation activities, and measures proposed in recommendation 6 of this report.

#### Recommendation 4: Integration of development co-operation with regular programmes

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

#### 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 UN regional economic commissions, member organizations of JCGP, WHO (excluding PAHO), FAO, UNESCO and ILO. Appropriate accompanying measures may be necessary such as intensive language training to satisfy the linguistic conditions for service in some regions.

#### Recommendation 6: Towards a regional system of decentralization

The UN 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 UN Charter,

should initiate studies and consultations with all appropriate governing bodies so as to determine the feasibility of establishing UN system integrated and multidisciplinary regional development mechanisms or of transforming the regional commissions into UN system regional commissions along the tentative lines suggested in this report.

**Recommendation 7: Decentralization of the venues of governing body sessions**

Following the practice established by the governing bodies of UNCTAD, IAEA, ITU, UPU, and UNESCO, the Economic and Social Council, UNDP Governing Council, UNICEF Executive Board, and 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 UN General Assembly resolution 40/243 of 1985.

**Recommendation 8: Progressive decentralization of the organizations' headquarters**

(a) The Administrative Committee on Co-ordination 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 goal of achieving a more global pattern of headquarters location, 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.



