

**REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE
UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL
ORGANIZATION (UNESCO)**

Prepared by

Joint Inspection Unit



**Geneva
2000**

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
ACRONYMS		iv
EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS		v
I. INTRODUCTION	1 - 7	1
II. A NEW STRUCTURE AND MANAGEMENT SYSTEM	8 - 19	2
A. Structure of the Secretariat	9 - 13	2
B. Leadership and executive management	14 - 16	2
C. Delegation of authority and system accountability	17 - 19	3
III. HUMAN RESOURCES MANAGEMENT	20 - 64	4
A. Personnel policies and practices	21 - 49	4
B. Strengthening human resources management	50 - 64	10
IV. DECENTRALIZATION	65 - 92	14
A. Streamlining the network of field offices	67 - 73	14
B. Changing the organic relationship of field offices to headquarters	74 - 78	15
C. Providing field offices with adequate human resources	79 - 85	16
D. Improving relations with National Commissions	86 - 89	17
E. Cooperating more closely with other UN system organizations	90 - 92	18
V. STRATEGIC PLANNING, PROGRAMMING, BUDGETING, MONITORING, EVALUATION AND REPORTING SYSTEM	93 - 111	19
VI. INTERNAL AND EXTERNAL OVERSIGHT	112 - 135	22
A. Internal Oversight	115 - 130	22
B. Oversight functions of legislative bodies	131 - 135	24
ANNEX		26
NOTES		28

ACRONYMS

ADG	Assistant Director-General
AO	Administrative Officer
BAM	Bureau of Administration and Management
BB	Bureau of Budget
BOC	Bureau of the Comptroller
BPE	Bureau of Studies, Programming and Evaluation
CCA/UNDAF	Common Country Assessment/United Nations Development Assistance Framework
CEU	Central Programme Evaluation Unit
DFC	Division of Decentralization and Field Coordination
DDG	Deputy Director-General
ICSC	International Civil Service Commission
IGO	Intergovernmental Organization
ILO	International Labour Organization
IOM	Inspectorate General (Inspection, Organization and Methods)
IT	Information technology
JIU	Joint Inspection Unit
MTS	Medium Term Strategy
NGO	Non-governmental organization
OHRM	Office of Human Resources Management (formerly PER-Bureau of Personnel)
OIOS	Office of Internal Oversight Services (United Nations)
PAB	Personnel Advisory Board
RBB	Results-Based Budgeting
RBP	Results-Based Programming
SISTER	System of Information on Strategies, Tasks and the Evaluation of Results
SSA	Special Service Agreements
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNV	United Nations Volunteers
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization

EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

OBJECTIVE

To contribute to the current reform initiatives undertaken by UNESCO, aimed at establishing improved administration and management practices

A NEW STRUCTURE AND MANAGEMENT SYSTEM (CHAPTER II)

A. The present organizational structure of the Secretariat is far too complex and fragmented, and involves many overlapping lines of authority. The related organigram also reflects the attachment of too many entities to the Directorate, which is the office of the Director-General. While some of these entities were established to remedy weaknesses in the coordination of activities resulting from the vertical and segmented culture of the Organization, they have, in most cases, resulted in inefficiencies and duplications. There is a need, therefore, to develop a new culture of communications and knowledge sharing, starting from the top of the Organization. However, no "ideal structure" can succeed in resolving management shortcomings unless it is coupled with an appropriate delegation of authority and a related system of accountability. The on-going reform process in UNESCO needs to include this as well.

Recommendation 1 : *Streamlining of the Secretariat structure*

The Director-General should present to the Executive Board a streamlined structure for the Secretariat, based on a uniform organizational nomenclature and articulated around :

- (a) the Director-General, assisted by a Deputy Director-General and an Executive Office, responsible for policy orientation and overall leadership. In performing this function, the Director-General may wish to avail himself of the advice and support of a Senior Management Group composed of all ADGs and the Inspector-General, which he would convene on a regular basis;
- (b) the five programme sectors with responsibility for the substantive and technical activities of the Organization and, consistent with the RBP process, with added authority delegated to them in the use of their resources;
- (c) a very limited number of functional entities entrusted with support functions, including an Office of Internal Oversight, a Bureau for Administration and Management and a Bureau of External Relations (see paras. 9 to 16).

Recommendation 2: *Strategic plan for delegation of authority*

The Director-General should prepare, for submission to the Executive Board, an overall strategic plan for delegation of authority and responsibility to line managers which should include a clear and comprehensive system of accountability (see paras. 17 and 18.)

HUMAN RESOURCES MANAGEMENT (CHAPTER III)

B. The Organization has well-established staff regulations and rules for the management of human resources, although some of these rules and a number of procedures do not necessarily comply with generally accepted practices in the United Nations system and need to be amended. In addition, significant deviations have occurred in recent years in the implementation of existing regulations and rules. These deviations have resulted, inter alia, in the Secretariat's inability to ensure equitable geographical distribution of its staff. Only through a determined effort to respect the Organization's policies, regulations and rules fully will the administration regain the confidence of the Member States and the staff.

Recommendation 3: *Personnel policies and practices*

The Director-General should:

- (a) continue present efforts to ensure the full implementation of existing staff regulations and rules (see para. 21);

- (b) **bring policies for performance appraisal and promotions in line with the best practices in the United Nations System. In particular, the promotion system should be amended to allow a return to budgetary discipline and to restore the link between promotions and assignments to higher-graded posts (see paras. 28 to 37);**
- (c) **ensure that functions normally assigned to established posts are not performed by non-regular staff (see paras. 38 to 40);**
- (d) **grant greater authority to OHRM to monitor compliance with rules and procedures for the use of consultants (see paras. 41 to 43).**

C. The lack of transparency in the Secretariat's reporting to the governing bodies on these issues has also hindered efforts to remedy the organization's shortcomings. As a result, the General Conference has adopted very stringent measures to compel the Secretariat to respect the policies and rules which it has set for human resources management, but which will limit the degree of flexibility that is needed to tackle certain urgent issues in this field.

Recommendation 4: *Transparency*

The Director-General should provide the governing bodies with transparent information on the use of human resources through:

- (a) **the yearly issuance of a comprehensive report on the composition of the Secretariat, along the lines of that produced, for example, by the United Nations (see para. 22);**
- (b) **expanding the report on the use of outside consultants to include information and statistics on all forms of non-regular staff resources used at headquarters or in the field by the Secretariat (see paras. 39 to 43).**

D. The issue of equitable geographical distribution of the staff in UNESCO remains a concern for Member States and the Secretariat. To correct the geographical imbalance, further efforts are still required from the Director-General but they will need to be complemented by appropriate actions from the General Conference itself.

Recommendation 5 : *Geographical distribution: corrective measures by the Director-General*

The Director-General should take a number of steps to improve geographical distribution, including:

- (a) **ensuring equitable geographical balance among senior level officials in the Secretariat;**
- (b) **allocating a defined percentage of entry-level posts every year for graduates of the Young Professionals Programme as requested by the General Conference;**
- (c) **accepting only offers of "gratis personnel" for expertise not available in the Secretariat for very specialized, non-core, functions and for a limited period of time;**
- (d) **being more proactive in seeking candidates from under or non-represented Member States by, among other things, carrying out targeted executive searches and more actively involving the relevant National Commissions in this process (see para. 44 and paras. 46 to 48)**

Recommendation 6: *Geographical distribution: corrective measures by the governing bodies*

The Executive Board and the General Conference may, for their part, wish to:

- (a) **approve a post level weighting factor (taking into account the levels of the posts subject to geographical distribution) in the calculation of equitable geographical distribution;**
- (b) **introduce a new regulation preventing interns, consultants and personnel provided on non-reimbursable basis from applying for or being appointed to established posts in the Secretariat for a period of six months after the completion of their service;**
- (c) **institute a freeze on the recruitment of nationals from over-represented countries for a period of two years, after which the need for such a freeze would be reviewed taking into account any progress made in geographical distribution of professional staff in the secretariat (see para. 45).**

E. The former Bureau of Personnel which was in charge of human resources management suffered not only from a confusion about its mandate and responsibilities, but also from a latent disregard for its work and opinion. The decision of the Director-General to replace it by an Office for Human Resources Management is a first step in the right direction, but in order for OHRM to restore the credibility and confidence in human resources management in UNESCO, OHRM will have to be thoroughly reorganised and professionalized as recommended by the External Auditor.

Recommendation 7 : *Strengthening human resources management*

The Director-General should strengthen the management and development of human resources in the Secretariat by:

- (a) **assigning to OHRM a clear mandate for (i) the preparation of strategies for human resources management, starting with the design of a competency framework based on a skills inventory and (ii) the monitoring and enforcement of the proper implementation of personnel policies, regulations and rules;**
- (b) **restructuring OHRM along the two main lines specified in (a) above;**
- (c) **granting to OHRM the authority and resources needed to carry out this mandate;**
- (d) **ensuring that sufficient financial resources are devoted to training (see paras. 50 to 59).**

F. Relations between the staff and the Administration in UNESCO have been strained and conflicting for the past many years, and normal channels of communication have broken down. While the return to respect for established policies and procedures may be helpful, building a new relationship characterized by mutual trust and a spirit of partnership will require systematic efforts from both parties to adhere to a code of conduct and to deliver on commitments made.

Recommendation 8: *Improving relations with the staff*

The Director-General, the recognized staff representative bodies and the staff at large should strive to improve staff-management relations by:

- (a) **ensuring the regular convening and effective functioning of staff-administration consultative mechanisms called for in Chapter 8 of the Staff Regulations and Rules;**
- (b) **placing greater emphasis on dialogue, conciliation and the early settlement of disputes through a strengthened conciliation process to help avoid the resort to litigation (see paras. 60 to 64).**

DECENTRALIZATION (CHAPTER IV)

G. Over the years, the General Conference and the Executive Board have set a clear policy framework for decentralization, but no coherent strategy to apply this framework on a systematic basis has been developed. As a result, the opening, location, mandate, resources and staffing of field offices appear to have been decided on an ad-hoc basis, without any clear rationale or evident correlation among them. There is now a general understanding that there are too many offices with overlapping mandates and insufficient resources.

H. In 30C/Resolution 83, the General Conference addressed these concerns and decided that “decentralized bodies shall normally be all-purpose regional and sub-regional offices, and that offices at the national level shall be considered only in exceptional circumstances and for a limited period”. The modalities for the implementation of this resolution must now be defined.

Recommendation 9 : *A streamlined network*

The Director-General should submit to the Executive Board proposals for the streamlining of the current network of field offices through their regrouping into all purpose, multi-country offices at the regional and sub-regional levels, taking into account 30C/ Resolution 83. In this respect, the following parameters could be used to complement the basic criteria set by the General Conference:

- (a) **level of foreseen programmes and activities at the country level;**

- (b) the cost-effectiveness of existing logistical and administrative infrastructure in the field as measured by, among other things, the ratio of the costs of decentralized offices (staff costs and general operating costs) to overall programme resources;
- (c) extra-budgetary resources expected for each field office within the biennium;
- (d) the nature and level of substantive and administrative services that can be provided by the United Nations Resident Coordinator System in a specific country as an alternative to a permanent UNESCO field presence in that country;
- (e) the role, functions and capacity of National Commissions, and their relations with field offices (see paras. 67 to 73).

Recommendation 10: *Changing the relationship of field offices to Headquarters*

The Director-General should ensure that the relationship of field offices to Headquarters is redefined and strengthened as follows :

- (a) the link of field offices to parent sectors should be replaced by a link to a central unit, such as a strengthened Division of Decentralization and Field Coordination, which would serve as the main “portal” for relations between Headquarters and the field. The sectors would continue to provide substantive support and advice as well as technical backstopping, but resources assigned to sectors for administrative support of field offices would be redeployed to the Bureau of Administration and Management and the Division of Decentralization and Field Coordination;
- (b) communications between Headquarters and all decentralized bodies, and among field offices, should be improved by achieving the complete connectivity of the Organization. In particular, field offices should be provided with access to Internet, to the UNESCO Intranet, to SISTER and other central information management systems as they are developed (see paras. 74 to 78).

Recommendation 11 : *Providing adequate human resources to field offices.*

The following measures should be undertaken by the Director-General to provide field offices with adequate human resources:

- (a) a comprehensive review of staffing needs linked to the mandates and activities of field offices within the new network, and of their actual use of human resources, so as to ensure that the level and skills of the staff assigned to each office is commensurate with its mandate and activities. In this context, Special Service Agreements should not be used to remedy chronic shortages of general service staff in the field;
- (b) taking into account staff mobility in promotions and career development;
- (c) paying special attention to the appointment and training of the heads of field offices, who should possess essential managerial skills as well as be conversant with all major issues and programmes of relevance to the Organization;
- (d) assigning an administrative officer or senior administrative assistant to each office of the streamlined network (see paras. 79 to 85).

Recommendation 12: *Relations with National Commissions*

In view of the assumption by National Commissions of additional responsibilities which would ensue from the rationalization of field offices,

- (a) the Executive Board may wish to call on Member States to help strengthen the capacity of National Commissions to discharge their important functions; and
- (b) the Director-General should also contribute to reinforcing the capacity of National Commissions while encouraging their more effective involvement in the elaboration and execution of programmes and projects at the national level as requested by the General Conference (see paras. 86 to 88).

STRATEGIC PLANNING, PROGRAMMING, BUDGETING, MONITORING, EVALUATION AND REPORTING SYSTEM (CHAPTER V)

I. UNESCO is initiating Results-Based Programming (RBP), a new integrated planning, programming, budgeting, monitoring and evaluation system, which focuses on results, and which was used for preparation and presentation of the Programme and Budget for 2000-2001 (30 C/5). Implementation of the RBP process requires an integrated management system, which, inter alia, generates relevant performance information, and for this purpose, a new software programme called SISTER (System of Information on Strategies, Tasks and the Evaluation of Results) has been developed. However, significant aspects of the RBP concept remain to be further developed and implemented. Therefore, the RBP process, couple I. d with SISTER, remains very much a “work in progress” with further improvement required and changes expected as problems are encountered.

J. Major advantages to be gained in the use of RBP are a greatly enhanced transparency, as well as accountability to Member States, for the full programming cycle. The lack of expected results and performance indicators for Subprogrammes will make it difficult to implement accountability for the Approved 30 C/5. In order to benefit fully from the RBP process, specific regulations and rules need to be prepared for the operation of the process, including the roles of legislative organs, so that Member States and the Secretariat will have an appropriate framework for the process and a standard against which to judge its operation.

Recommendation 13: *Expected results and associated performance indicators*

The Director-General should submit for approval to the 161st session of the Executive Board expected results, and associated performance indicators for the Subprogrammes in Approved 30 C/5, in order to provide for appropriate accountability of the Secretariat for implementation of the Approved 30 C/5 and to serve as a base for the formulation of the proposed Programme and Budget for 2002-2003 (see paras. 98-99).

Recommendation 14: *Programming regulations and rules*

The Director-General should submit draft regulations and rules for RBP to the Executive Board at its 161st session for its review and recommendation to the 31st General Conference. These regulations and rules should include, inter alia, the following:

- (a) **appropriation requests should be presented and approved at the Programme level, supported by explanation of related Subprogrammes. The Director-General should be held accountable at the Programme level in terms of expected results as measured by associated performance indicators;**
- (b) **the Director-General should be required to secure approval in advance by the Executive Board for reprogramming at the Programme level, and to report, *ex post facto*, on reprogramming decisions taken by the Director-General at the Subprogramme level to the next session of the Executive Board following such actions;**
- (c) **in lieu of the report on the execution of the programme and budget currently submitted to the Executive Board at its second session of the second year of the biennium, the Director-General should issue: (i) an interim report on the performance of the Organization during the first year of the biennium, indicating expected results achieved, along with a projection of the extent to which expected results will be achieved by the end of the biennium, for consideration by the Executive Board at its first session in the second year of the biennium; and (ii) a supplementary report on the extent to which expected results have been achieved in the first six months of the second year of the biennium, for consideration by the Board at its second session in the second year of the biennium (see paras. 100-102).**

K. Although RBP is expected to help achieve a proper balance between Headquarters and Field in the preparation and implementation of the Programme and Budget, there remains at this stage a strong upstream or Headquarters orientation in the process, which has been noted with concern by field offices. Many field offices expressed the view that the current implementation of programmed activities through SISTER is even more rigid than in the past, despite the emphasis on flexibility in the RBP process and its potential to adapt to local needs reflecting changing situations.

Recommendation 15: *Empowerment of field offices*

The draft regulations and rules for RBP called for in Recommendation 14 should also provide that, for programming in the field, Headquarters responsibility is restricted, to the extent possible, to the Programme level, with field offices empowered for programming up to the Subprogramme level (see para. 103).

L A large number of the field offices do not have direct access to SISTER, and for many of them, its response time appears to be long. This has a negative effect on the implementation of RBP, and on gaining the universal acceptance and support required for the new process to be fully successful. In addition, the effectiveness of SISTER, and its user friendliness, is seriously compromised by its dependence on the Organization's outdated mainframe-based computer system. The upcoming installation of a new system approved by 30C/Resolution 84 is expected to greatly enhance the use of SISTER.

Recommendation 16: *Enhancement of SISTER*

With a view to enhancing the capacity of SISTER, the Director-General should:

- (a) **take steps to ensure the connection of all field offices to SISTER with adequate training for field staff, on a priority basis, after completion of the redesigned network called for in Recommendation 9;**
- (b) **integrate SISTER into the new management and monitoring instruments, approved by 30 C/Resolution 84, which should be designed within the framework of an organization-wide strategy for the use of information technology, taking into account the experience gained by Field offices in their implementation of SISTER;**
- (c) **report to the 161st session of the Executive Board on a schedule for the integration of SISTER (see paras. 107-109).**

M. Full benefit from the new approach to programming and management that is supposed to result from the introduction of RBP requires ensuring appropriate integration under RBP of programme planning and budgeting practices. The current structure of the Secretariat should be reviewed accordingly.

Recommendation 17: *Integration of strategic programme planning and budgeting*

The Director-General should establish a new Office for Strategic Programme Planning and Budget by merging the functions now conducted by BPE (except for evaluation which would be assigned to IOS as per Recommendation 18) and BB. The new Office, which would report directly to the Office of the Director-General, would ensure appropriate integration, under RBP, of programme planning and budgeting, while maintaining close coordination with BOC (see paras. 110-111).

INTERNAL AND EXTERNAL OVERSIGHT (CHAPTER VI)

N. There is in UNESCO a serious need for strengthened internal oversight, and for improving the capacity of the Executive Board to play its role effectively in the shared responsibility for oversight. In addressing this need, the JIU report, "More coherence for enhanced oversight in the United Nations system" (JIU/REP/98/2), provides an appropriate guide since the 157th Executive Board endorsed the conclusions and recommendations of the report. (157 EX/Decision 9.7.2)

O. Internal oversight in UNESCO has been marked by a number of negative factors, some of which have been recognized by the Director-General in his first report on the reform process submitted to the 159th session of the Executive Board. In particular, the Director-General intends to establish a consolidated Internal Oversight Service (IOS) with responsibility for the five functions of oversight, and will submit further details to the Board at its 160th session. In that connection, it is important to ensure that the new office, while being fully accountable to the Director-General, is granted operational independence for the conduct of its duties, in a manner reflecting trends in other large Specialized Agencies

Recommendation 18: *Internal oversight*

The Executive Board, when examining the proposal of the Director-General to establish a consolidated Internal Oversight Service (IOS), may wish to take into account, inter alia, the following terms of reference for the strengthening of oversight in UNESCO:

- (a) **the Internal Oversight Service (IOS) should exercise the functions of audit, inspection, investigation, monitoring and evaluation in order to assist the Director-General in fulfilling his internal oversight responsibilities in respect of the use of the human, financial and material resources of the Organization for implementing UNESCO programmes. It should be headed by an Inspector-General who shall report directly and be accountable to the Director-General (see paras. 117-119);**

- (b) **the Inspector-General, who shall be technically qualified, shall be appointed and have his/her contract renewed by the Director-General after appropriate consultations with the Executive Board. The incumbent may be subject to dismissal by the Director-General only for cause, following similar consultations with the Executive Board (see para. 123);**
- (c) **the Inspector-General shall exercise operational independence in the conduct of his/her duties, in a manner to be further defined by the Director-General, taking into account ongoing best practices in the United Nations system. In particular, when establishing the programme of work of IOS, the Inspector-General may not be prohibited from carrying out any action he/she deems appropriate within the purview of the mandate of IOS (see para. 124);**
- (d) **in exercising its investigation function, IOS shall be available to receive directly from individual staff members, on a confidential basis, complaints or information concerning the possible existence of fraud, waste, abuse of authority or other irregular activities. No reprisals shall be taken against staff members providing such information unless this was wilfully provided with the knowledge that it was false or with intent to misinform (see para. 124);**
- (e) **the Internal Oversight Service shall report the results of its work to the Director-General with a copy to the External Auditor. These reports should contain recommendations for corrective action by relevant management officials. At the request of the Inspector-General, any such report shall be submitted to the Executive Board, together with the Director-General's comments thereon (see para. 126);**
- (f) **the Inspector-General shall submit to the Director-General an annual summary report on IOS activities, with a copy to the External Auditor. The annual report for a given year shall be submitted the following year by the Director-General to the second session of the Executive Board, together with comments he/she deems necessary, and should include : (i) an overview of issues addressed, accomplishments achieved, and good practices identified in the course of the work of IOS; (ii) recommendations made and status of actions taken on them; and (iii) issues requiring action by the Director-General or the Executive Board and/or the General Conference (see paras. 127-128);**
- (g) **the mandate and conditions of service of the Inspector-General, as well as the modalities of functioning of the Internal Oversight Service, should be duly reflected, where required, in the Staff Regulations and Rules and the Financial Regulations and Rules of the Organization. Necessary amendments thereto should be submitted to the Executive Board and the General Conference by the Director-General (see para. 129).**

T. Oversight is a shared responsibility among Member States, the Secretariat, and oversight mechanisms. Within the context of this shared responsibility, Member States need an effective tool to assist them in playing the essential leading role. Streamlining being one of the important facets of the reform process, the establishment of such a tool should take into account the oversight functions of the different governing bodies, and the need to avoid duplication.

Recommendation 19: *Advisory expert body on oversight to assist the legislative organs.*

The Executive Board should be assisted by a single permanent subsidiary body that would advise subsidiary organs of the Board within their respective areas of competence, as well as the Board itself, on technical and policy aspects on oversight issues related to programme, budget, finance and administrative matters. This body should be composed of highly qualified experts acting in their personal capacity and chosen with due regard to the principle of equitable geographic distribution. The terms of reference of such an expert advisory body would include for it to examine: (i) the annual summary reports on internal oversight activities, and any individual internal oversight report that the Inspector-General believes should also be submitted to the Executive Board; (ii) evaluation reports; (iii) reports of the External Auditor; (iv) reports of the JIU falling within its competence; and (v) the status of implementation of all oversight recommendations, for the purpose of making appropriate recommendations to the Executive Board / the General Conference (see paras. 132-133).

I. INTRODUCTION

1. The Secretariat of UNESCO has undergone a number of reform processes in the last two decades, involving outside bodies as well as internal units that reviewed the management practices of the Secretariat. It has introduced initiatives aimed at improving the effectiveness and efficiency of these practices and procedures, while ensuring better compliance with the policies, rules and regulations set by its governing bodies. Despite these efforts, the General Conference and the Executive Board have expressed continued concern that serious managerial problems persist that hamper the effective implementation of the Organization's mandate.
2. Upon a request made in December 1999 by the new Director-General of UNESCO, the Joint Inspection Unit decided to include in its programme of work for 2000 a review of the management and administration in the UNESCO Secretariat. In addition to the issues suggested by the Secretariat for this review, namely strategic planning, programming, budgeting, monitoring, human resources management and internal and external oversight, the Inspectors decided also to focus on structure and decentralization, two issues which they deemed equally important.
3. It has become clear also to the Inspectors that questions relating to the respective authority of the legislative bodies and the Director-General have arisen in the past which require clarification. The UNESCO Constitution, in Article V.B. 6(b), assigns responsibility to the Executive Board for the execution of the programme adopted by the General Conference. More specifically, it authorizes the Executive Board to "take all necessary measures to ensure the effective and rational execution of the programme by the Director-General". Article VI, on the other hand, states that the Director-General shall be the chief administrative officer of the organization. In an effort to resolve the differences that emerged in recent years, the General Conference has sought to clarify the issue and stressed (in 30C/ Resolution 81) that the Executive Board, as the second governing body of UNESCO, acts under the authority of the Conference between sessions, that the Board is responsible to it for the execution of the programme by the Director-General and that, consequently, the Secretariat has the task of implementing the resolutions of the General Conference and the decisions of the Executive Board.
4. The question would probably merit that the General Conference delineate more clearly the respective responsibilities of the Board and the Director-General, so as to guarantee the authority of the Director-General to administer the Secretariat (in accord with Article VI of the Constitution), on the one hand, and the exercise by the Executive Board of its legislative and oversight functions, on the other. While they recognize the importance of these constitutional questions, as well as financial issues related to the governance functions of UNESCO's legislative organs, the Inspectors have restricted this report to address issues more strictly related to managerial and administrative practices of the Secretariat. They note in this regard the decision taken by the Executive Board at its 159th session to establish an ad-hoc open-ended working group of the Special Committee to carry out inter-sessional work on the issue of UNESCO governance and the relations between its three organs. This issue will be also considered by the JIU in the framework of a system-wide review of the handling of oversight reports by legislative organs which has been included in the Unit's 2000 programme of work.
5. After completion of a thorough desk review, the Inspectors carried out missions to UNESCO headquarters, as well as to its field offices in Bangkok, Hanoi, Harare, Nairobi and Pretoria, and its liaison office in New York. Information was collected through interviews with relevant UNESCO programme managers, as well as through a questionnaire sent to the UNESCO field offices. Extensive documentation was provided by the Secretariat. Management practices of other United Nations system organizations have been taken into account for benchmarking purposes, and reference is made to a number of recent system-wide JIU reports .
6. The Inspectors are pleased to note that a number of issues dealt with in this report are also being addressed by the Director-General in the ongoing reform process in UNESCO. Many of these issues were in fact discussed extensively between Inspectors and representatives of the Secretariat, and in particular with the members of the Task Forces. While some of those issues have already been addressed in measures outlined in the report by the Director-General on the reform process¹, and some others may be altered by steps taken during the period between the publication of this report and its consideration by the Executive Board, the Inspectors believe that the basic thrust of their recommendations will remain relevant.
7. The Inspectors wish to extend their appreciation to the Director-General and all those who assisted them in the preparation of this report, in particular all the UNESCO officials who were interviewed and those who helped organize their missions at Headquarters or in the field. They also wish to thank the heads of field offices who responded with great attention and promptness to the questionnaire sent to them. They are very grateful for the full cooperation which they received from all in their efforts.

II. A NEW STRUCTURE AND MANAGEMENT SYSTEM

8. The organizational structure defines the breakdown and coordination of a variety of vital functions of an organization and shapes its ability to carry out its mandate efficiently. Determining an appropriate organizational structure which will take into account the specificity of UNESCO is, therefore, one of the most important issues of its reform.

A. Structure of the Secretariat

9. The Inspectors welcome the commitment of the Director-General to simplify and rationalize the Secretariat structure. They concur with his assessment that the present structure is far too complex and fragmented and that it involves many overlapping lines of authority. This is clearly illustrated by the organigram featured in an annex to the 30 C/5 document, which in addition to the five main programme sectors, includes no less than 11 Bureaus, five Offices and five Units. The staffing, responsibility and scope of activities of these Bureaus, Offices or Units appear to vary greatly in the absence of a clear definition of organizational levels. Some Sectors are divided into Divisions, Units or Departments without any clear hierarchical pattern, while Bureaus may be sub-divided into several more Bureaux.

10. The organigramme also shows that more than half of the units, bureaus or offices not linked to programme sectors were attached to the Directorate. It appears that one of the reasons why so many were placed directly under the responsibility of the Director-General, was that cooperation and coordination between sectors often proved very poor. It was felt that intersectoral activities could only be carried out through the creation of new units separate from the sectors and, as a result, a multitude of coordinating units or divisions were established. Experience in this regard, however, has shown that this steady structural outgrowth has led to duplications, inefficiencies and a serious dissolution of responsibilities. Some of these coordinating units tried to address the substance of issues, therefore duplicating the work of the sectors, while others remained mere "mailboxes", to which Sectors needed to report constantly.

11. The Inspectors would urge, therefore, that in the future, the issues of intersectorality and coordination be approached not through the creation of new entities, but through the development of a culture of communication, responsibility and accountability. Coordination and intersectorality cannot be imposed and implemented from the top, but should be constantly nurtured from the bottom. The Inspectors were informed that in the past, the general environment was actually rather hostile towards intersectoral activities. There is a need, therefore, for the leadership to set an example that would create an environment which will encourage people in the different sectors to exchange information and work well together. The experience of other agencies or funds (such as the UNDP and the World Bank) in the field of team-building and knowledge sharing should be carefully reviewed.

12. The Inspectors wish to highlight some basic principles which should be respected in the design of the new structure. Firstly, it will need to follow very closely the main programme priorities defined by the governing bodies. Secondly, bureaus or sectors, divisions and units should be organized and staffed according to a clearly established organizational nomenclature, which would provide a standard level structure. Such a nomenclature has now been proposed by the Director-General². Thirdly, small, under-staffed units with similar objectives should be regrouped.

13. This new structure, therefore, should be articulated around the Director-General and his Directorate or Executive Office, the five programme sectors, and a small number of functional entities with clear and distinct mandates which would regroup disparate small units with similar terms of reference. Thus, it would seem for instance that all public information activities should be covered by the Bureau of External Relations. The Bureau for Administration and Management would be clearly organized into two or three main Offices, including the Office of Human Resources Management (OHRM) as well as an Office of Central Support Services. The latter would include documentation and informatics, conference services and general support services (such as travel, building management, security etc).

B. Leadership and executive management

14. The fact that several units previously in the Directorate have already been incorporated in programme sectors or attached to other appropriate Bureaux is a positive development³. The Inspectors note the decision announced by the Director-General that "central services (Bureau of Studies, Programming and Evaluation, Bureau of Budget and Office of Human Resources Management) would come under his direct responsibility via the Executive Director of his Executive Office".⁴ They wish to stress that as a rule, the Directorate should not take on substantive and technical functions, such as human resources management.

15. The expected reduction in the number of posts at the Assistant Director-General (ADG) level should facilitate the establishment of a culture of communication, cooperation and shared responsibility among the leadership of the Secretariat. The Director-General should strive to foster this collegial culture by dealing with his senior officials as a whole team with shared goals and challenges rather than as competing individuals. The Inspectors suggest, therefore, that he may want to convene on a regular basis a Senior Management Group composed of all ADGs. To provide an effective forum for discussion and decision-making, the Group should be limited to ADGs and not include Directors, although the latter can be asked on an ad-hoc and individual basis to join particular meetings.

16. The Inspectors note that historically, the number and role of Deputy Directors-General (DDGs) have varied, and that the present programme-budget provides for one such post. They have been informed that the Director-General intends to appoint a Deputy. They believe that the multiplicity of roles performed by the Director-General and the demands on his time, as well as the breadth of UNESCO's programmes, justify such an appointment. Before it is made, however, it is very important that the functions of the DDG be clearly defined. In particular, it should be stated that while the Deputy would substitute for the Director-General in his absence and would be vested with the necessary authority, he/she should not be seen as an intermediary between ADGs and the Director-General, thus creating an additional layer in the bureaucracy. Instead, he/she should second the Director-General and provide him with assistance in priority areas which require particular and constant attention at the highest level.

(→ RECOMMENDATION 1)

C. Delegation of authority and system of accountability

17. Lines of authority and of reporting should flow very clearly from the new structure described above. On the basis of this structure, the Director-General should be able to delegate responsibility and authority to heads of Sectors or Bureaux for delivering programmes. They, in turn, although they will remain accountable to the Director-General for the responsibilities assigned to them, will delegate to their staff. Provided this vertical chain remains unbroken, delegation of authority can be effectively implemented and accountability enforced because it can be traced through individuals down or up through the Secretariat.

18. The issues of delegation of authority and accountability of the Secretariat have in fact been the frequent subject of discussions by representatives of Member States and the Secretariat. The Director-General has stated, however, that delegation of authority in UNESCO remains to a large extent a theory. He has stressed his determination to put an end to the practice of excessively centralized decision-making and to make delegation of authority for implementing policies and strategies a key management principle in the organization.⁵ Such a delegation of authority, with full accountability, is crucial to the success of the new RBP process being initiated in UNESCO (see Chapter V below).

19. The Inspectors have noted that the comprehensive framework mentioned above does not yet exist, and that managers, and officials in charge of oversight have to rely on a wide and disparate array of rules, regulations, administrative circulars and internal memoranda which touch upon these matters. It is, therefore, required that the Director-General prepare, for submission to the Executive Board, an overall strategic plan for delegation of authority and responsibility to line managers which should include a clear and comprehensive system of accountability.

(→ RECOMMENDATION 2)

III. HUMAN RESOURCES MANAGEMENT

20. In his first address to the 158th session of the Executive Board, the Director-General stated forcefully that the staff of the Organization was its most precious asset and that the most important priority line of emphasis for management reform should be the revitalization of the Secretariat⁵. The Inspectors fully share the Director-General's outlook for indeed, in most organizations of the United Nations System, it is the intellectual contributions provided by their "human" resources, be they regular, temporary staff or consultants, which constitute the essence of their mission and absorb the greatest portion of their "financial" resources. The issue of managing these human resources in the most efficient, transparent and productive manner, therefore, is of paramount importance.

A. Personnel policies and practices:

21. The Inspectors have found that there have been significant deviations from established rules and procedures for the management of personnel in recent years, as noted by the General Conference, and that some of these rules and procedures do not comply with generally accepted practices of the United Nations system. While they stress the need to have clear, unambiguous rules and procedures which should be regularly observed, the Inspectors do not advocate blind rigidity for they recognize that there are circumstances under which exceptions to the rules may be warranted and even necessary. These exceptions, however, must be truly exceptional and their need should be fully documented. If a rule proves impractical, modifications should be proposed. But when exceptions become the norm, or when rules are simply ignored, a climate of confusion, uncertainty and disregard for order is created which is very detrimental to the functioning of the Secretariat.

22. The Inspectors also note the absence of aggregate data on a number of personnel issues and the insufficient quality of the information provided to the governing bodies. They believe that the issuance by the Director-General, on a yearly basis, of a report on the composition of the Secretariat, along the lines, for instance, of that produced by the Secretary-General of the United Nations, would provide a very useful management and control tool for the Secretariat and the Executive Board.

(→ RECOMMENDATIONS 3 and 4)

Appointments

23. The Administrative Manual stipulates that the Director-General or whoever exercises the delegated authority, may decide not to advertise a vacancy if and when "it was found necessary for reasons of service." This vague formulation has created a serious loophole and should be discarded to prevent repeated exceptions. Thus, 37 per cent of all appointments implemented during the 1998-1999 biennium did not observe normal recruitment procedures⁶. According to the Human Resources Development Division, 22 per cent of external appointments to the Professional levels and higher during the same period were not subject to any competitive process. The Inspectors also noted that over the last biennium, more than half of the professionals' or directors' posts were advertised for one month only (see Table 1). The General Conference has now asked that appointments for all posts be formally advertised for three months⁷.

24. In addition, the Recruitment Section of OHRM pointed out to the Inspectors that its meagre resources (a total of two professional staff) do not allow it to attend all recruitment interviews, given the high number of posts still advertised at Headquarters. In 1999, a total of 2,795 candidatures were received by the Bureau of Personnel (now entitled OHRM and referred as such in the rest of the report), which pre-selected those who met basic eligibility requirements for the posts. The evaluators in substantive departments, however, are ultimately responsible for in the in-depth evaluation of candidates and for selecting those who are called for interviews, as well as for conducting these interviews. In a laudable effort to professionalize the process and increase the general understanding of the rather complex parts of the Administrative Manual which relate to recruitment, OHRM has produced and distributed a Recruitment Handbook, which the Inspectors have found to be very clear and thorough.

25. A handbook by itself will not, however, be enough to prevent the recurrence of abuses. The Inspectors were told that many times OHRM was only informed ex post-facto of appointments and that a number these were made without any vacancy advertisement or formal interview. They were also informed that in 1999, all appointments at all levels were made by the Director-General personally. Thus, the delegation of authority which had existed for appointments⁸ had in fact been abolished during that period of time.

Table 1: Length of advertisement by grade during the 1998-1999 biennium

	D2	D1	P5	P4	P3	P1/P2	Total	Total in %
3 months	2	1	3	3	8	1	18	20%
2 months	3	1	6	6	6	5	27	29%
1 month	0	1	9	9	15	13	47	51%
TOTAL	5	3	18	18	29	19	92	

Source : PER/HRD/RCR, 25 February 2000

26. At its last session, the General Conference decided to modify Staff Regulation 4.2, to provide that “*In appointing, transferring or promoting staff members, and in renewing appointments, the Director-General shall use a competitive process in order to secure the highest standards of efficiency, competence and integrity.*” It also modified Regulation 4.3.2 to read: “*Recruitment shall take place and appointments shall be made on a competitive basis following formal advertisement of the posts for at least three months as a rule.*” It is unclear whether the General Conference intended that these provisions should be put into effect for appointments and renewals at all levels, i.e., including technical and General Service posts and even for the renewal of appointments of long-serving staff with a satisfactory service record. If a strict interpretation were to be given to the provisions of the revised regulations, it would entail inordinate delays because of the requirement to advertise a large number of posts each month, entailing the review of an even greater number of applicants. The Inspectors observe that the Executive Board was informed by the Director -General at its 159th session of these difficulties, took note of them and requested that in the case of renewal of appointments, proof of wholly satisfactory service be required. It may be necessary, however, to further clarify the intent of the General Conference and modify once more the Staff Regulation to provide clear guidance to the Secretariat on these points.

27. Practices for the appointment of senior-level officials have followed the same pattern as for appointments in general, with a number of irregularities observed in the selection and appointment procedures of these officials. This issue will be dealt with in a forthcoming report of the JIU entitled “Senior-level appointments in the United Nations Specialized agencies and the International Atomic Energy Agency : policies, procedures and practices”. Nevertheless, the Inspectors would like to stress at this juncture the need for the Director-General to make a determined effort, when renewing the cadre of senior officials, to remedy the important gender imbalance persisting in the highest ranks of the Secretariat. While significant progress has been achieved in gender distribution at the professional level (as of 1 November 1999, 41 per cent of staff in professional and above posts were women), this has not been matched by a similar increase in the representation of women among Directors and ADGs. As of 1 November 1999, only 19 per cent of the Directors were women, and of 18 ADGs, only two were women.

Performance appraisal and management

28. There is general agreement, among the staff and Administration, that the current performance appraisal system is not effective nor credible. It is based not on objectives but on assignments extracted from the job description, and is linked with the contract extension of staff members rather than the biennial programme budget. It is therefore very static and disconnected from the programme cycle of the Organization. It does not provide linkages with training and development tools and does not foster dialogue between the supervisor and the staff member. At the same time, it involves a very cumbersome procedure, in particular for professionals in field offices whose reports are conveyed to the heads of Sectors at Headquarters.

29. The Inspectors suggest, therefore, that a new performance appraisal system be put in place. They have examined the proposals being presently discussed in the Secretariat and believe that they can lay the foundations of a reliable and functioning tool for the management and development of human resources at UNESCO. The main features of this new system are that it would be based on individual goals and tasks for each member, to be clearly formulated in specific and measurable achievements, and core competencies which must be accepted as the key skills, knowledge and behaviours required of all UNESCO staff. Managerial competencies would also be defined for supervisors. The performance cycle would follow the Programme cycle, which would link the tasks of individuals to the work of the Organization in a dynamic relationship. The system would provide a mechanism to identify individual development needs and suggest corrective and developmental actions.

30. These main features comply with the new performance management and evaluation systems which have been put in place across the United Nations system over the last ten years and they would also be fully in line with UNESCO's own efforts to introduce a results-based management culture of performance. However, given the general disillusionment of staff and managers with the present system which was launched less than a decade ago with much publicity, it is vital that sufficient preparatory work be undertaken this time and that the process not be rushed.

31. While the performance report cycle should not be linked with the contract extension of staff members, new, more accurate performance appraisals will obviously play a significant role in the renewal of contracts. In this regard, the issue of the length of contracts generally granted needs to be carefully reviewed. For regular staff members, the Secretariat may want to re-examine the concept of indeterminate contracts, by tying it closely to results achieved. This would provide an element of stability not found in fixed-term contracts but would not automatically give an entitlement to, or even an expectation of, permanent employment.

Promotions

32. A renewed performance appraisal system will serve as a key tool for career development and as a determining factor in deciding on promotions. The present promotion system in UNESCO is not effective and differs significantly from that prevailing in other organizations of the United Nations system. It has resulted in a serious loss of intergovernmental control over the use of the Organization's resources. The very notion of personal promotion which has led to a growing discrepancy between the number and level of posts approved in the programme-budget and the actual staff establishment should be discarded in favour of a return to the widely accepted linkage between promotion and assignment to a higher grade post with increased responsibilities

(→RECOMMENDATION 3)

33. For instance, the practice of granting "end-of-career promotions" to UNESCO staff mainly on the basis of seniority in the last six months preceding their retirement, which can be considered as a "parting gift" to long serving staff, does not exist in other organizations of the United Nations system. In addition, although criteria have been established for the granting of end-of career-promotions, many promotions were given without any consideration for these eligibility criteria.

34. There is also a general consensus that the merit-based promotion system introduced in 1994 has not achieved its stated objectives, one of which was to select the most meritorious staff members with the necessary potential to assume responsibilities of a higher grade, and give them preference for promotion purposes. A Senior Staff Promotion Board and a Junior Staff Promotion Board were established to select staff from lists drawn by the Sectors on the basis of lists provided by the then Bureau of Personnel of staff meeting certain requirements of performance and time-in-grade. Three lists were issued, and the status of staff who were included in these lists appears in table 2 below.

Table 2: Status of staff members on the three last "merit-based" lists
(1995/1996- 1997/1998- 1999/2000)

Category	Promotions by transfer to a higher-graded post	Promotions by retention in upgraded-post (reclassification)	Promotions by virtue of staff being twice on the merit list	Other	Total	Total on merit-based lists
P	16	40	30	4	90	172
GS	47	55	81	7	190	382
TOTAL	63	95	111	11	280	554
% of total	14%	21%	24%	2%	61%	

Source: PER/HRD/PLN, February 2000

35. The above table illustrates clearly the deviations that have occurred in a system which was supposed to do away with personal promotions but, to a large extent, simply perpetuated such promotions within a heavier bureaucratic setting. This is in part due to the fact that the system did not include the notion of promotion possibilities determined by the actual number and type of vacant posts as originally intended. Expectations were created, which led to frustrations when these were not met. Table 2 thus shows that 39 per cent of the staff deemed "fit for promotion" were not promoted.

36. One of the other main benefits expected of the merit-based promotion systems was a reduction of reclassification requests. Table 2 shows again that this has not been the case. In fact, reclassification continues to be used in UNESCO as a major avenue for promotion to a higher grade, to the point that in the last two bienniums, promotions through reclassification (450) have outnumbered those through appointments (350). In addition, during the period of 1998 and 1999, 116 reclassifications were awarded by the Director-General without justification, as compared to 198 technically justified reclassifications (supported by a job description and/or desk audit in accordance with ICSC methodology). The Inspectors note the assurances given by the Secretariat that the present exercise of reclassification of GS posts linked to the adoption of the seven-grade structure will involve a transparent committee process with participation of staff representatives.

37. The Inspectors, therefore, believe that the present merit-based promotion system be immediately suspended while a new system is designed, closer to those (imperfect as they may be) used in other United Nations Organizations. Should the Secretariat decide nevertheless to maintain merit lists, it should at least ensure that they do not lead to an automatic entitlement to promotion, but simply provide an indication as to which staff should be given preference when posts become available.

Use of temporary assistance

38. The Inspectors have identified three main issues of concern with regard to the use of temporary assistance at UNESCO, namely an excessive reliance on such assistance, frequent disregard for the rules governing its use and a lack of aggregate statistics and transparent information.

Table 3 : Use of temporary assistance in 1998 (and 1999 when available)

Location	Contract type	Numbers	Sub-total 1998	Total 1998
HQ	Consultants	473 (480 in 1999)	473	1044
	Supernumeraries	34 P, 451 GS, 80 translators, 6 others	571	
Field	Consultants	486 (510 in 1999)	486	Not known
	SSA	Several hundred ?*		

Source : PER/HRD/PLN, February 2000, 156 EX/29 and 159 EX/26 (Annual reports by the Director-General on the use of outside consultants and advisers by the Secretariat)

* See Chapter IV below.

39. In 1999, UNESCO employed 990 consultants under a total of 1,234 contracts against regular programme and extra-budgetary funds; of these, 630 contracts (for 480 consultants) were drawn up at and administered from Headquarters and 604 contracts (for 510 consultants) by field offices. Total expenditures in relation to consultant services for that year amounted to some \$14.7 million.⁹ The Secretariat points out that there has been a decrease of 21.8 per cent in these expenditures at Headquarters as compared with 1992. Notwithstanding this progress, the External Auditor noted that in many cases, the tasks to be performed by consultants still appeared to be the responsibility of regular staff members and that this type of employment served to save on staff costs or to avoid exceeding the ceiling on staff costs¹⁰. Similarly, officials interviewed by the Inspectors noted that supernumerary staff were often young people with very technical skills who could not be recruited on regular posts but whose assistance was needed for extended periods of time.

40. The previous Director-General strongly insisted that it was essential for UNESCO to make use of outside skills to strike a proper balance between the core of essential staff and specialists hired for short periods. Similarly, in a recent report issued in April 2000, the Director-General stresses that the policy governing the use of consultant services should take into account the diversified (usually interdisciplinary) expertise and flexibility needs to implement effectively and rapidly the programmes of UNESCO¹¹. However, the systematic and repeated use of temporary assistance for prolonged periods of time poses a number of serious questions with regard to geographical balance, the erosion of standards of competence and the status of the international civil service. A chronic lack of appropriate expertise points to the urgent

need to make an inventory of skills available in the Secretariat, redefine the core competencies sought by UNESCO and to establish a well-thought out recruitment plan as discussed below.

41. The Inspectors have found the items of the Administrative Manual related to the use of temporary assistance to be clear and thorough. Unfortunately, it has not been enough to ensure that rules and procedures are always followed. In many cases, temporary appointments exceed the time limit prescribed by the Manual. From the interviews which the Inspectors conducted for this report, it appears that in fact some of the staff granted temporary appointments (there were some 100 staff on such contracts in 1999) may have worked for periods of time exceeding five or six years.

42. The lack of centralized data on the use of temporary assistance is of particular concern to the Inspectors. According to the Manual, the Bureau of Personnel, in cooperation with the Bureau of the Comptroller, is supposed to keep a single computerized Roster of persons holding short term contracts of whatever kind. The Secretariat recognized that, in the light of the policy on decentralization, and consultant contract management in general, it is important to retain overall control of the situation by means of a centralized computer monitoring system, but that currently no such system is available.¹² The lack of aggregate data is particularly serious with regard to the use of Special Service Agreements (SSAs) in field offices, an issue addressed in Chapter IV below.

43. In conclusion, the Inspectors would also like to refer to recommendations made in the recent JIU report on the Use of Consultants in the United Nations (JIU/REP/2000/2), many of which would be relevant to the situation in UNESCO. In particular, they suggest that the monitoring function of OHRM with regard to the use of consultants be fully restored. Thus, OHRM should review all consultancy requests to ascertain if the required expertise is available "in-house", and advise heads of sectors and bureaux accordingly. Generally, the greater flexibility in the use of consultants which the Director-General proposes to give to sectors and bureaux¹³ should be balanced by OHRM's strengthened authority to monitor this use.

(→ RECOMMENDATION 3)

Equitable geographical distribution

44. There are currently 850 posts subject to geographical distribution in the UNESCO Secretariat. The general issue of geographical balance continues to be of concern to Member States and to the Secretariat. In 1999, 37 of the 186 Member States remained un-represented, and 46 were below the desirable range, while 34 were above range. One Member State, in particular, had 70 staff in excess of the mid-point of its desirable range¹⁴. The geographical imbalance can particularly be observed among senior level officials, as shown in table 4 below.

Table 4: Staff at levels D1 and above by regional groups and gender
(As of 1 January 2000)

GROUPS	DG		DDG		ADG		D2		D1		TOTAL		
	F	M	F	M	F	M	F	M	F	M	F	M	F/M
I (W.Europe & N. America)					2	7	5	9	8	34	15	50	65
II. (Eastern Europe)						1		3	1	6	1	10	11
III (Lat.America & Caribbean)						1	1	6	2	9	3	16	19
IV (Asia & Pacific)		1		1		1	2	6	6	14	8	23	31
V (Arab countries)						1		5	4	14	4	20	24
VI (African countries)						1	3	9	1	13	4	23	27
TOTAL UNESCO		1		1	2	12	11	38	22	90	35	142	177

Source : UNESCO, PER/PCP/ST, 24.02.00

45. The Inspectors, therefore, believe that it is time for UNESCO to adopt the notion of a post level weighting principle (whereby a certain coefficient is assigned to each grade in each category of posts subject to geographical distribution), which is already in effect in a number of other organizations of the United Nations system. A number of

benefits would derive from this principle, which have been described in a JIU report on “Comparison of Methods of Calculating Equitable Geographical Distribution within the United Nations System”, which recommendations were endorsed by the Executive Board.¹⁵ It may also be necessary, as a temporary measure, for the General Conference to institute a freeze on the recruitment of nationals from over-represented countries for a period of two years, after which the need for such a freeze would be reviewed taking into account any progress made in the geographical distribution of professional staff in the Secretariat.

46. Efforts have been undertaken by the Secretariat, notably by organizing recruitment missions to non- or under-represented countries. Directors of field offices have also been asked to become involved in identifying and recommending candidates from non-represented and under-unrepresented countries. Nevertheless, the number of applications from under and non-represented countries remains very low (see Table 5). Further efforts have to be conducted in a more systematic manner and the Inspectors welcome the statement made by the Director-General that a proactive recruitment policy is being devised to ensure, among other things, that the Organization achieve a more equitable geographical balance. A specific budget should be set aside for conducting recruitment missions, and it may be useful for UNESCO to ask other organizations of the United Nations system to share their rosters of candidates from non or under-represented countries. National Commissions in these countries, as well as relevant professional organizations, should also be involved more closely in the process of identification of potential candidates.

Table 5: Numbers of applications submitted per category of Member States (MS)

Year		Over-represented	Normally represented	Under-represented	Non-represented	Total
1995	Average number of applications per M.S.	34	11	6	1	10
	Percentage per category of representation	34%	51%	13%	2%	100%
1996	Average number of applications per M.S.	26	9	5	1	9
	Percentage per category of representation	41%	45%	12%	2%	100%
1997	Average number of applications per M. S.	19	11	4	1	8
	Percentage per category of representation	30%	58%	9%	3%	100%
1998	Average number of applications per M.S.	35	12	5	2	11
	Percentage per category of representation	41%	45%	10%	4%	100%

Source : UNESCO/PER, February 2000

47. The Young Professionals programme, which was reactivated in 1989 after a lapse of 15 years, has been more successful. The total of new recruits since that date is of 69, 24 of them from previously non-represented countries and 45 from under-represented countries.¹⁶ However, the Inspectors share the concern expressed by many in the Secretariat that, due to shortage of resources and the constant shifts in the post establishment, it has become increasingly difficult to identify suitable posts in the sectors for graduates of the programme. The request made by the General Conference at its last session that the Director-General improve the Young Professionals programme through a systematic allocation of posts each year and the elaboration of career development paths within the sectors for young professionals recruited to the Organization should be implemented as expeditiously as possible.

48. International organizations should exert utmost caution when accepting nationals from any country provided “free of charge” (also referred to as “gratis personnel”) who will perform tasks that would normally be assigned to staff recruited by the Organizations themselves. Such assignments should not be allowed to serve as an indirect way of integrating contractees as staff members. The Inspectors were informed that in fact, a number of nationals from some

Member States had served as “gratis personnel” in the past years, and that many of them had later been recruited on regular posts. No exact figures were provided, but it was made clear that this practice contributed further to the over representation of one Member State. The Inspectors recommend, therefore, that the practice be terminated and that, in the future, the Organization only accept offers through which very specialized expertise not available in the Secretariat is provided on a temporary basis.

(→RECOMMENDATIONS 5 and 6)

49. A number of Member States also provide Associate Experts to UNESCO as a participation to the Organization’s technical cooperation programmes and projects. There were a total of 64 associate experts employed as of 1 January 2000, 32 of whom were assigned to Headquarters. The draft model agreement with Member States providing associate experts featured in the Administrative Manual states that “Associate experts may be exceptionally assigned to the Headquarters of UNESCO”. It appears, however, that many Associate Experts have simply been used to remedy a shortage of staff in certain offices at Headquarters, in a clear deviation from the intended purpose of the programme. It is recommended, therefore, that in the future, associate experts be assigned to Headquarters only in exceptional cases.

B. Strengthening Human Resources Management

50. In order to restore the credibility of and confidence in human resources management at UNESCO, OHRM will have to be thoroughly reorganized and professionalized, as recommended by the External Auditor. It will have to be given a clear mandate along two main lines: the first one being to design strategies for human resources management, starting with the design of a competency framework including a recruitment and training plan, and the second to advise on and monitor the implementation of personnel policies, with the level of authority needed to make this monitoring effective. The present confusion about the mandate and responsibilities of OHRM, and a latent disregard for its work and opinion, has obviously demoralized part of its staff, already affected by the serious downsizing to which the Bureau of Personnel was subjected in the last two decades. Nevertheless, many of the staff met by the Inspectors appear dedicated, competent and knowledgeable about UNESCO personnel policies and practices as well as about recent developments in human resources management. What is now needed is to provide them with the necessary leadership and authority to motivate them anew and allow them to carry out their work effectively. In this regard, the choice of an experienced and dynamic candidate of the highest caliber for the post of Director of OHRM will be of paramount importance, and the Inspectors urge the Director-General to pay the utmost attention to this appointment.

51. The Inspectors find the present structure of OHRM unnecessarily complicated and fragmented, not conducive to efficiency and coordination, and not well suited to the new role envisaged for the office. They have noted the intention of the Director-General to have OHRM as part of “central services” under his direct responsibility¹⁸. They believe however that this function would be addressed more appropriately within the Bureau of Administration and Management, and, in that respect, they would suggest a simplified structure with two divisions corresponding to the two main lines of activities defined above. These two divisions could be named, for instance, Division for Operational Services, and Division for Policy and Human Resources Development.

(→ RECOMMENDATION 7)

OHRM as a service Centre and a monitor;

52. The role of the Operational Services Division of OHRM would be to give professional advice to managers and empower them to assume the role as human resource managers of their own staff, while at the same time ensuring the maintenance of the highest standards of efficiency and best practices¹⁷. This first Division would therefore take over the administration of staff presently carried out by the Staff Administration Division. It would function as a service Centre and could be organized in clusters, each servicing specific sectors, bureaux or offices. A cluster-type organization, whereby each cluster provides the whole range of personnel services to its “clients”, would probably contribute to a rationalization of staff administration activities, as well as to greater coherence through the adoption of a holistic approach in personnel matters.

53. The clusters would also monitor the implementation of policies and procedures in their respective areas of competence, with the assistance of the Staff Rules and Legal Matters Section which could be integrated in the Division. A return to this monitoring role, which OHRM has not been allowed to carry out in recent years, is all the more necessary since the new Director-General has announced his intention to endow the Assistant Director-Generals of the programme sectors with full and total authority over their sector, and over the use of their financial and human resources. He is considering the possibility, in particular, of delegating to them the authority to appoint staff up to P-4 level.¹⁸

54. While the Inspectors concur that delegation of authority will ultimately contribute to increased efficiency and responsiveness of the Organization, and that it is in line with the adoption of a results-based culture, they caution that a successful process of delegation of authority entails a number of essential prerequisites. These are: the adoption of a systematic approach for the identification of areas where delegation is possible; the establishment of a culture of clarity, transparency and communication; the necessity of providing managers with resources and tools to exercise the authority delegated to them, including adequate support functions; constant and immediate access by managers to relevant information; the establishment of adequate monitoring procedures; and, most of all, the setting up of effective mechanisms for accountability. The Inspectors would like to emphasize, in particular, that the successful implementation of delegation of authority to managers in personnel matters will depend highly on the effectiveness of the support provided by OHRM.

55. The further computerization of human resources processes in the framework of an integrated management software will be crucial to the reform of OHRM in general, and the effectiveness of staff administration and control in particular. The fact that the General Conference has voted the first tranche of funds for the replacement of information management systems, is a positive step, although the target operational date for the human resources software package selected is only 1 January 2004. The Inspectors would suggest that consideration be given to accelerating the pace of implementation of the project, if technically feasible and if resources (which are estimated at US \$ 8.3 million for the human resources and payroll package) can be made available in time. In this regard, Member States may want to make early voluntary contributions to implement this project as a matter of priority.¹⁹

Competency framework

56. The first and foremost task of the Division for Policy and Human Resources Development would be to develop a competency framework which, as the External Auditor pointed out, will ensure a common thread and consistency among the various elements of personnel policy, such as recruitment, performance appraisal, promotions, training and career management. In preparing this framework, OHRM will need to conduct an inventory of skills presently available in the Secretariat.

57. On this basis, a recruitment plan should be drawn, which would cast the recruitment net wider and refine the selection and promotion criteria to reward additional skills and behavioural competencies. With the stable staff establishment now imposed by the General Conference, it will be easier to draw such a recruitment plan, a task which proved virtually impossible in recent years due to the constantly shifting number of posts. Also, the large number of retirements scheduled in the next few years, combined with the agreed separation scheme being developed by the Secretariat²⁰ offer a favourable opportunity. The Director-General has noted that the Organization needs a younger staff with a more modern organizational culture and an influx of expert knowledge lacking in several new fields in which UNESCO is called upon to play a leadership role²¹. The average age for all staff was, at that date, 48.15, while it was 44 in 1984 and 46 in 1990. Fifty-one per cent of the staff is aged 50 or more. While this situation is not uncommon in the United Nations system, it is of particular concern in an Organization whose mandate and activities are evolving rapidly and where a number of essential managerial and technical skills are lacking.

58. The rejuvenation of the staff should be matched by a change in the post structure, as requested by the General Conference which has called for a more balanced secretariat structure for the Professional and General Service (GS) categories, with a decrease of posts at the highest levels. According to figures provided to the Inspectors by OHRM, as of November 1999, 54 per cent of the staff employed were in the GS category, 39 per cent were Professionals and 7 per cent directors. These figures were in 1991, respectively, 61 per cent for GS staff, 35 per cent for Professionals and 4 per cent for Directors. The top-heaviness of the Secretariat, therefore, has worsened over the last decade. UNESCO's mandate being broad but technical, this top-heaviness cannot be productive. Instead, technically competent middle manager functions and positions need to be strengthened. The Inspectors note in this regard the statement by the Director-General that a new Headquarters structure should provide for only 40 to 50 directors' posts instead of the current 106.²²

Table 6: Percentage of Retirements to Total Staff (1999-2005)

Category	Number of staff to retire	Percentage of total staff
Ds and above	120	70%
P1 to P5	260	28%
GS staff	286	30%
Total	666	32%

Source: PER/HRD/PLN, February 2000

59. The recruitment plan will naturally need to be accompanied by a training strategy. The overall budget presently devoted to training (0.13 % of the payroll) is insufficient and among the weakest in the United Nations system. The Director-General has noted that it would be reasonable to move towards a budget of 2 to 3 % of UNESCO's staff costs for staff training and development. With its meagre resources, the Training Section has attempted to provide UNESCO staff with some basic skills in languages, information technology or administrative rules and procedures (for administrative officers in field offices, for instance). In recent years, the Section has also tried to develop skills in more elaborate fields such as objective-setting and performance appraisal. But, an overall vision linked to the competency framework and to a new performance appraisal system is still lacking. Staff development needs must be addressed in a comprehensive manner, through a combination of:

(i) centralized programmes aimed at providing basic general skills but also (and more importantly) at building leadership, managerial, communication and supervisory skills. In this context, the Director-General's statement that a Management Development Programme will be elaborated is particularly welcome;

(ii) programmes decentralized to individual sectors and bureaux to enable staff to acquire specific substantive and technical skills required to meet the Organization's evolving mandate. Ideally, a fixed proportion of staff costs should be earmarked for training by each sector. The study-leave programme, if expanded as proposed by the Training Section, should also help in this regard.

Improving relations with the staff and encouraging conciliation

60. As the strike conducted by some 1,000 staff during the 1999 session of the General Conference demonstrated, relations between the staff and the Administration in UNESCO are strained and conflicting. A return to the respect for established policies and procedures will certainly help to restore confidence among the staff that officials in the Directorate and OHRM do not pursue or defend interests separate from those of the Organization as a whole and that the rights of the staff will be duly protected. In addition, regular consultative mechanisms should be reactivated on an urgent basis. The Advisory Council on Personnel Policies provided for in Staff Regulation 8.2 and Rule 108.2 to advise the Director-General regarding general personnel questions and staff welfare is supposed to meet at three-months intervals (and at other times at the request of the Director-General). The Inspectors were informed, however, that the Council had not met since June 1997, and that normal channels for consultation and consensus-building had broken down. The Inspectors note the decision taken by the Director-General on 1 March 2000 to convene the Advisory Council in the coming weeks and call on him to personally monitor the proper functioning of this important body.

61. A simple return to the norm, however, will not suffice to build a new relationship characterized by mutual trust and a spirit of partnership, unless a systematic effort is undertaken by both parties. Considerable attention will have to be given by the Administration to maintaining and expanding internal communications with the staff, including about the direction and the goals of the Organization. The participatory approach adopted by the Director-General in the reform process can help to create a new climate in staff-administration relations. The Inspectors also observe the steady flow of information which has been made available to all the staff at Headquarters through the Intranet, as well as the use of this same medium to obtain inputs and feedback from the staff. The brain-storming session which brought together some 40 staff members at all levels in January 2000 to reflect on the major challenges facing the Organization, and the extension of this consultation process to all staff members through the distribution of a questionnaire on reform, are other positive steps.

62. However, the Inspectors have noted with concern the staff representatives' belief, expressed during interviews with the Inspectors, that their views are not being appropriately taken into account in this reform process. These views are mirrored by those of some in the Directorate or OHRM who believe that the staff representative bodies are not always being constructive or truthful. Old habits of distrust and antagonism are hard to shed. The Inspectors would suggest, therefore, that as a confidence-building measure, both the head of OHRM, as the main representative of the Director-General for personnel questions, and the staff representative bodies commit themselves jointly and publicly to following a certain code of conduct in their relations and, in particular, to abiding by the standards of integrity, independence and dedication expected of all international civil servants.

63. Generally, greater emphasis must be placed on the early settlement of disputes through conciliation and that all efforts should be undertaken to avoid litigation, so as to lighten the considerable burden of the appellate bodies and decrease ensuing costs to the Organization. In this regard, the Inspectors note the provision made in the Administrative Manual for the appointment of four Mediators, whose mandate is to provide a channel of dialogue and conciliation between staff members or between them and the administration, not entailing recourse to legal action. While the staff have assessed the function of the Mediators as very useful, they point that Mediators lack the independence required to be really effective. The Inspectors welcome the recent decision taken by the Director-General to have the mediation scheme reviewed by the Advisory Committee on Personnel Policies.

64. It should be noted that the JIU has included in its work programme for 2000 a report entitled "Administration of Justice in the Organizations of the United Nations common system : Options for Higher Recourse Instances" which is intended as a complement to its previous report on the issue and will cover, inter alia, the administration of justice at UNESCO.

(→ RECOMMENDATION 8)

IV. DECENTRALIZATION

65. The issue of decentralization and its implementation can be traced back to the very origins of the Organization. As early as the fifth session of the UNESCO General Conference, decentralization was held to be “a matter of vital importance which UNESCO should tackle to make its activities more effective”. The Executive Board, for its part, adopted in 1992 a broad policy framework on decentralization, based on an in-depth study prepared by the Special Committee and the recommendations made therein²³. The Board stated that this policy should, among other things, provide a catalytic and multiplier effect on the activities of the Organization and allow it to cater more effectively to the needs of Member States.

66. What is still lacking is the strategy to implement this framework. Over the years, numerous studies (including a JIU report on Decentralization of Organizations within the United Nations system)²⁴ have called for such a strategy to be put in place. The sharp increase in the number of offices in recent years has lent some added urgency to the question, of which the Secretariat is acutely aware. While references to the “decentralized bodies of UNESCO” normally include the Institutes and Centres established by the Organization in various regions of the world, this report will focus on the core issue of decentralization, namely the role and functioning of field offices.

A. Streamlining the network of field offices

67. At its last session, the General Conference adopted a resolution (30C/ Resolution 83) entitled “Draft guidelines for the rational implementation of decentralization” in an effort to provide the rules which should govern the creation of decentralized bodies²⁵. The resolution listed a number of “basic criteria for the rational implementation of decentralization” and clearly stated that decentralized bodies should normally be all-purpose regional and sub-regional offices, and that offices at national level shall be considered only in exceptional circumstances and for a limited period.

Table 7: Total number of staff per field office*

Region	offices with < 6 staff	offices with 6 to 20 staff	offices with 21 to 50 staff	offices with > 50 staff	Total offices	Total staff by region
Africa	15	7	1	1	24	183
Arab States	1	4	1	0	6	75
Asia and the Pacific	6	5	1	1	13	158
Latin America	12	6	2	0	20	148
Europe & Canada	2	3	0	0	5	27
Total	36	25	5	2	68**	591

Source : UNESCO, BRX/DFC, March 2000

* All staff members (D, P, NO, GS) excluding any other type of contract (such as SSAs or consultants)

**Two offices, in Hanoi and Ramallah, have been omitted from these statistics.

68. There are now 70 field offices, out of which 38 (or 54%) were established since 1990, reportedly at the request of Member States. In many cases, no consultation was undertaken with the governing bodies prior to the opening of offices. It is worth recalling that, in a statement made in 1998, the Director-General stressed then that the opening of a field office constitutes the response to a host of rapidly changing factors that make any advance planning beyond the short term hazardous, and that the “time frame for preparation rules out the inclusion in the Organization’s draft programme and budget of realistic forecasts regarding the establishment of field offices.”²⁶

69. In addition, there is a degree of confusion linked to the fact that, depending on the nature of the activity, the mandate of a single field office can cover a varying number of countries to which the head of the office is not necessarily the accredited UNESCO representative. There is a general understanding, therefore, that there are at present too many offices with overlapping and/or unclear mandates and insufficient resources. Table 7 shows that more than half of field offices operate with less than 5 established posts. Of these, 9 operate with only one established post. Many of these small

offices appear to add little value to programme activities. The Director-General recently noted that “the cost of maintaining ten offices with one professional staff member is almost US \$2,483,100 to implement US \$109,986 of regular programme activities, yielding an expenditure to cost ratio of 4.4 per cent.”²⁷

70. The General Conference has already decided that the decentralization policy shall be implemented through a strong network of all-purpose regional and sub-regional offices. Such offices would rely on a critical mass of financial and human resources to each serve adequately the needs of a “cluster” of countries. In the opinion of the Inspectors, the first element of the strategy to implement this new policy should be to define clearly the role of all field offices, and harmonize the functions presently carried out by the various offices. These include technical advice, capacity-building, fund-raising, coordination with other UN organizations, advocacy and representation. The second step should be to provide a clear division of labour and hierarchy of responsibilities between Headquarters, regional and sub-regional field offices, so as to avoid duplication and “turf battles”.

71. In certain cases, specific needs at the national level may not be properly met by these multi-country offices. If a Member State makes a request (which should be documented) showing that there are indeed certain needs that cannot be met by local actors (including the National Commissions) and require a UNESCO presence, various options should be reviewed first, such as sending one or several programme specialists who can operate within the United Nations Resident Coordinator system, or even, under specific circumstances, seconding specialists to national administrations. If these options are not practicable, the creation of a national project office (an “antenna office”) with a sunset clause can be envisaged. In this connection, it should be recalled that, in a 1997 report on “Strengthening Field Representation of the United Nations system”²⁸, the JIU recommended, inter alia, that organizations should refrain from having new representations and that existing ones should harmonize their respective geographical representation.

72. In addition to the criteria listed in 30C/ Resolution 83, other parameters to be used could include: a) the level of foreseen programmes and activities at the country level; b) the cost-effectiveness of existing UNESCO logistical and administrative infrastructure in the field as measured by, inter alia, the ratio of the costs of decentralized offices (staff costs and general operating costs) to overall programme resources; c) extra-budgetary resources expected to be made available within the biennium for the office; d) nature and level of substantive and administrative services that can be provided by the United Nations Resident Coordinator System as an alternative to a permanent UNESCO field presence; and e) the roles, functions and capacities of National Commissions.

(→RECOMMENDATION 9)

73. The network need not be totally rigid and may evolve in the future, in particular taking into account the evaluation of the results of the offices. The General Conference has indicated in this regard that the Executive Board will undertake periodic reviews of decentralized bodies (every two years for field offices). The Inspectors also note the ongoing work being carried out by the Secretariat to establish a conceptual and operational frame of reference for the evaluation of field offices, with proposals for evaluation criteria and indicators by which field offices will be assessed.²⁹

B. Changing the organic relationship of field offices to headquarters

74. Replies to the JIU questionnaire show clearly that many field offices have already become, de facto, all-purpose offices and that there is little correlation between the nature of the sectors acting as parent and the breakdown of activities carried out by field offices in the framework of the regular programme. In fact, in 89% of replies, the activities of field offices covered three or more sectors. Therefore, the “parent sector” approach is no longer appropriate and must be critically reviewed, especially in view of the decision taken by the General Conference that decentralized bodies should normally be all-purpose offices. The parent-sector approach is also a strong impediment to the planning, programming, budgeting, monitoring and evaluation of intersectoral activities in the field. In addition, it poses a number of managerial problems for heads of office. One respondent noted that the programme specialists representing sectors in his office reported directly to their respective sector ADG, with copy for information only to the Director of the office.

75. The link to parent sector should be replaced by a link to a central unit, such as a strengthened Division of Decentralization and Field Coordination, which would act as the “portal” for all communications with decentralized offices. Meanwhile, substantive support and advice, as well as technical backstopping, would continue to be provided by the Sectors. Administrative support and control, in particular of financial and personnel functions carried out in the field in accordance with Administrative circulars 1448 of 1985 and 1742 of 1990 or newly delegated to field offices, should shift to the appropriate functional offices within the Bureau of Administration and Management. Accordingly, resources presently assigned to the administrative units of Sectors for the support of field offices should be redeployed to BAM and the Division of Decentralization and Field Coordination. This would ensure a stronger monitoring of these

functions, by the offices most competent to review them, as well as a simplification of procedures and the avoidance of duplications. In the area of human resources, for instance, performance appraisal of staff working away from headquarters should be entirely conducted at the field level, although feedback will naturally continue to be sought from the sectors on the satisfactory achievement of results.

76. This “delinkage” from parent sectors, by making reporting lines clearer and evaluation of results more accurate, will have an obvious impact on the way that the activities and initiatives of the field offices are taken into account and reflected in the programming and budgeting process of the Organization. This issue, as well as the problems related to the implementation of SISTER are also dealt with in Chapter V below.

77. Most respondents to the JIU questionnaire have also stressed the need for better communications between the field and headquarters. There is a general feeling from staff in the field that their views are often ignored at headquarters and that they, in turn, are not kept adequately informed of developments at headquarters. There are two aspects, human and technical, to this question. The first is linked to certain attitudes which need to be changed. Assigning Headquarters staff to the field for short periods of time to work on specific projects could help in this regard, in addition to providing much needed technical support. Other measures could help restore a climate of communications and trust between the field and headquarters. For instance, both should commit to a minimum time of response for correspondence between them.

78. On the technical side, data received indicate that most field offices have now access to reasonably good means of information and communications. However, over a third of respondents to the questionnaire sent by the JIU to field offices stated that they do not have access to the UNESCO Intranet, although eighty per cent of these did have access to the Internet. This shortcoming should be remedied as soon as possible. The Inspectors recommend, therefore, that field offices who already have access to the Internet be also given access to the Intranet on a priority basis. This will be particularly useful in providing adequate information resources for managers with greater delegated authority, and will also contribute to making staff in the field feel “connected” and “part of the family”. More generally, efforts should be undertaken to achieve the complete connectivity of the Organization, so as to provide all field offices with access to the Internet, Intranet, SISTER and new integrated management information systems as they are developed. The Inspectors would like to suggest, in this regard, that field offices be appropriately consulted, in particular during the design phase of these systems.

(→RECOMMENDATION 10)

C. Providing field offices with adequate human resources

79. The proportion of staff located in the field and at Headquarters has not changed since 1984. In 1999, 510 staff out of 2145 regular posts (or 24%) were in the field. The Inspectors were informed, however, that the reality of staff resources, is very different for what appears in the C/5, as there are many associate experts and United Nations Volunteers (UNVs) working in the field. Indeed, nearly half of respondents to the JIU questionnaire indicated that they had presently, or in the past, associate experts, UNVs or other types of volunteers on board. In addition, many field offices often procure outside assistance (consultants, seconded government staff, Special Service Agreements - SSAs, etc...).

80. In fact, it was made clear that many offices survive by employing individuals on SSA contracts, without which they could not operate. This was also confirmed by respondents, as their replies showed that over half of field offices employ local staff on SSAs for extended periods of time, to carry out functions normally assigned to General Service posts, such as those of administrative assistant, secretary, driver or messenger. Because authority to enter into such contracts has been delegated to field offices who report to the Sectors, there is no central control by OHRM of their use and their exact number is not known. There may be as many as several hundred. Staff employed on SSAs receive no benefits, and cannot join the Medical Insurance scheme available to other UNESCO staff. In addition, this situation has resulted in a loss of central control over staff costs and the use of human resources.

81. The Inspectors have found that the very different staffing levels reported for the various field offices do not always seem to be proportionate to their respective levels of activities. They also wonder about the relatively high number of posts allocated to the liaison offices in Geneva and New York. They believe, therefore, that a systematic review of all staffing requirements of field offices, with updated job descriptions and a review of the number and length of SSAs contracted over the last two bienniums, should be undertaken as a matter of priority. The review should also look into the issue of the rigidity of some of the occupational groups, which sometimes make it difficult to adapt to evolving mandates. The Inspectors also call on the Secretariat to provide comprehensive and updated information to the Executive Board, on the basis of this review, on the total human resources actually employed (whether on posts or on service contracts, or whether procured from external sources such as associate experts and UNVs) by field offices.

82. The 1992 JIU report on decentralization stressed that transfer of personnel should flow from the transfer of resources and responsibility, and as much attention should be given to the high quality of those transferred as to their numbers. The Inspectors would like to emphasize, therefore, the importance which the Secretariat should attach to the appointment of heads of field offices. These officials should possess the managerial skills required to discharge the new authority to be delegated to them, but also a knowledge and broad understanding of all major issues and programmes of relevance to UNESCO rather than only those related to one specific sector. In this regard, previous experience in more than one sector should be considered as an asset. Before taking their functions, they should be appropriately briefed and trained. OHRM should develop, in cooperation with DFC, a new and expanded curriculum for such briefings.

83. Finally, a review of the skills, levels and functions of all administrative officers should be undertaken. The Inspectors note that OHRM has made a conscious effort in recent years to provide basic administrative skills to all administrative officers through training sessions conducted at the regional level, but they believe that more needs to be done. They recommend that an administrative officer at the professional level (or at least a senior Administrative Assistant) be assigned to each field office. While this has not been possible in the past with the multiplicity of small offices, it will be easier to achieve with the regrouping of offices in larger regional and sub-regional structures.

Table 8: Staff movements between HQ and other established offices (OEO)

Biennium	From HQ	Within OEO	To HQ	Total
1988-89	23	21	16	60
1990-91	24	14	24	62
1992-93	28	24	19	71
1994-95	36	24	27	87
1996-97	41	44	25	110
1998-99	42	69	25	136

Source : UNESCO, PER/PCP/ST, 24 February 2000

84. As for many other organizations, UNESCO lacks a clear policy for staff mobility. The number of staff movements between Headquarters and the field has increased over the last two bienniums (see table 8), but this is probably just the reflection of the opening of many new offices. Many officials met by the Inspectors stated that the notion of staff mobility was not ingrained yet in the culture of the Organization.

85. A systematic and compulsory rotation of staff may not be appropriate for UNESCO, because of a lack of funds and other considerations. However, it is time for the Organization to adopt a more transparent approach towards staffing its fields offices and to start rewarding field experience. In particular, mobility should be taken into account in performance appraisal and career development. Mobility needs to be increased not only between Headquarters and the field, but also within regions and among regions. At the moment, one major impediment to mobility is that there is no guarantee of return to Headquarters. Some years ago, the Director-General issued notes to the effect that staff were entitled to a new post after spending five years in a given duty station. The Inspectors would like to suggest that this guarantee be reiterated and put in practice to the extent possible, with due regard to the need for continuity in the completion of projects.

(→RECOMMENDATION 11)

D. Improving relations with National Commissions

86. Originally, National Commissions were supposed to act as the main relay for UNESCO's work at the national level, so some of them may have felt that the opening of multiple national field offices was meant to undermine them. There appears to be, in a number of cases, insufficient cooperation between the National Commissions and field offices, which may be due to a certain overlap in their functions, especially in the implementation of programme activities. National Commissions are often believed by local actors to be UNESCO itself. It may also be true that the frequent dependence of National Commissions on one single Ministry may affect the implementation of activities in fields not covered by that Ministry and that field offices sometimes feel that they have to step in to fill that gap. On the other hand,

some field offices do not keep National Commissions adequately informed of their activities. It is very important, therefore, that their respective mandates and the division of labour between them be clearly defined.

87. It should be made clear that National Commissions are to retain their fundamental role of implementing a range of UNESCO programme activities at the national level and to serve as intermediaries between UNESCO and other actors that can assume responsibility for the execution of such activities, such as universities or NGOs. In this regard, the support provided by the Secretariat in building the capacity of National Commissions to discharge these functions through, for instance, the training of their Secretaries-General, is very important. Member States should also help ensure that National Commissions have the means to play their pivotal role.

88. In its recent resolution on decentralization cited above, the General Conference reaffirmed the role of National Commissions in assuming responsibility for the operation of UNESCO projects in the country and the need to involve them effectively in formulating, implementing and evaluating UNESCO's programmes to achieve a rational and efficient implementation of decentralization.³⁰ The Conference also invited the Director-General to ensure that the work plans of the field offices are drawn up in close consultation with the National Commissions, and noted that the Executive Board would review field offices taking into account the evaluation performed by the National Commissions. Many officials of the Secretariat, met at Headquarters or replying to the questionnaire, cautioned that the National Commissions should not have been given a role in evaluating the work of field offices as it may lead to a loss of the latter's independence. While the Inspectors understand their concern, they believe that the input of National Commissions will be a very important indicator, among others, of the performance of field offices and should indeed be taken into account.

(→RECOMMENDATION 12)

89. Other officials expressed concern at what they saw as the "discretionary powers" of the National Commissions in the allocation of funds from the Participation Programme. As the External Auditor is presently conducting an audit of the internal functioning of the Participation Programme, the Inspectors will not address this issue at this stage.

E. Cooperating more closely with other United Nations System organizations

90. Comments made by the Secretariat on the recent JIU report on strengthening field representation cited above (JIU/REP/97/1) show its general reluctance to use effectively the United Nations Resident Coordinator system, a reluctance which has contributed to the proliferation of small national offices. The Inspectors would like to stress that the uniqueness of the UNESCO mandate does not preclude its use of the Resident Coordinator system. Remarks by the then Director-General to the effect that one should avoid the "centralization of decentralization" demonstrated a lack of proper understanding of the mandate and functioning of the Resident Coordinator.³¹ After examining the conclusions and recommendations of the JIU report, however, the Executive Board invited the Director-General to look for opportunities to realize a more unified, effective and efficient presence at the field level by closer integration of field representation with other United Nations agencies, whilst taking into account the specificity of UNESCO's mandate and activities.³²

91. Replies to the JIU questionnaire actually show that on programmatic issues, the participation of UNESCO in CCA/UNDAF and thematic groups seems to be active. Respondents did note that this participation could be very time-consuming, especially for smaller offices with limited human resources, but this problem should be partially addressed by the regrouping of national offices into larger multi-country offices. A number of field offices also indicated that they run joint projects with other United Nations funds or agencies. The attention of the Inspectors has been called to the fact some UNESCO field offices were unable to participate to joint projects due to the lack of specific allocation of funds for that purpose, a situation which can also be partly attributed to the sector approach.

92. Regarding logistical issues such as the sharing of common premises and services, the JIU report recommended that all United Nations organizations should accelerate and intensify their efforts to establish and/or enhance common premises and services. The General Conference has also asked that field offices, "whenever possible", share facilities with the local representations of the other Specialized Agencies, funds and programmes of the United Nations system. Less than 20 per cent of respondents to the JIU questionnaire, however, indicated that they shared premises with other United Nations organizations. Over half of those who did not, argued that they were offered free accommodation by the host country, which is obviously more economical than renting offices on UN common premises. Inspectors understand that free accommodation may be the preferred option when offered, but note that a number of practical, programmatic and political benefits derived from shared premises would often compensate for higher rental costs. A common location would, in particular, lead naturally to the establishment of common services. The Inspectors would also like to refer, in this regard, to the JIU report on Common Services in the Field (JIU/REP/94/8).

V. STRATEGIC PLANNING, PROGRAMMING, BUDGETING, MONITORING, AND REPORTING SYSTEM

Results-Based Programming: a work in progress

93. In a critical period of transition, UNESCO is making a trial run in putting into practice Results-Based Programming (RBP). The RBP process is marked by a) a focus on results to be achieved in a biennium, with an explanation of the strategies and resources for achieving them, rather than on activities to be carried out; b) the empowerment, with delegation of authority, of those Secretariat officials involved at the action level, and their related accountability for achieving the specified results; and c) flexibility for reacting effectively and rapidly to actual needs being faced and new developments.

94. The development of this new process, which has become operational for the 2000-2001 biennium, was put in motion by the adoption in 1995 of the Medium-Term Strategy (MTS) 1996-2001. The RBP approach is similar to programming and budgeting methodologies adopted by other United Nations system organizations, in particular WIPO, ILO and WHO, as a tool to achieve increased transparency and accountability to Member States ensuring better linkage of programme performance and budget.

95. The initiation of RBP provides the potential for a fundamental change in the management culture of UNESCO. RBP is intended to introduce a new way of thinking and working in UNESCO, for both Member States and staff, that would overcome longstanding tendencies toward fragmentation and enhance viewing the Organization and its programme as a whole.

96. Most of the senior programme managers at headquarters, as well as a number of field office directors have welcomed the concept of RBP and are ready to implement the new process, and some of them even claimed to have been practising it for several years. They see advantages of the RBP process focusing on results and impact of their programme delivery, since such a process, in their opinion, facilitates more effective and efficient programme delivery than the traditional programme budgeting. The programme managers also believe that the intended results-orientation will facilitate programming of intersectoral activities, will provide flexibility in reprogramming and resource allocation if properly implemented and encourages them to think in terms of results, which is a positive development in the programme management of UNESCO.

97. However, a few programme managers expressed reservations with regard to the effective implementation of such a results-based process in some areas of the UNESCO programme. In their opinion, due to the scarcity of resources allocated to each activity of UNESCO, coupled with the intangibility of certain activities, results achieved could not be measurable within a biennium.

98. While UNESCO attempted to present its Programme and Budget for 2000-2001 (30 C/5) in the RBP format, significant aspects of this programming concept need to be further developed. Inter alia, (i) results should be specified at the higher levels of programming; (ii) results expected need to be defined more specifically; and (iii) performance indicators and measurement should be established; (iv) consideration should be given to the improvement of the structure and presentation of the Programme and Budget by consolidating the programming levels (i.e., Major Programmes, Programmes, Subprogrammes, Main Lines of Action, Activity and Action).

99. The emphasis placed on *ex post* review and measurement of results is a cornerstone of the RBP process. The measurement of results achieved based on pre-established performance indicators and performance reporting are therefore critical steps in the RBP process, since this provides for the accountability of the Secretariat. Information on performance in year 2000 would need to be presented simultaneously with the draft 31 C/5 in order to provide a meaningful basis for review by the Member States of the proposed Programme and Budget for 2002-2003.

(→ RECOMMENDATION 13)

Preparation of regulations and rules for the RBP process

100. While the appropriation lines in the 1998-1999 budget were set at the Major Programme level, the budget for the biennium 2000-2001 has been appropriated at the Subprogramme level, resulting in 63 appropriation lines for the total budget of US\$544,367,250. The Inspectors believe that the Subprogrammes are not an appropriate level for appropriation

lines in the programme structure of UNESCO, since the appropriation of funds at such a low level might restrict the operational flexibility of the Secretariat for effectively achieving strategic objectives. Other Specialized Agencies of the United Nations system, which adopted similar results-based, strategic programming and budgeting approaches for the 2000-2001 biennium, have set the appropriation lines at higher levels. The World Health Assembly has approved only 11 appropriation sections for its budget totalling US\$ 922,654,000, which is much larger than the UNESCO budget. The Governing Body of ILO approved 5 appropriation lines for the budget amounting to US\$ 467,470,000

101. The External Auditor reported that so called “unplanned activities” compromised planning for the biennium 1996-1997: some urgent but unforeseen activities were implemented, resulting in non-implementation of some planned activities, while the budget and programming plan held the programme managers accountable by appropriation line with little flexibility to deviate from the plan.³³ The Inspectors were informed by the Secretariat that, during the 1998-1999 biennium, US\$ 18.7 million, or 8.6 per cent of the direct programme costs, was redeployed under the authority of the Director-General in order to fund “unplanned activities”. The decrease in resources initially allocated for planned activities had a major impact on their implementation, although, as confirmed by Secretariat officials, no specific reporting on the “unplanned activities” was made to the Executive Board.

102. Major advantages to be gained in the use of RBP are a greatly enhanced transparency, as well as accountability to Member States, for the full programming cycle (the planning, programming, budgeting, monitoring and evaluation cycle). In principle, the RBP approach helps avoid micro-management by Member States through encouraging an increasing focus on outcomes rather than inputs. Thus, the Director-General should be able to use resources with flexibility for optimizing the achievement of expected results, for which he is accountable to Member States. However, it will be difficult to achieve such transparency and accountability without significant improvement in UNESCO management practice, which in the past did not follow clear programming, budgeting, monitoring, and reporting principles. In order to fully benefit from the RBP process, specific regulations and rules need to be prepared for the operation of the process, including the role of legislative organs, so that Member States and the Secretariat will have an appropriate framework to guide the process and a standard against which to judge its operation.

(→ RECOMMENDATION 14)

Better balance between Headquarters and Field, and enhanced capacity to react to field level needs and changed situations

103. Although the RBP process is expected to help achieve a proper balance between Headquarters and the field in the preparation of the Programme and Budget and its implementation, there remains at this stage, at least, a strong upstream or Headquarters orientation in the process, which has been noted with concern by the field offices. They point out that, despite the emphasis on delegation of authority and flexibility in the RBP process to adapt to local needs reflecting changing situations, the current programme planning and implementation process through SISTER is even more rigid than in the past. Relatively senior level staff in field offices require approval from relatively junior level staff in Headquarters for making changes in programme planning and implementation of activities to adapt to changing local needs. This means that, in practice, RBP has led to a re-centralization of decision making for field activities.

(→ RECOMMENDATION 15)

Enhanced capacity of SISTER

104. Implementation of the RBP process requires an integrated management information system, which, inter alia, generates relevant performance information. For this purpose, the UNESCO Secretariat developed and deployed a new software programme called SISTER (System of Information on Strategies, Tasks and the Evaluation of Results). It has reportedly replaced a rigid legacy system called GIPO (Gestion informatisée du Programme Ordinaire) which focused on the identification of activities to be implemented and budgetary classifications in terms of objects of expenditures.

105. A most important feature of SISTER is its built-in results-orientation. SISTER encourages programme managers to programme and reprogramme activities in terms of expected results, and defines their clear responsibility for programme implementation and monitoring in terms of results. SISTER establishes a close link between programming and monitoring, and provides constantly updated qualitative and quantitative information on programme implementation. The proper implementation of SISTER requires continuous interaction and negotiation between upstream and downstream programme managers in the hierarchy of programme elements, which facilitates delegation of authority to those programme managers who perform the action and their corresponding accountability.

106. The introduction of the RBP process should lead to an in-depth transformation of the work habits of the Organization, involving the entire Secretariat on a highly participatory basis with an emphasis on “learning by doing”. The system is promising in that it could create a results-oriented management culture and could empower those performing actions through delegation of authority / decentralization coupled with increased accountability. It could also become an excellent team building tool, linking programme managers from different programme sectors and field offices, if properly used.

107. Although put into practice for the 2000-2001 biennium, the RBP process, coupled with SISTER, remains very much a “work in progress”, with further development required and changes expected as problems are encountered. A large number of the field offices do not have direct access to SISTER in the absence of reliable technological facilities. Its current user-interface does not seem to be sufficiently user-friendly for field offices. In addition, a number of field offices indicated their need for training in the use of SISTER. The Inspectors believe that these factors have a negative effect on the implementation of RBP and on gaining the universal acceptance and support for the new process that is required for it to be fully successful.

108. The effectiveness of SISTER, and its user friendliness, is seriously compromised by its dependence on the Organization’s outdated mainframe computer system. Fortunately, steps have been approved by the last General Conference³⁴ toward the installation of a new system which will support SISTER as a distinct sub-system, thus contributing to greatly enhancing the use of SISTER by programme managers.

109. The Secretariat intends to purchase SAP application packages for the above organization-wide management information system. For this purpose, consultations were carried out with other United Nations system organizations such as UNICEF, WFP, and ITU, which have already purchased SAP application packages. The Inspectors noted that the technical issues of data integrity and security of SISTER are not fully addressed. They also urge that the issue of maintaining an audit trail for the RBP process be fully taken into account in developing the new system. Furthermore, they would like to stress that an organization-wide IT strategy is a prerequisite for designing a sound management information system. In order to ensure the efficiency of such a system, it is critical for UNESCO to take into account the experience gained in the existing management information systems of other organizations.

(→ RECOMMENDATION 16)

New Office of Strategic Programme Planning, and Budget.

110. Under RBP, resource requirements are determined on the basis of expected results that are formulated within a logical framework, made up of such elements as goals, expected results (purposes), outputs and associated activities, and inputs. As a consequence, programme budget performance would be measured by achievement of expected results, as determined by performance indicators based on qualitative as well as quantitative assessments, rather than by expenditure levels. This requires a close association of the budgeting process and the programming, or strategic planning, process. In that respect, the Inspectors, while noting the intention of the Director-General to organize “central services” around several key functions which would include, inter alia, a Bureau for Strategic Planning and a Bureau of the Budget³⁵, recommend the merging of BPE and BB into a single Office of Strategic Programme Planning and Budget, which would report to the Director-General’s Office. Considering the history of conflict between the budgeting and programming units in UNESCO, the proposed merger could be an important factor in helping to foster the new management culture that is required for the Organization.

111. The new Office of Strategic Programme Planning and Budget should work in close coordination with the Bureau of the Comptroller (BOC), since its functions and those of BOC are interlinked and complement each other in ensuring sound management of financial resources. As a matter of fact, the inter-linkage between planning, programming, budgeting and financial controls could have also justified the establishment of a single Office consolidating BPE, BB and BOC, an approach which, in addition, would have been in line with the focus on streamlining without necessarily leading to a monolithic structure, or depriving the Director-General from exercising his overall strategic input in the decision-making process.

(→ RECOMMENDATION 17)

VI. INTERNAL AND EXTERNAL OVERSIGHT

112. UNESCO is in a critical transition period of change and reform, and a prerequisite for the proper management of change and reform is trust and confidence between the Member States and Secretariat, each of which should play its proper legislative and executive role. Strengthening oversight would be one important means for helping to rebuild that trust and confidence between Member States and Secretariat which is required for the Organization to fulfill its mandate.

113. The Executive Board, at its 157th session, endorsed the conclusions and recommendations contained in the JIU report on “More coherence for enhanced oversight in the United Nations system”³⁶. It indicated that the JIU recommendations concerning the conduct of internal oversight activities and reporting on such activities should be implemented, and invited the Director-General to submit a preliminary report on this policy for its 159th session, so that a decision could be taken at its 160th session. The recommendations in that previous JIU report, accordingly, have been adapted for application to UNESCO in this report, bearing in mind developments in other large specialized agencies such as ILO, WHO and FAO. (See the Annex on selected texts on internal oversight in the United Nations system)

114. As stressed in the above cited JIU report, effective oversight in United Nations system organizations requires a shared responsibility among (a) Member States; (b) senior management in the Secretariats, including their internal oversight officials; and (c) the external oversight mechanisms. For the oversight function to serve its purpose, all three partners have to fulfill their roles in this shared responsibility. In that regard, the situation in UNESCO points to a serious need for strengthened internal oversight and for improving the capacity of the Executive Board to play its role more effectively.

A. Internal oversight

115. Internal oversight in UNESCO is currently carried out by the Inspectorate-General (IOM), the Central Programme Evaluation Unit (CEU) and Programme Sectors. IOM is responsible for audit, inspection and investigation, and CEU for evaluations and the coordination of monitoring activities. CEU conducts thematic evaluations, and provides backstopping methodological assistance to the programme sectors for their internal and external evaluations. Programme sectors monitor implementation of their programme activities. IOM reports directly to the Director-General, while CEU reports to the Director of BPE. Internal oversight in the UNESCO Secretariat is marked by a number of negative factors.

A low level of senior management interest and support

116. Senior management has shown a low level of interest in and support for internal oversight. For example, IOM often received no indication from senior management regarding which recommendations had been approved, and there was no follow-up action on internal oversight recommendations. At times, IOM had been instructed not to pursue audits or investigations in the field. Another example, of which the Inspectors were informed, is that follow-up to evaluation is not systematically carried out, despite its importance for the planing and programming process.

Lack of effective communication among internal oversight units

117. The Inspectors were informed that there is little communication and coordination between those responsible for internal audit, inspection and investigation (IOM) and those responsible for evaluation (CEU) and monitoring. However, the Secretariat pointed out two instances of such communication: on CEU's initiative, IOM staff members were involved in the evaluation of UNESCO field offices in the Arab States, and in the evaluation of the Participation Programme. The programme sectors also indicated that, in the past, there was little communication between them and IOM. Nonetheless, it appears that, since April 2000, IOM has requested sectors to provide inputs in its work.

118. The lack of effective communication among the internal oversight units within the UNESCO Secretariat, coupled with the low level of interest of senior management in oversight, has led to uncoordinated oversight activities in UNESCO. Coordination among the internal oversight functions is important for (i) strengthening the linkages for exchanging and providing information on issues of common concern among mechanisms; (ii) encouraging mechanisms to take advantage of each other's work and prepare complementary analyses and recommendations; and (iii) preventing duplication and overlap of work.³⁷

119. To achieve such functional coordination, a consolidated internal oversight office seems to be the most appropriate option for UNESCO. A consolidated internal oversight office has several advantages, as discussed in detail in previous JIU reports:³⁸ independence, flexibility allowing for responsiveness, improved transparency, increased compliance, enhanced professionalism, economies of scale, visibility leading to stimulus to management improvement, and focused accountability. The Inspectors note that the Director-General has also reached the same conclusion and intends to establish a single Internal Oversight Service (IOS) which will incorporate IOM and BPE/CEU,³⁹ with responsibility for all the five elements of internal oversight.

Inadequate staffing and reduced resource level

120. During their mission to UNESCO Headquarters, the Inspectors were informed that two out of eight professional posts in IOM were vacant, and that an additional post was on loan to another office. The Director-General has since then appointed a Deputy Inspector-General, who has among his duties, the responsibility for investigation and inspection, and the two vacant posts have now been filled. An additional P-5 post responsible for auditing has also been transferred to IOM. As for CEU, its staffing is just one half that of IOM, and a post of senior evaluator has been frozen for two years. As a result, the Director had to assume added responsibilities for the sectors of Education and Natural Sciences which are the two major programme sectors in UNESCO.

121. While the resources allocated to IOM in the approved 29 C/5 for the 1998-1999 programme and budget (US\$ 2,260,200) were maintained at about the same level as in 1996-1997 (US\$ 2,255,200), those allocated in the approved 30 C/5 (US\$ 1,808,100) for 2000-2001 represent a decrease by 20 per cent. Currently, budget submissions do not provide identifiable resources allocated to CEU. The combined resources of these two oversight units need to be reviewed.

No systematic and regular reporting to legislative organs on internal oversight

122. While CEU is in charge of the elaboration of the Report of the Director-General on the activities of the Organization (document C/3), IOM has not prepared any report on its activities, for submission to the Executive Board or the General Conference. The JIU report on “*More coherence for enhanced oversight in the United Nations system*”, recommended that an annual summary report on internal oversight should be submitted to legislative organs, and this has now become a practice in other major United Nations organizations, but not yet in UNESCO (See Annex).

Strengthening internal oversight in UNESCO

123. In view of the above deficiencies, the strengthening of internal oversight in UNESCO should first be based on a clear recognition that, while accountable to the Director-General, the Inspector-General occupies a special position in the Organization which calls for prior consultations with members of the Executive Board before his/her appointment or dismissal by the Director-General. Such dismissal should only be for cause. In addition, irrespective of his/her grade-level, the incumbent should report directly to the Director-General, and should be granted the authority required for IOS to discharge its responsibilities in respect of all the human, financial and material resources of the Organization. The low level of interest in, and support for internal oversight, which has been mentioned above, might have been enough justification for appointing a new Inspector-General at Assistant Director-General level, so as to give more weight to the incumbent. The Inspectors note that, in document 159 EX/INF.7 submitted to the 159th session of the Executive Board, the Director-General has signalled his intention to have the new IOS headed by a “Principal Director”. They would like to suggest that, should this be the case, the Inspector-General should be nonetheless be invited to participate regularly at meetings of the Senior Management Group referred to in recommendation 1.

Operational independence

124. Another important factor in reinforcing internal oversight in UNESCO is to ensure that the Inspector-General exercises operational independence in the conduct of his/her duties, which should be carried out without any hindrance or need for prior clearance. In particular, when establishing the work programme of IOS within approved resources, the Inspector-General may not be prohibited from undertaking any action he or she deems appropriate within the purview of the mandate of IOS. In that respect, staff should be encouraged to communicate directly to IOS, on a confidential basis, complaints or information concerning alleged cases of fraud, waste, abuse of authority, or any other irregularity. It should be understood that staff would not be subject to any retaliation for such communications to IOS provided that, in doing so, they were not wilfully submitting information with the knowledge that it is false or with the intent to misinform. In the latter case, such action would constitute misconduct for which applicable disciplinary measures should be imposed.

125. When establishing the programme budget proposals, the Director-General should also take into account the need to ensure the operational independence of IOS. In that connection, resources for the functioning of the Service should be distinctly identified in the C/5 document, and the budget performance of the Service should be part of the annual summary report mentioned in paragraphs 131-132 below, and the Inspector-General should have delegated authority to manage approved resources (both human and financial) exclusively for the implementation of the programme of work of IOS, subject to overall policies and procedures of UNESCO.

Reporting procedures

126. Internal oversight activities usually result in reports being issued with related recommendations for corrective measures. Such reports are sent to the Executive head and to relevant management officials for action, with a copy to the External Auditor. The Inspectors note that, without contradicting the fact that the heads of their internal oversight units are solely accountable to their Executive heads, the three large Specialized Agencies besides UNESCO (ILO, WHO and FAO) have adopted provisions allowing that, at the request of the head of the internal oversight unit, any internal oversight report shall be submitted to the governing body (see Annex). UNESCO would be well served to apply the same policy, which would help rebuild the currently missing sense of trust and confidence between the Member States and the Secretariat.

127. Most internal oversight units also issue annual summary reports on their activities. Such reports should indicate issues addressed and accomplishments achieved, good practices identified, recommendations made and the status of action on them, and issues requiring action by the Director-General or by the legislative organs. Highlighting good practices would encourage more sharing, cooperation and use of lessons learned among different secretariat units in UNESCO.

128. As emphasized in the cited JIU report on oversight in the United Nations system⁴⁰, the issuance of such annual summary reports on internal oversight activities to the Executive Board would significantly assist Member States in fulfilling their important share of responsibility for oversight in UNESCO. In particular, such reports would assist Member States in determining how well and the extent to which the Director-General is making effective use of internal oversight in discharging his own management responsibilities.

(→ RECOMMENDATION 18)

Amendments to UNESCO Staff and Financial Regulations and Rules

129. In view of the special characteristics of the mandate and conditions of service of the Inspector-General, as well as the modalities of functioning of the Internal Oversight Services, necessary amendments should be made in the UNESCO Staff Regulations and Rules and the Financial Regulations and Rules. Such amendments should be submitted by the Director-General to the Executive Board and the General Conference for approval, as appropriate.

130. Two other issues should be noted for strengthening effective oversight in UNESCO. By developing with counterparts in other organizations opportunities for further networking, information sharing, and improving professional development, UNESCO could further strengthen the professionalism of its oversight officials, encourage more complementarity in their work, and enhance efficiency. Seeking more dialogue with key Secretariat units and representatives of Member States would also foster the sharing of responsibility for oversight, and assure more responsiveness by the Inspector General to the concerns of the other partners in the oversight process.

B. Oversight functions of legislative bodies

131. Member States need to play the leading role in the oversight process, because only they can judge whether UNESCO is meeting their objectives and ensure the introduction of necessary corrective actions regarding shortcomings identified. So far, they have had at their disposal the reports of the External Auditor and of the Joint Inspection Unit as external oversight bodies, and also internal evaluation reports. With approval of recommendation 18, they also would have annual summary reports on internal oversight activities on a regular basis and, exceptionally, internal oversight reports that the Inspector-General believes should be submitted to the Executive Board.

Improving the oversight capacity of the legislative organs

132. The different reports mentioned above will undoubtedly add to the workload of the governing bodies. To be able to provide the leadership, guidance and targeting required for the other oversight partners to be effective, Member States need to devote sufficient time and attention to reports submitted to them, and to decide definitively on recommendations where legislative action is called for. For this purpose, the Executive Board should be assisted by a single permanent subsidiary body that would advise subsidiary organs of the Board within their respective areas of competence, as well as the Board itself, on technical and policy aspects on oversight issues related to programme, budget, finance and administration.

133. The proposed advisory body on oversight matters should be composed of highly qualified experts acting in their personal capacity and chosen with due regard to the principle of equitable geographic distribution. The terms of reference of a such an organ would include for it to examine; (i) the annual summary reports on internal oversight activities as well as those exceptional individual internal oversight reports the Inspector-General believes should be submitted to the Executive Board; (ii) internal evaluation reports; (iii) reports of the External Auditor; (iv) reports of the JIU falling within its competence; and (v) the status of implementation of all oversight recommendations, for the purpose of making appropriate recommendations to the Executive Board / the General Conference.

(→ RECOMMENDATION 19)

134. The Inspectors note that the Executive Board, at its 159th session, decided to set up an ad hoc open-ended working group of the Special Committee, tasked to make specific recommendations, inter alia, on the structure of the Executive Board. Issues under consideration include the establishment of an audit committee as a permanent subsidiary organ of the Executive Board and the inclusion of the Group of Experts on Financial and Administrative Matters among the permanent subsidiary organs of the Board.

135. It is also worth recalling that, over the years, Member States were eager to find ways for streamlining the functions of the subsidiary organs of the Executive Board in order to maximize effectiveness and efficiency. For the implementation of the above recommendation 19, and subject to the outcome of the review made by the open-ended working group, the Inspectors would like to stress that setting up a new subsidiary organ to deal with oversight matters while maintaining the existing Group of Experts, would entail an additional burden for both Member States and the Secretariat. Furthermore, this would not help streamline the structure of the subsidiary organs of the Executive Board, and would lead to possible duplication of functions.

ANNEX: SELECTED TEXTS ON INTERNAL OVERSIGHT IN THE UNITED NATIONS SYSTEM

ORG.	APPOINTMENT / TERMINATION OF HEAD OF OVERSIGHT OFFICE	REPORTING ON INTERNAL OVERSIGHT ACTIVITIES	OPERATIONAL INDEPENDENCE
ILO	<ul style="list-style-type: none"> - “The position of Chief Internal Auditor shall be filled by the Director-General after consulting the Officers of the Governing Body.” [Staff Regulations Article 4.2] - “The Director-General shall consult the Officers of the Governing Body before terminating the appointment of the Chief Internal Auditor” [Staff Regulations Article 11.1] 	<ul style="list-style-type: none"> - “The Chief Internal Auditor shall prepare a report for the Governing Body on significant findings resulting from internal audit and investigation assignments undertaken in each year. The Director-General shall submit this report, together with any comments thereon he deems appropriate, to the first session of the Governing Body in the following year. Additional reports on significant internal audit and investigation findings may be similarly prepared by the Chief Internal Auditor and submitted to the Governing Body in the same manner, should he deem this to be necessary.” [Financial Rule 13.10 (b)] 	<ul style="list-style-type: none"> - “Without derogating from the control and audit responsibilities of the Treasurer and the Financial Services, the Chief Internal Auditor shall carry out such independent examinations and make such reports to the Director-General as he may consider necessary, or as the Director-General or the persons designated by him may specifically require, in order to ensure an effective internal audit in accordance with paragraph (d) of article 30 of the Financial Regulations.” [Financial Rule 13.10]
WHO	<ul style="list-style-type: none"> - “The Director-General shall appoint a technically qualified head of IAO (Office of Internal Audit and Oversight) after consultation with the Chairperson and other officers of the Executive Board. The Director-General shall likewise consult the officers of the Executive Board before any termination of the incumbent of that office.” [Financial Rule 117.3] 	<ul style="list-style-type: none"> - “IAO shall report the results of its work and make recommendations to the Regional Director, Executive Director, Director or other responsible manager for action, with a copy to the Director-General and the External Auditor. At the request of the head of IAO, any such report shall be submitted to the Executive Board, together with the Director-General’s comments thereon.” [Financial Rule 117.4 (d)] - “IAO shall submit a summary report annually to the Director-General with a copy to the External Auditor on IAO’s activities, including the orientation and scope of such activities. This report shall be submitted to the World Health Assembly together with comments deemed necessary.” [Financial Rule 117.4 (e)] 	<ul style="list-style-type: none"> - “The Chief IAO shall organize and direct a comprehensive programme of internal auditing, determine which operations and activities will be audited on the basis of generally accepted auditing criteria, and ensure IAO’s compliance with the acceptable internal auditing standards and code of ethics”. - “Staff members of IAO shall have full and free access to all records, property, personnel, operations and functions within the Organization relevant to the subject matter under review”. - “IAO is authorized to communicate directly with all staff, including all levels of Management, pursuant to the discharge of their responsibilities”. <p>[Information Circular IC/96/69]</p>
FAO	<ul style="list-style-type: none"> - “The Director-General shall appoint a technically qualified individual as Inspector-General after consultation with the Finance Committee of FAO. Likewise, the Director-General shall consult with the Finance Committee before the termination of the incumbent of that Office.” [Charter for the Office of the Inspector-General] 	<ul style="list-style-type: none"> - “The Office of the Inspector-General shall report the results of its work and make recommendations to management for action with a copy to the Director-General and the External Auditor. At the discretion of the Inspector-General, any such report may also be submitted to the Finance Committee together with the Director-General’s comments thereon and be made available to other interested Member States.” - “The Inspector-General shall submit a summary report annually to the Director-General with a copy to the External Auditor on the activities of the Office of the Inspector-General, including the orientation and scope of such activities as well as comments on the status of recommendations. This report shall be submitted to the Finance Committee together with any further comments deemed necessary, and be made available to other interested Member States.” <p>[Charter for the Office of the Inspector-General]</p>	<ul style="list-style-type: none"> - “The Office of the Inspector-General shall have the ability to allocate assigned resources, set frequencies, select subjects, determine scope of work and apply those techniques required to accomplish its objectives in accordance with a formal plan of work which has received the concurrence of the Director-General”. [Charter for the Office of the Inspector-General]

ANNEX: SELECTED TEXTS ON INTERNAL OVERSIGHT IN THE UNITED NATIONS SYSTEM

ORG.	APPOINTMENT / TERMINATION OF HEAD OF OVERSIGHT OFFICE	REPORTING ON INTERNAL OVERSIGHT ACTIVITIES	OPERATIONAL INDEPENDENCE
<p>UNITED NATIONS</p>	<p>- “(i) The Under-Secretary-General for Internal Oversight shall be an expert in the fields of accounting, auditing, financial analysis and investigation, management, law or public administration;</p> <p>- (ii) The Under-Secretary-General for Internal Oversight shall be appointed by the Secretary-General, following consultations with Member States, and approved by the General Assembly. For this purpose, the Secretary-General shall appoint the Under-Secretary-General for Internal Oversight Services with due regard for geographic totaion and in so doing shall be guided by the provisions of paragraph 3 (e) of General Assembly resolution 46/232 of 2 March 1992 whereby the Assembly decided, in particular, that, as a general rule, no national of a Member State should succeed a nation of that State in a senior pst and that there should be no monopoly on senior posts by nationls of any State or group of States;</p> <p>- (iii) The Under-Secretary-General for Internal Oversight shall serve for one fixed term of five years without the possibility of renewal;</p> <p>- (iv) The Under-Secretary-General for Internal Oversight may be removed by the Secretary-General only for cause and with the approval of the General Assembly;” *</p>	<p>- “(i) The Office for Internal Oversight Services shall submit to the Secretary-General reports that provide insight into the effective utilization and management of resources and the protection of assets; the Secretary-general shall ensure that all such reports are made available to the General Assembly as submitted by the Office, together with any separate comments the Secretary-General may deem appropriate;</p> <p>- (ii) The Office shall also submit to the Secretary-General for transmittal as received to the General Assembly, together with separate comments the Secretary-general deems appropriate, an annual analytical and summary report on its activities for the year;</p> <p>- (iii) The Board of Auditors and the Joint Inspection Unit shall be provided with copies of all final reports produced by the Office as well as the commitments to the Secretary-General on them, and shall provide the General Assembly with their comments as appropriate;” *</p> <p>- “The annual report shall include the following:</p> <p>(a) A description of significant problems, abuses and deficiencies relating to the administration of a programme or operation disclosed during the period;</p> <p>(b) A description of all final recommendations for corrective action made by the Office during the reporting period relative to the significant problems, abuses or deficiencies identified;</p> <p>(c) A description of all recommendations which were not approved by the Secretary-General, together with his reasons for not doing so;</p> <p>(d) An identification of each significant recommendation in previous reports on which corrective action has not been completed;</p> <p>(e) A description and explanation of the reasons for any significant revised management decision made during the reporting period;</p> <p>(f) Information concerning any significant recommendation in precious reports on which corrective action has not been completed;</p> <p>(g) A summary of any instance where information or assistance requested by the Office was refused;</p> <p>(h) Where applicable, the value of any cost savings or recovered amounts resulting from recommendations and corrective action.</p> <p>In addition, the Under-Secretary-General for Internal Oversight Services shall comment on the scope of his activities and the adequacy of resources for the purpose intended.” **</p> <p>- “The Board of Auditors and the Joint Inspection Unit shall be provided with copies of all final reports produced by the Office as well as the comments of the Secretary-general on these reports and shall be invited to provide the General Assembly with their comments as appropriate.” **</p>	<p>- “The Office of Internal Oversight Services shall exercise operational independence under the authority of the Secretary-General in the conduct of its duties and, in accordance with Article 97 of the Charter of the United Nations, have the authority to initiate, carry out and report on any action which it considers necessary to fulfil its responsibilities with regard to monitoring, internal audit, inspection, evaluation and investigations as set forth in the present resolution;” *</p> <p>- “The Office may accept requests for its services from the Secretary-General, but the Office may not be prohibited from carrying out any action within the purview of its mandate;” **</p> <p>- “In presenting to the General Assembly, in accordance with established regulations and rules, the programme budget proposals for the Office, the Secretary-General shall take into account the need to ensure its operational independence and the appropriation of resources for the effective functioning of the Office. To that effect, the Secretary-General shall ensure that the resources requested for the effective operation of the Office are included in the biennial proposed programme budget of the Organization and separately identified in a separate section of the programme budget, reflecting a separate and distinct programme in the medium-term plan;” **</p> <p>- “In keeping with the need for operational independence, the Under-Secretary-General shall, through appropriate arrangements of delegation of authority, exercise the degree of latitude and control over the personnel and resources of the Office, consistent with the Staff Regulations and Rules of the United Nations and the Financial Regulations and Rules of the United Nations, that is necessary to achieve the objectives of the Office;” **</p> <p>- With respect to the staff of the Office, the Under-Secretary-General for Internal Oversight Services shall have powers of appointment, promotion and termination similar to those delegated by the Secretary-General to the heads of programmes, funds or subsidiary organs enjoying special status in these matters. Contracts of staff appointed by the Under-Secretary-General shall be limited to service with the Office. Staff holding regular United Nations appointments who are selected to serve with the Office shall retain their current status and their acquired rights under the Staff Regulations and Rules of the United Nations.” **</p>

* General Assembly resolution 48/218B of 29 July 1994

** Secretary-General’s Bulletin on OIOS, ST/SGB/273 of 7 September 1994

NOTES

1. Report by the Director-General on the reform process (159 EX/5, 13 April 2000).
2. Ibid, para. 21.
3. Streamlining of the Services attached to the Director-General (DG/Note/99/3/KM, 15 November 1999).
4. Organization of the Executive Office of the Director-General (DG/Note/99/2/KM, 15 November 1999).
5. Report by the Director-General on the reform process. Internal Oversight (158 EX/INF.5, 24 November 1999).
6. Report by the Director-General on the reform process. Personnel policy (159 EX/5 Add. , 28 April 2000, para.4).
7. Resolution 70 of 15 November 1999, Staff Regulations and Staff Rules.
8. Authority was delegated (and has since been restored) as follows : for posts of Directors and above, appointments were made by the Director-General; for P4 and P5, by the Deputy Director-General; for P1, P2 and P3, by the Assistant Director-General for Management and Administration; for General Service posts at Headquarters, by the Director of OHRM and for General Service posts in the field by the head of the office.
9. Annual Report by the Director-General on the Use of Outside Consultants and Advisers by the Secretariat, 159 EX/26.
10. Report of the External Auditor on the Accounts of UNESCO for the 1996-1997 Biennium 155 EX/27, Annex.
11. Annual Report by the Director-General on the use of outside consultants and advisers by the Secretariat, op cit.
12. Ibid.
13. Report by the Director-General on the reform process, 159 EX/5 para. 41.
14. Geographical distribution of the staff (157 EX/25).
15. Comparison of methods of calculating equitable geographical distribution within the United Nations Common system (JIU/REP/96/7).
16. Implementation of personnel policy (157 EX/24)
17. Ibid.
18. Report by the Director-General on the reform process. Personnel policy.159 EX/5 Add.
19. General Conference Resolution 84 of 15 November 1999 on New Management and Monitoring instruments.
20. Administrative Circular 2101 of 28 March 2000.
21. Statement by the Director-General to the Executive Board, 158 EX/INF.5, 19 November 1999.

22. Report by the Director-General on the reform process, 159 EX/5 of 13 April 2000, para.26.
23. In depth-study on decentralization, 136 EX/SP/RAP/1, 12 April 1991.
24. Decentralization of Organizations within the UN system(JIU/REP/92/6); UNESCO-Improvements in Management Practices (GAO/NSIAD-93-159) and UNESCO-Status of Improvements in Management, Personnel, Financial, and Budgeting Practices(GAO/NSIAD-92-172.
25. General Conference Resolution 83 of 15 November 1999, Draft Guidelines for the rational implementation of Decentralization.
26. Report of the Director-General on Draft Guidelines for the Rational Implementation of Decentralization. 155 EX/19, 17 September 1998.
27. Report by the Director-General on the reform process 159 EX/5, para. 68.
28. Strengthening field representation of the United Nations system JIU/REP/97/1(154 EX/36, March 1998), Recommendation 1.
29. Proposal on the evaluation criteria by which field offices will be assessed. 159 EX/17, 13 April 2000.
30. 30 C/ Resolution 83 , Draft Guidelines for the rational implementation of Decentralization, adopted on 15 November 1999 by the General Conference.
31. Strengthening Field Representation of the United Nations System , op. cit.
32. Decision 154 EX/Dec.7.9.2.
33. Financial Report and Audited Financial Statements of UNESCO for the Period end 31 December 1997 and Report by the External Auditor, 155 EX/27 Add. Annex I, para. 5.
34. 30 C/Resolution 84: New Management and Monitoring Instruments.
35. Report by the Director-General on the reform process, op.cit., paras. 25 and 50.
36. “More coherence for enhanced oversight in the United Nations system” (JIU/REP/98/2).
37. Ibid, para. 44.
38. “Accountability and Oversight in the United Nations Secretariat” (JIU/REP/93/5), paras 153-164, and “More coherence for enhanced oversight in the United Nations system” (JIU/REP/98/2), para. 47-53.
39. Report by the Director-General on the reform process, 159 EX/5, para. 62, and Report by the Director-General on the reform process - Internal oversight, 159 EX/INF.7, para. 24.
40. “More coherence for enhanced oversight in the United Nations system”, op. cit.