REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE INTERNATIONAL TELECOMMUNICATION UNION (ITU)

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CONTENTS

ACRONYMS

APP	Additional Plenipotentiary Conference
BDT	Telecommunication Development Bureau
BR	Radiocommunication Bureau
CCIF	International Telephone Consultative Committee
CCIR	International Radio Consultative Committee
CCIT	International Telegraph Consultative Committee
CCITT	International Telegraph and Telephone Consultative Committee
CoCo	Coordination Committee
ECOSOC	Economic and Social Council
FAO	Food and Agriculture Organization of the United Nations
GS	General Secretariat
HLC	High Level Committee
HRD	Human Resources Development Division
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
IFAD	International Fund for Agricultural Development
IFRB	International Frequency Registration Board
ILO	International Labour Office
IS	Information Services Department
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
ITU-D	Telecommunication Development Sector
ITU-R	Radiocommunication Sector
ITU-T	Telecommunication Standardization Sector
JIU	Joint Inspection Unit
OHCHR	Office of the High Commissioner for Human Rights
PP	Plenipotentiary Conference
PSC	Policy and Strategy Committee
RA	Radiocommunication Assembly
RBB	Results-based budgeting
RRB	Radio Regulations Board
SPU	Strategic Planning Unit
TCD	Technical Cooperation Department
TIES	Telecom Information Exchange Services
TSB	Telecommunication Standardization Bureau
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNOG	United Nations Office at Geneva
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNU	United Nations University
UPU	Universal Postal Union
WFP	World Food Programme
WGR	Working Group on Reform
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WRC	World Radiocommunication Conference
WTDC	World Telecommunication Development Conference
WTSA	World Telecommunication Standardization Assembly

EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

OBJECTIVE:
To identify areas for improvement in the management and administration practices in ITU within the framework of ongoing reform processes.

GOVERNANCE OF THE UNION (Chapter III)

A.   Against a background of fast-paced technological and systemic change in the telecommunication industry, the present four-year interval between meetings of the Plenipotentiary Conference, the supreme organ of the Union, is an impediment to effective decision-making, the more so since the Council, which governs in the interim, has certain limitations on its powers. Most importantly, only the Plenipotentiary Conference can adopt amendments to the Constitution and the Convention of the Union. The four-year periodicity of the Plenipotentiary Conference is out of step with the large majority of the other organizations of the United Nations system, which convene their supreme legislative bodies either annually or biennially. Furthermore, the Plenipotentiary Conference, meeting only once every four years and then only for four weeks, has a heavy workload related to the substantive issues confronting the Union, but spends an inordinate amount of time on elections at the expense of its main purposes (paras. 27-29).

Recommendation 1

The legislative organs may wish to decide that:

a)   **The Plenipotentiary Conference should be convened every two years, for a period of not more than three weeks.**

b)   **The election of Member States of Council, members of the Radio Regulations Board, and the Secretary-General should continue to take place at the Plenipotentiary Conference every four years, but on prescribed date(s) within the first week of the Conference.**

B.   The Council should continue with its present mandate, and its present composition, periodicity and duration. However, current arrangements in respect of the composition and timeframe for the meetings of the Standing Committee on Finance and the Standing Committee on Staff Matters, and the availability of pertinent documentation, do not permit the Council to exercise its oversight responsibilities fully and comprehensively. In addition, the exclusion of Sector Members from the deliberations of the Council and its two Standing Committees, even as observers, is detrimental to the purposes of the Union, as well as to its efficient functioning. Based on the experience of other organizations in the United Nations system, a single committee dealing with financial and administrative matters represents good practice in respect of the oversight function, ensuring a coherent and coordinated approach (paras. 32-36).

Recommendation 2

The legislative organs may wish to decide that:

a)   **The current standing committees of the Council should be merged into a single financial and administrative committee composed of between 10 and 15 Member States of Council representing the five geographical regions and chosen so as to ensure overall expertise in financial and administrative matters. The committee should meet for approximately one week immediately prior to Council and submit its report(s) to Council.**

b)   **Representatives of Sector Members and/or the Chairmen of the sectoral Advisory Groups should have the right to convey their views on administration and management issues to the proposed committee, which should set aside part of its session for that purpose.**

c)   **Observers from Member States should be able to address the meetings of Council under agreed procedures, and representatives of Sector Members and/or the Chairmen of the sectoral Advisory Groups should also have the right to attend Council as observers and address the meetings under agreed procedures.**

C.   There may be efficiency gains from convening the World Radiocommunication Conference and the Radio Assembly together in the same place and time, as foreseen in the Constitution, as well as from establishing a more regular scheduling and sequencing of all the sectoral assemblies and conferences. These efficiency gains should offset, to some extent, the additional costs arising from the move to two-yearly Plenipotentiary Conferences (paras. 38-41).

Recommendation 3

The legislative organs may wish to decide that:

a)   **the World Radiocommunication Conference (WRC) and the Radio Assembly (RA) should be convened in the same place and timeframe, every four years with the option to convene an additional meeting should the need arise.**

b)   **The World Telecommunication Standardization Assembly (WTSA) should be convened on the same four-year cycle as the WRC/RA, with the meetings of the WRC/RA and WTSA taking place consecutively before the Plenipotentiary Conference (scheduled for 2004 as recommended in this report) and providing inputs to that Conference. The World Telecommunication Development Conference (WTDC) should adopt an alternating four-year cycle and be convened prior to the following Plenipotentiary Conference (scheduled for 2006) and provide inputs to that Conference. The alternating four-yearly cycles would then be repeated.**

EXECUTIVE MANAGEMENT (Chapter IV)

D.   The practice of electing the five high-level officials of the Union, which is unique among the organizations of the United Nations system, is largely a reflection of historical factors, but cannot be justified in terms of management and administration best practice. It would appear that the intent of the Constitution and the Convention is to give the ultimate responsibility and accountability for decision-making in the secretariat to the Secretary-General. However, subtle ambiguities in the language of the Constitution and the Convention cloud the intent, as do certain provisions, particularly those related to the decision-making process in the Coordination Committee, which appears to preclude a true unitary structure. But the secretariat of the Union does not have a true federal structure either, since the Bureaux of the Sectors do not have full control over their budgets. This fundamental dichotomy lies at the centre of the managerial inertia which can be observed at the highest levels of management in the Union, and which appears to affect, in varying degrees, all levels of management and administration in the secretariat (paras. 43-52 and 58-63).

Recommendation 4

The legislative organs may wish to decide:

a)   **to move towards a unitary management structure, electing only one official – the Secretary-General – as the executive head of the organization for a four-year term, renewable once, with the election taking place in the first week of the Plenipotentiary Conference.**

b)   **that the Secretary-General should appoint the Deputy Secretary-General and the Directors of the Bureaux at the Plenipotentiary Conference after a process of consultation with the Member States. These appointments should be for a four-year renewable term. The Directors of the Bureaux should be renamed as Assistant Secretary-General/Director of the Bureau.**

c)   **that in the election of the Secretary-General and the appointments of the Deputy Secretary-General and the three Assistant Secretaries-General, due regard should be given to equitable geographical distribution and reasonable rotation.**

Recommendation 5

The legislative organs may wish to replace the Coordination Committee with a new high-level management committee with constitutional status, composed of the Secretary-General, the Deputy Secretary-General, the Assistant Secretaries-General/Directors of the Bureaux, the Deputy Directors of the Bureaux and the Chiefs of Strategic Planning, Finance and Personnel Departments.

E.   There is provision in the Constitution and the Convention for limited delegation of authority by the Secretary-General for the management of the resources of the Union, and delegation of authority can be discerned in some instances. However, it appears that delegation often amounts to no more than delegation of signature and that this inhibits the efficiency of senior management in the secretariat. There is, moreover, no comprehensive framework or single formal instrument, such as a Service Order, specifying the authorities delegated by the Secretary-General to other officials of the secretariat (paras. 53-57 and 64).

Recommendation 6

The Secretary-General should finalize a draft comprehensive framework document on delegation of authority, taking into account the work already done by the Working Group on the delegation of authority in administrative and financial matters. The comprehensive framework should be submitted to the Council for approval.

STRATEGIC, FINANCIAL AND OPERATIONAL PLANNING (Chapter V)

F.   The progressive introduction of long-term strategic planning and short-term operational planning since the mid-1990s has been of positive benefit to the Union as it strives to fulfil its mandates against a background of increasing demand for its services and shrinking resources. Linking strategic and operational planning with financial planning and budgeting is an essential part of an integrated planning process which aims to bring efficiency gains to all the activities of the Union, whether substantive activities of the Sectors or support services of the General Secretariat. Planning is more advanced in the Bureaux than in the General Secretariat, and fragmentation is evident, notably in the operational plans of the General Secretariat. The overall planning process lacks coherence and cohesion, and reporting procedures are not yet satisfactory, although further refinements are envisaged, particularly in the area of results-based budgeting and performance indicators (paras. 65-69, 74-77 and 88-100).

Recommendation 7

The Secretary-General should:

a)   **present a more streamlined strategic plan for the Union and include an assessment of its financial implications. As provided for in the Convention, there should be an annual progress report to the Council with recommendations for adjustments to the strategic plan in response to changes in the telecommunications environment.**

b)   **prepare operational plans sufficiently in advance of the target period in order to have an impact on the efficiency of programme delivery. The Sectors and the General Secretariat should work towards a more harmonized structure and format derived from an agreed interpretation of the elements identified in Resolution 72. Further development of key performance indicators based, to the extent possible, on measurable units is a necessary requirement to provide linkages with results-based budgeting, as well as improved monitoring and accountability. There should also be reporting to Council on the implementation of the operational plans.**

c)   **progressively refine the results-based approach to budgeting, with an emphasis on the development of meaningful and measurable performance indicators. This will require close cooperation between the Finance Department on the one hand, and the Bureaux and the other units of the General Secretariat on the other, in order to develop a consistent approach to facilitate monitoring and evaluation. A programme budget evaluation report should be developed for eventual presentation to Council.**

Recommendation 8

To improve the cohesion of the overall planning process, the legislative organs may decide to realign the strategic plan and the financial plan on a four-year cycle which, in turn, should be aligned with operational plans and the budget on a two-year cycle.

G.   The Union prepares its budgets under strict financial constraints which are applied on both the expenditure side of the budget (ceiling on expenditure) and the income side of the budget (ceiling on the amount of the contributory unit). Using an expenditure ceiling as a means of budgetary control has created significant operational problems, and has constrained the activities of the Union in ways which were probably not intended by the Plenipotentiary Conference (paras. 78-84). The recommendation below offers two options.

Recommendation 9

a)   **In view of its inherent problems, the legislative organs may wish to abolish the ceiling on expenditure. Budgetary constraint should continue to be exercised through the ceiling on the amount of the contributory unit.**

b)   **In the event that the legislative organs choose to retain the ceiling on expenditure, the gains/losses from exchange rate fluctuations should be paid into/withdrawn from the Reserve Account up to a limit to be set by Council when adopting the budget. In addition, the Secretary-General should be given flexibility to increase the budget for activities under cost recovery, within specified limits, so that revenues will accrue to the activities that generated them.**

H.   The financial base of the Union could be improved by higher contributions from Sector Members, but this is not happening, in part because there is a perception by Sector Members that their contributions do not accrue to the Sectors of which they are members. In general, this perception appears to be unfounded. Nevertheless, there is a tendency for Sector Members to reduce their contributory units to the minimum allowable and compensate with voluntary contributions (para. 85-87).

Recommendation 10

The Secretary-General should take steps to ensure that the budgetary process is more transparent, particularly in respect of the reallocation of the costs of the services of the General Secretariat to the Sectors.

HUMAN RESOURCES MANAGEMENT (Chapter VI)

I.   The Union follows the United Nations common system in the area of human resources management, but falls short of its practices in several respects:

i)   The staff regulations of the Union provide for an inordinate amount of detail related to the administration of the staff which limits the authority of the Secretary-General and encourages micromanagement by the Council. This situation is detrimental to the efficiency of management and administration of the staff (paras. 103-104).

ii)   The geographical distribution and gender balance of the professional staff is unsatisfactory, and there is no systematic approach to meeting the policy objectives in this regard (paras. 105-108).

iii)   Inconsistencies in recruitment policies, a high vacancy rate, the prevalence of short-term contracts and limited opportunities for mobility may adversely affect the efficiency of programme delivery and staff morale (paras. 109-110).

Recommendation 11

The Secretary-General should:

a) **undertake a review of the Staff Regulations and Staff Rules, as well as the staff administrative procedures, with a view to streamlining them. A more appropriate balance should be sought between the broad regulations encompassing the essential principles of personnel policy and the detailed rules which the Secretary-General is authorized to promulgate. The review, with appropriate proposals, should be submitted to the Council for its consideration and approval.**

b) **also submit to the Council a plan of action and proposed procedures aimed at improving the geographical and gender representation in the professional and higher categories of the staff of the Union.**

c) **review policy and practices in respect of recruitment, vacancy management and staff contracts and report to the Council on how the current situation impacts on programme delivery.**

CENTRALIZED SUPPORT SERVICES OF THE GENERAL SECRETARIAT (Chapter VII)

J.   For the most part, the Union enjoys high quality and efficient conference services and common services, the departments concerned running complex operations against a background of tight budget constraints. As is often the case in the provision of such centralized support services, there is some blurring of responsibility, both between the departments within the General Secretariat, and between these departments and the Bureaux, relating in particular to printing and distribution of documents, editing and publications. This has given rise to problems of quality control and questions of accountability. It is difficult, however, to ascertain the overall impact of these problems on the efficiency of service delivery (paras. 118-123).

Recommendation 12

The Secretary-General should review the present distribution of tasks related to documentation and publications among the concerned departments of the General Secretariat and the Bureaux, identify situations which give rise to problems of quality control, and clarify the assignment of responsibilities and accountability.

K.   Pressing project requirements in information and communication technology for the 2002-2003 biennium go well beyond the scope of the normal regular budget of the Information Services Department (IS). Two of these projects, namely, the replacement of the local area network and a new backup and archives system, are considered urgent. If they cannot be implemented through lack of funding, the integrity of the Union's information systems remains at risk (paras. 125-126).

Recommendation 13

The legislative organs may wish to approve special funding for the most urgent of the information technology projects that are not covered by the regular budget of the Information Services Department, for their prompt implementation.

L.   Partly for historical reasons, there is fragmentation in software development for the Sectors, with some highly specialized systems being developed in-house by the Bureaux concerned, and others developed on their behalf by the IS Department. This situation is far from ideal but, given the financial constraints on the latter department, it is likely to prevail. However, systems development for administration and management functions should be centralized in the IS Department (paras. 127-130).

Recommendation 14

The Secretary-General should ensure the development of a cost-effective, integrated information system for administration and management, including finance, procurement and personnel, with the responsibility for the development and implementation of the system vested in the Information Services Department.

OVERSIGHT MECHANISMS (Chapter VIII)

M.   There is still some residual resistance to the internal audit function in the secretariat, which may account for some of the delays in implementing the recommendations of the Internal Auditor. Compared with other organizations of the United Nations system, the internal audit function is undergraded and understaffed. One result is that the investigations mandate in the Internal Audit Charter is not being fulfilled. The internal audit function also lacks a necessary degree of independence from the Secretary-General, particularly in respect of current reporting arrangements. In the context of shared responsibility for oversight, the proposed committee for financial and administrative matters would strengthen the oversight function of Member States (paras. 133-138 and 142).

Recommendation 15

The legislative organs may wish to decide:

a)   **That a consolidated annual report of the activities of the Internal Auditor should be transmitted to the Member States of Council through the Secretary-General, with or without the comments of the latter.**

b)   **To strengthen the internal audit function, initially by upgrading the Internal Audit post, adding another professional post and extending the General Service post to full-time.**

Recommendation 16

The Secretary-General should conduct a risk profile of the Union to determine the need for access to a professional investigations capability.

I. INTRODUCTION

1. The International Telecommunication Union (ITU) can trace its origins to 1865 and the signing of the International Telegraph Convention in Paris by 20 European countries. As telecommunications developed in subsequent years, so the structure of the organization changed, and in 1947 it became a specialized agency of the United Nations and part of its common system. The present-day organizational structure of the ITU, which may be described as "federal", in part reflects historical developments.

2. In terms of its governance structure, the ITU is an intergovernmental organization in which government administrations (Member States – currently 189) and non-governmental organizations and entities, essentially from the private sector, (Sector Members – currently over 650) cooperate, but with different rights and obligations. Another unique feature is that most of the substantive work of the Union is produced by the Member States and Sector Members themselves from joint work in study groups and working groups. The Union is a facilitator in that it provides the services for the meetings that produce these outputs.

3. In recent years the telecommunication industry has been characterized by fast-paced and accelerating change. This change has been driven by technological innovation, most notably arising from the convergence of telecommunications and information technology, which has resulted in an explosion of new products and services. It has been accompanied by systemic change in the industry which is progressively seeing liberalization and privatization in the provision of telecommunication services, with a shift from public sector monopolies to a competitive private sector overseen by quasi-autonomous regulators. From a global perspective, this progress is as yet very uneven. However, many developing countries are undergoing liberalization and privatization, and are beginning to gain the benefits of the new technologies.

4. The rapid changes have brought new challenges to the ITU, and a growing determination on the part of Member States and Sector Members to institute reforms to ensure that the Union remains effective, efficient and relevant. The current reform movement began at the Nice Plenipotentiary Conference in 1989 with Resolution 55 which resolved to establish a High Level Committee (HLC) with the mandate "to carry out an in-depth review of the structure and functioning of the Union…".[1] In April 1991 the HLC submitted a report containing 96 recommendations for changes to the structure,

functions, working methods and management of the Union, which were adopted at the 1991 Council.[2] An Additional Plenipotentiary Conference (APP) was convened in 1992 to revise the Constitution and the Convention of the Union in line with the HLC recommendations, thereby establishing the current structure of ITU.

5. There were further reform initiatives at the Kyoto Plenipotentiary Conference in 1994 with respect to the rights and obligations of Sector Members (Resolution 15), as well as the strengthening of the financial base of the Union (Resolution 39).[3] This led to the establishment by the Council in 1996 of the ITU-2000 Group with a mandate to prepare a report and recommendations on these issues including consequential changes to the structure of the Union, and to draft related changes to the Constitution and the Convention.[4]

6. Some of the recommendations of the ITU-2000 Group were implemented by the Council and those that required amendments to the Constitution and the Convention were forwarded to the 1998 Minneapolis Plenipotentiary Conference, where many of the amendments were adopted. At the same Conference, however, there was renewed impetus to the reform movement with the adoption of Resolution 74, which instructed Directors of the Bureaux to seek advice "on the further changes for improving the organization and working methods of their respective Sectors that are necessary…", and instructed the Secretary-General to carry out a similar exercise with regard to the General Secretariat and in particular "on the strengthening of the financial base of the Union and the management of human resources…".[5] The financial base of the Union was further addressed in Resolution 90 (Minneapolis 1998) which instructed the Council to review the contribution of Sector Members towards defraying the expenses of the Union.[6]

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[1] "Review of the structure and functioning of the International Telecommunication Union", Resolution 55 (Nice, 1989).

[2] "Tomorrow's ITU: the Challenge of Change", Report of the High Level Committee to review the structure and functioning of the International Telecommunication Union (ITU), Geneva, April 1991.

[3] "Review of the rights and obligations of all Members of the Sectors of the Union", Resolution 15 (Kyoto, 1994), and "Strengthening the financial base of the International Telecommunication Union", Resolution 39, (Kyoto, 1994).

[4] "Establishment of a working group", Decision 471 (Council 1996), C96/132-E, 28 June 1996.

[5] "Review and improvement of the management, functioning and structure of the International Telecommunication Union", Resolution 74 (Minneapolis, 1998).

[6] "Review of the contribution of Sector Members towards defraying the expenses of the International Telecommunication Union", Resolution 90 (Minneapolis, 1998).

7. Resolution 74 also invited the ITU Council "to establish an open working group of Member States and Sector Members to review the management, functioning and structure of the Union as well as the rights and obligations of Member States and Sector Members…". The Working Group on Reform (WGR) was established by Council at its 1999 session,[7] and, at the time of writing, it had met in three sessions, with a fourth scheduled for April 2001, to be followed by a report to the 2001 session of Council.

8. It was suggested by the Secretary-General that the Joint Inspection Unit (JIU) should undertake an independent study of the management and administration of the Union, which is the subject of the present report.[8] Similar studies have recently been carried out by the Unit on the International Labour Office (ILO),[9] the United Nations Educational, Scientific and Cultural Organization (UNESCO)[10] and, nearing completion, the World Health Organization (WHO). The Statute of the JIU mandates the Inspectors to "provide an independent view through inspection and evaluation aimed at improving management and methods…". Further, the "Unit shall satisfy itself that the activities undertaken by the organizations are carried out in the most economical manner…".[11] This report focuses on the efficiency and effectiveness of the General Secretariat and the Bureaux in carrying out the tasks entrusted to them, in the context of the "federal" structure of the Union.

9. Considering the above, and taking into account the wide scope and the nature of the reform process in the ITU, including the technical nature of certain aspects of reform, this report does not address topics such as the proposed new entity for standardization, the backlog of satellite filings, or the possibility of merging the radiocommunication and standardization activities in one Sector. Neither does it review the role of the regional offices of ITU since this was the subject of a JIU report issued in 1994.[12]

10. To gain insights into the structure and working methods of the Union, the Inspectors attended the following meetings in 2000: the ITU Council in Geneva; the World Telecommunication Standardization Assembly in Montreal; the Annual Meeting for Telecommunication Development in the Arab States, and the Arab States Regional Preparatory Meeting for the World Telecommunication Development Conference in Alexandria. A representative of the Unit also attended the Third Meeting of the Working Group on Reform in Geneva.

11. The Unit gathered on-line much of the extensive documentation required for the report, using the ITU Telecom Information Exchange Services (TIES), which offered quick and efficient access. The secretariat of ITU provided additional documents as necessary. The Inspectors also conducted a series of interviews with the elected officials of the Union and staff members, both in the Bureaux and the General Secretariat, as well as with representatives of Member States and Sector Members.

12. In the preparation of this report the Inspectors have sought to benchmark best practice in other organizations of the United Nations system, but they have been mindful of the fact, often emphasized during interviews, that the structure of ITU is unique among the organizations of the common system.

13. The Inspectors wish to express their appreciation to all those who cooperated with them in the preparation of this report, particularly those who participated in the interviews and so willingly shared their knowledge and expertise.

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[7] "Working group on ITU reform", Resolution 1132 (Council, 1999), C99/93-E, 22 June 1999.

[8] Letter dated 28 April 2000, with attachments, from the Secretary-General, ITU, to the Chairperson, JIU, requesting that the JIU undertake a study on "improvement of the management and functioning of the ITU"; letter of acceptance dated 19 May 2000 from the Chairman, JIU.

[9] "Review of management and administration in the International Labour Office", Joint Inspection Unit, JIU/REP/99/4, Geneva, 1999.

[10] "Review of management and administration in the United Nations Educational, Scientific and Cultural Organization (UNESCO)", Joint Inspection Unit, JIU/REP/2000/4, Geneva, 2000.

[11] "Statute", Joint Inspection Unit, United Nations, Geneva, 1978, JIU/1, Article 5, paras. 2 and 3.

[12] "Regional presence of the International Telecommunication Union", Joint Inspection Unit, JIU/REP/94/2, Geneva, 1994.

II.   STRUCTURE OF THE UNION

14.   The Inspectors recognize that some of the management and administration problems that are reviewed in subsequent chapters of this report arise, at least in part, from the structure of the Union, which is commonly described as "unique" among the organizations of the United Nations system. While wishing to minimize the descriptive content of the report, they believe that it is necessary to outline this structure to provide a foundation for the analysis which follows.

15.   The supreme governance organ of the Union, the Plenipotentiary Conference (PP), is composed of delegations representing Member States. The frequency and duration of the PP have been continually reduced during the history of the Union. At the 1992 Additional Plenipotentiary Conference, it was decided that the PP would be convened regularly every four years instead of intermittently as in the past, and this has been the case since 1994. In the intervening period the Council acts as the governing body on behalf of the PP and within the limits delegated to it by the latter. Member States of the Council are elected by the PP with due regard to equitable geographical distribution among all regions of the world.

16.   The instruments of the Union are the Constitution, the Convention and the Administrative Regulations. The Constitution is the basic instrument and its provisions are complemented by the Convention. The provisions of the Constitution and the Convention are further complemented by the Administrative Regulations (i.e., the International Telecommunication Regulations and the Radio Regulations) which are binding on Member States.[13]

17.   The organizational structure comprises three distinct "vertical" Sectors which largely govern their own areas of responsibility: the Radiocommunication Sector (ITU-R), the Telecommunication Standardization Sector (ITU-T), and the Telecommunication Development Sector (ITU-D). The respective sectoral governing bodies are the World Radiocommunication Conference (WRC), the World Telecommunication Standardization Assembly (WTSA), and the World Tele-communication Development Conference (WTDC). Treaties such as the Radio Regulations are the responsibility of the WRC not the PP. The three Sectors, together with the General Secretariat, comprise the "federal" structure of the Union. Each of the Sectors is assisted by a Bureau headed by an elected Director: the Radiocommunication Bureau (BR), the Telecommunication Standardization Bureau (TSB), and the Telecommunication Development Bureau (BDT). The functions of the Directors of the Bureaux are specified in some detail in the Convention.[14]

18.   In spite of significant differences between the kinds of activities undertaken in the three Sectors and their working methods, all three have similar internal structures. Sectoral governance is provided through periodic conferences and/or assemblies. Sectoral work programmes are carried out by representatives of Member States and Sector Members. And Sector activities are organized and coordinated by the Director of the Bureau of the Sector, on the basis of advice from a sectoral Advisory Group open to representatives of Member States and Sector Members.

19.   The Plenipotentiary Conference, the Council and the three Sectors are supported by the General Secretariat (GS). The GS is directed by the Secretary-General, assisted by the Deputy Secretary-General and supported by a Legal Affairs Unit and the Internal Auditor. However, the Secretary-General is the legal representative of the Union. The main departments of the GS provide centralized administrative services (strategic planning, finance and personnel) and centralized support services (conference services, common services and information system services). While the largest part of the work of the GS is in these support functions, it also provides some products and services directly to Member States, Sector Members and the international community, including organization of the World Telecommunication Policy Forum. The General Secretariat also encompasses the secretariat of TELECOM.

20.   The Constitution and the Convention provide for a Coordination Committee (CoCo), comprising the five elected officials, and presided over by the Secretary-General, which "shall act as an internal management team".[15]

21.   The ITU is unusual among the organizations of the United Nations system in having five elected officials: the Secretary-General, the Deputy Secretary-General and the Directors of each of the three Bureaux. These high-level officials are elected by the Plenipotentiary Conference, and each is eligible to serve two four-year terms in the same function. The reasons for this situation appear to be largely historical, reflecting the coming together,

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[13] Constitution of the International Telecommunication Union (Constitution), Chapter I, Article 4, Nos. 29-31.

[14] Convention of the International Telecommunication Union (Convention), Chapter I, Article 12, Nos. 161-183, Article 15, Nos.198-207 and Article 18, Nos. 216-226.

[15] Constitution, Chapter V, Article 26, No. 149.

under the umbrella of the Union, of previously autonomous bodies, and a process of constitutional evolution. Landmark dates include:

- The 1932 Madrid Plenipotentiary Conference which merged the International Telegraph Convention and the International Radiotelegraph Convention into the International Telecommunication Convention. It also brought three previously independent structures – the International Telephone Consultative Committee (CCIF), the International Telegraph Consultative Committee (CCIT) and the International Radio Consultative Committee (CCIR) – under the umbrella of the newly created International Telecommunication Union.

- The 1947 Atlantic City Plenipotentiary Conference which created the Administrative Council, as well as the International Frequency Registration Board (IFRB). The ITU also became a specialized agency of the United Nations and assumed the rights and obligations conferred by membership of the United Nations common system.

- The 1952 Buenos Aires Plenipotentiary Conference which marked the beginning of ITU activities to provide technical cooperation assistance to developing countries. Until 1989, this responsibility was managed by a Technical Cooperation Department (TCD) which reported to the Secretary-General.

- The 1956 merging of the CCIF and CCIT to form the International Telegraph and Telephone Consultative Committee (CCITT).

- The first world telecommunication exhibition and forum (TELECOM) in 1971, held in Geneva.

- The 1989 Nice Plenipotentiary Conference which set up the High Level Committee, and separated the basic instruments into a Constitution and a Convention. It also converted the TCD into the Bureau for Tele-communication Development, although still reporting to the Secretary-General.

- The 1992 Additional Plenipotentiary Conference which reorganized the ITU into its present structure: the CCIR became ITU-R and some of the functions of the IFRB were placed in the Radio Regulations Board (RRB); the CCITT became ITU-T; and technical cooperation activities were upgraded to full sectoral status and became ITU-D with the first elected BDT Director. The PP was to meet regularly every four years and adopt ITU-wide strategic policies and plans. The role of the Council was partly redefined as a body to focus on matters of policy and strategy.

22. The practice of electing five officials at the Plenipotentiary Conference is a relatively new feature of the ITU. It was introduced at the 1989 Nice Plenipotentiary Conference and was retained and updated to reflect the new organizational structure at the 1992 APP. Prior to 1989, only the Secretary-General and his Deputy were elected at the PP; the Directors of CCIR and CCITT were elected at the respective assemblies of these two bodies.

III.   GOVERNANCE OF THE UNION

23.   The primary task of Member States in exercising their role of governance in an intergovernmental and international organization, such as the ITU, lies in setting policies and strategies and providing general directives on financial and administrative matters. There is also an oversight role of governance in which Member States oversee the secretariat of the organization in its management of available resources, both human and financial, and within directives established by its legislative organs.

A.   The Plenipotentiary Conference

24.   The Plenipotentiary Conference is composed of delegations from Member States. It meets every four years and usually lasts four weeks. Most of the Sector Members and other authorized international and regional organizations and agencies are invited to be present at the Conference as observers.[16] In the months prior to a Conference, the Secretary-General assembles, coordinates and communicates to Member States the reports to be presented to the Conference and proposals for its work, as provided for in the Convention.[17] Proposals for the work of the Conference emanate from Member States.

25.   The Conference is empowered to adopt and amend the Constitution and the Convention as well as the Rules of Procedure of conferences and other meetings of the Union.[18] Under the Rules of Procedure, the inaugural meeting of the Conference is preceded by a meeting of the heads of delegation to prepare an agenda for the first Plenary Meeting and address organizational matters. Further, the Plenary Meeting may set up any committee, as well as subcommittees and working groups, to consider matters referred to at the Conference but, in any case, the following committees shall be set up: Steering Committee, Credentials Committee, Editorial Committee, and Budget Control Committee. Rules for debates and voting procedures in the Plenary Meeting, committees and subcommittees are also set forth in the Rules of Procedure.[19] Decisions are made in the Plenary Meeting by consensus if possible, or by voting when necessary.

26.   The objectives of the Plenipotentiary Conference are set out in Article 8 of the Constitution. In addition to determining the general policies for fulfilling the purposes of the Union, the Conference considers reports by the Council on the activities of the Union, and on policy and strategic planning. It also establishes the basis for the budget of the Union, related financial limits and total number of contributory units, and considers issues related to staffing. It may also consider and adopt proposals for amendments to the Constitution and the Convention, as well as conclude or revise agreements with other international organizations. A key role of the Conference in amending the Constitution and the Convention is to establish and revise the purposes and objectives of the Union. Finally, the Conference elects the Member States which are to serve on the Council, the members of the Radio Regulations Board, and the five elected officials of the Union.

27.   The Plenipotentiary Conference, meeting only once every four years and then only for four weeks, has a heavy substantive workload related to the governance of the Union and to the setting of global policies for telecommunications. However, the evidence gathered in the interviews for this report, and discussions which took place in Council 2000, suggest that an inordinate amount of the time of the Conference is spent on elections, particularly those of the five officials, at the expense of the main purposes of the Conference.

28.   The structures of governance and oversight in the organizations of the United Nations system are reviewed in a separate report of the Joint Inspection Unit which is currently being finalized, and the Inspectors have drawn on this draft report for the purposes of comparison. With the exception of the ITU, the Universal Postal Union (UPU) and the World Meteorological Organization (WMO), the supreme legislative organs of all the organizations meet on either an annual or a biennial basis. Each supreme legislative organ sets up various committees and, besides dealing with substantive issues, usually on the basis of a preplanned and "perennial" agenda, each also conducts elections. For the most part, the election processes in other organizations of the System appear to be more structured than in the ITU, with preset dates and no apparent disruption of debates on substantive issues. In the United Nations, for example, the General Assembly (comprising the Plenary and its six Main Committees) meets in regular sessions annually for three months and, more recently, also in resumed sessions. It also holds emergency and special sessions. In addition to its own officers, elections include membership of the Security Council, the Economic and Social Council (ECOSOC), the International Court of Justice, the governing bodies of the funds and programmes and a host of subsidiary bodies. There is no discernible interruption to the substantive agenda or the outputs of the General Assembly from this election activity.

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[16] Convention, Chapter II, Article 23, Nos. 258-262A.

[17] Convention, Chapter II, Article 30, Nos. 315-323.

[18] Constitution, Chapter I, Article 8, No. 58A.

[19] See "Rules of Procedure of conferences and other meetings of the International Telecommunication Union", *Collection of the Basic Texts of the International Telecommunication Union adopted by the Plenipotentiary Conference (CBT)*, 1999 edition, pp. 137-154.

29. The Inspectors have concluded from their comparative review of the ITU and other organizations of the United Nations system that a time lag of four years between Plenipotentiary Conferences is too long. This four-year gap delays decision-making since, although the ITU Council is required by the Constitution to "consider broad telecommunication policy issues", only the Plenipotentiary Conference has the power to make final decisions which will "determine the general policies for fulfilling the purposes of the Union".[20] Nor does the Council have the power to amend the Constitution or the Convention. Furthermore, a four-year delay may render some decisions obsolete in view of the rapid changes taking place in the telecommunication industry. The Inspectors are thus of the view that the Plenipotentiary Conference should be convened every two years, for a period of no more than three weeks. They believe that the benefits to be gained from a biennial Conference are at least as important as the financial implications.

B.   The Council

30. The Council acts as the governing body of the ITU in the interval between Plenipotentiary Conferences, and within the limits of the Constitution and the Convention and the powers delegated to it by the Conference. The number of Member States of the Council (currently 46) is determined by the Conference and shall not exceed 25 per cent of the total of Member States (currently 189). Member States of the Council are elected with due regard to the need for equitable distribution among the five administrative regions of the Union. A Member State not elected to the Council may send one observer to meetings of the Council, its committees and working groups, but the observer may not address the meeting or vote. Sector Members do not have the right to send observers. The Council meets annually, usually for two weeks, and under set Rules of Procedure.[21]

31. The role of the Council in the governance and oversight of the Union is set out in Article 10 of the Constitution, and developed further in Article 4 of the Convention.[22] The Council is mandated to facilitate the implementation of the provisions of the Constitution and the Convention, the Administrative Regulations, and decisions of conferences and meetings of the Union. It is also required to consider broad telecommunication policy issues, and report on policy and strategic planning for the Union together with the financial implications. It must ensure the efficient coordination of the work of the Union and exercise effective financial control over the General Secretariat and the three Sectors. It also has a role in the development of telecommunications in developing countries, particularly through the appropriate programmes of the United Nations. Council decisions are normally taken by consensus, or by vote if necessary. The Council's conclusions are usually embodied in formal resolutions or decisions.

32. Besides its Plenary Meeting, the Council has two standing committees with no decision-making power: the Standing Committee on Finance and the Standing Committee on Staff Matters. They are open to all Member States of the Council but, in accordance with the Rules of Procedure, they cannot be convened during a Plenary Meeting or hold meetings in parallel. The Inspectors consider that current arrangements in respect of timing and length of meetings of the Standing Committees and the availability of pertinent documentation do not permit the Council to exercise its oversight responsibilities fully and comprehensively.

33. The composition, periodicity and duration of the ITU Council are comparable to similar governing bodies in other organizations of the United Nations system. While there is some variation in the composition and mandates of the committees advising the governing bodies on administrative and financial issues, the general pattern is of a small, primarily technical, group comprising experts on financial and administrative matters, that assists the governing body in the exercise of its oversight responsibilities by conducting a thorough analysis of pertinent documentation and submits its conclusions and recommendations to the Plenary.

34. The Inspectors are of the view that the Council should continue with its present mandate. They believe, however, that the model of a single advisory committee dealing with financial and administrative matters represents good practice in respect of the oversight function, ensuring a coherent and coordinated approach. This could be achieved by merging the current standing committees of the Council into a single financial and administrative committee composed of between 10 and 15 Member States of Council representing the five geographical regions in roughly the same proportions as in the Council. Members of this committee should be chosen so as to ensure overall expertise in financial and administrative matters. The committee should meet for approximately one week immediately prior to Council, depending on the number of issues to be considered, and submit its report(s) to Council.

35. In view of the particular characteristics of ITU regarding the existence of Sector Members, and especially the important role played by such Sector

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[20] Constitution, Chapter I, Article 10, No. 70 and Article 8, No. 49.

[21] See "Rules of Procedure of the Council of the International Telecommunication Union" (1995 revision), General Secretariat of the ITU, Geneva, 1995.

[22] Constitution, Chapter I, Article 10, Nos. 69-72; Convention, Chapter I, Article 4, Nos. 61-75.

Members in the activities of the Union, the Inspectors consider that it would be appropriate and desirable for representatives of Sector Members and/or the Chairmen of the sectoral Advisory Groups to have an opportunity to convey their views on matters of administration and finance to the proposed committee. The committee should therefore set aside a portion of its session, dedicated to hear the views of Sector Members on the issues under discussion. It should be left to Sector Members to designate their representatives on such occasions.

36.   In the organizations of the United Nations system, observers usually have the right to participate in the debates of the governing bodies in accordance with prescribed procedures. The Inspectors are of the view that representatives of Sector Members of ITU and/or the Chairmen of the sectoral Advisory Groups should have the right to attend the Council as observers. Furthermore, observers, whether Member States or Sector Members, should be able to participate in the debates under agreed upon procedures.

C.   Sectoral conferences and assemblies

37.   As noted above, at the Sector level, governance is provided through periodic conferences and/or assemblies, with additional oversight provided by sectoral Advisory Groups.

38.   The Radiocommunication Sector is mandated to ensure the "rational, equitable, efficient and economical use of the radio-frequency spectrum by all radiocommunications services…".[23] It is also required to carry out studies and adopt recommendations on radiocommunication matters. Sectoral governance is carried out at two levels. The World Radiocommunication Conference (WRC), normally convened every two to three years, has the competence to revise the Radio Regulations. The Radiocommunication Assembly (RA) also meets every two to three years, with the main tasks of considering the reports and recommendations of study groups, approving the programme of work, and organizing the work of the study groups. Under the Constitution, these two bodies "may be associated in place and time … so as to improve the efficiency and

effectiveness of the Radiocommunication Sector".[24] Regional radiocommunication conferences may also be convened.

39.   The main purpose of the Telecommunication Standardization Sector is "studying technical, operating and tariff questions and adopting recommendations on them with a view to standardizing telecommunications on a worldwide basis".[25] The World Telecommunication Standard-ization Assembly (WTSA) meets every four years to establish a four-year programme within the purposes mentioned above, and decide on the organization and structure of study groups.

40.   The Telecommunication Development Sector embodies the Union's "dual responsibility as a United Nations specialized agency and executing agency for implementing projects under the United Nations development system … to facilitate and enhance telecommunications development by offering, organizing and coordinating technical cooperation and assistance activities".[26] The World Tele-communication Development Conference (WTDC) meets once between two Plenipotentiary Conferences and, depending on resources and priorities, meetings of regional telecommunication development conferences may also be held.

41.   While the WTSA is required to meet every four years, the periodicity of the conferences and assemblies of ITU-R and ITU-D is less precisely specified, which is slightly at odds with the overall rigidity of the Constitution and the Convention. In line with the recommendation above that the Plenipotentiary Conference should meet every two years, one option would be for the sectoral conferences/assemblies to meet in the same years as the PP but on a rotating basis. Thus, the WRC and the RA – which should be associated in time and place – and the WTSA would meet in 2004, the outputs of these conferences/assemblies providing inputs to the PP convened in that year; the WTDC would meet in 2006 and provide inputs to the PP convened in that year; and so on. This would entail a four-yearly cycle for each of the conferences/assemblies, although ITU-R could convene an additional meeting when considered necessary.

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[23] Constitution, Chapter II, Article 12, No. 78.

[24] Constitution, Chapter II, Article 13, No. 91.

[25] Constitution, Chapter III, Article 17, No. 104.

[26] Constitution, Chapter IV, Article 21, No. 118.

IV. EXECUTIVE MANAGEMENT

42. In most organizations, there is an executive office which serves as the link between its governance and management structures. The incumbent of this executive office is responsible and accountable to the "stakeholders" of the organization for the actions of its management and staff. The executive head sits at the peak of a pyramidal (or unitary) management structure that is typical in most organizations. In intergovernmental organizations, the stakeholders are the Member States, and the incumbent of the executive office is an official elected by the Member States under conditions laid down in the basic legislative instruments of the organization.

A. Elected officials

43. As shown in the Annex to this report, the organizations of the United Nations system, almost without exception, have a single elected official – the executive head – who is responsible and accountable to Member States for all aspects of the management of the organization. In the United Nations, the executive head is the Secretary-General who is elected by the General Assembly on the recommendation of the Security Council for a five-year renewable term. The appointments of the Deputy Secretary-General and the Under-Secretary-General for Internal Oversight Services require prior consultations between the Secretary-General and Member States and, in the case of the head of the latter, approval by the General Assembly. Other Under-Secretaries-General as well as Assistant Secretaries-General of the United Nations Secretariat are appointed directly by the Secretary-General. The election/appointments of the executive heads of other United Nations offices, funds and programmes are shown in the Annex to this report.

44. Likewise, in the United Nations specialized agencies, the usual practice is for the Member States to elect only the executive head of the organization, while high-level officials below the level of the executive head are either appointed to their posts directly by the executive head, in some cases following consultations with or subject to confirmation by the appropriate legislative body, or appointed/confirmed by the pertinent legislative body upon the nomination of the executive head. The provisions in the United Nations specialized agencies for electing the executive head and appointing the other high-level officials are also summarized in the Annex.

45. The executive head of the ITU is ostensibly the Secretary-General. The Constitution states that, in addition to the functions specified in the Convention, the Secretary-General shall "with the assistance of the Coordination Committee", coordinate the Union's activities and prepare material required for the preparation of a report on the policies and strategic plan for the Union, and coordinate the implementation of the plan.[27] The Secretary-General shall "take all the actions required to ensure economic use of the Union's resources and be responsible to the Council for all the administrative and financial aspects of the Union's activities".[28]

46. Under the Constitution, "[t]he Deputy Secretary-General shall be responsible to the Secretary-General; he shall assist the Secretary-General in the performance of his duties and undertake such specific tasks as may be entrusted to him by the Secretary-General. He shall perform the duties of the Secretary-General in the absence of the latter."[29] At present, however, the Secretary-General plays no role in the selection of the Deputy Secretary-General. Similarly, no role is envisaged for the Secretary-General in the selection of the Directors of the Bureaux, who are to be elected by the Plenipotentiary Conference.

B. Coordination Committee

47. The Constitution, in Article 26, provides for a Coordination Committee (CoCo), comprising the five elected officials, and "presided over" by the Secretary-General, which "shall act as an internal management team which advises and gives the Secretary-General practical assistance on all administrative, financial, information system and technical cooperation matters which do not fall under the exclusive competence of a particular Sector or of the General Secretariat and on external relations and public information".[30]

48. Under the terms of Article 6 of the Convention, it is again stated that the Coordination Committee "shall assist and advise the Secretary-General on all matters mentioned under the relevant provisions of Article 26 of the Constitution and the relevant Articles of [the] Convention".[31] At the same time, the Convention states that the Coordination Committee "shall be responsible for ensuring coordination with all the organizations mentioned in Articles 49 and 50 of the Constitution…".[32]

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[27] Constitution, Chapter I, Article 11, Nos. 73A, 74 and 74A.

[28] Ibid., No. 75.

[29] Ibid., No. 77.

[30] Constitution, Chapter V, Article 26, Nos. 148-149.

[31] Convention, Chapter I, Article 6, No. 106.

[32] Ibid., No. 107.

49. The Directors of the Bureaux are responsible for organizing and coordinating the work of their respective Sectors, but it is the responsibility of the Secretary-General to "coordinate the activities of the General Secretariat and the Sectors of the Union, taking into account the views of the Coordination Committee, with a view to assuring the most effective and economical use of the resources of the Union".[33] In the view of the Inspectors, the intent of this clause of the Convention is to give the ultimate responsibility and accountability for decision-making in the secretariat of the Union to the Secretary-General. This is supported by the fact that the Secretary-General receives a higher remuneration and representation allowance than the other four elected officials.[34]

50. The fact that the Secretary-General presides over the Coordination Committee, and is responsible to the Council for all administrative and financial aspects of the Union's activities, as well as the most effective and economical use of its resources, is sufficient, in the opinion of the Inspectors, to confer on this office the overall authority within the Coordination Committee. In their capacity as members of the Coordination Committee, the functions of the other elected officials are to assist and advise the Secretary-General, while the latter must consult with them and take their views into account.[35] There does, however, appear to be a certain ambiguity in the wording of the Constitution and the Convention, which clouds the intent, since the Secretary-General is required to "coordinate" – rather than direct – the activities of the Union.[36] Furthermore, the responsibility and accountability of the Secretary-General does not extend to matters which fall under the "exclusive competence" of the Sectors.

51. The provision in the Convention for the Coordination Committee to reach agreement on issues under discussion also appears to be fundamentally flawed. The first requirement, that "[t]he Committee shall endeavour to reach conclusions unanimously", would seem to diminish the overall authority of the Secretary-General.[37] Failing this, provision for voting in the Coordination Committee is implied, though not stated explicitly. Then, in the "absence of the support of the majority in the Committee" there is provision for the Chairman (i.e., the Secretary-General) to "take

decisions on the Chairman's own responsibility", though with the requirement to report the matter in writing to Member States of the Council, or to defer it for consideration of the next meeting of the Council. Thus, on any issue discussed in the Coordination Committee, the Secretary-General does not in practice take decisions on his own responsibility, which, in turn, blurs the issue of accountability.

52. Based on the analysis above of certain provisions of the Constitution and the Convention, it might be reasonably concluded that the secretariat of the Union should conform to a unitary structure, with the ultimate power and authority vested in the office of the Secretary-General. However, as also noted above, some ambiguity in the language of the Constitution and the Convention, as well as certain other provisions therein, appear to preclude a true unitary structure. But the secretariat of the Union does not have a true federal structure either since the Bureaux of the Sectors do not have full control over the income or the expenditure sides of their individual budgets. This fundamental dichotomy lies at the centre of the managerial inertia which can be observed at the highest levels of management in the Union, and which appears to affect, in varying degrees, all levels of management and administration in the secretariat. This is not to say that there is lack of action or indifference on the part of management; rather the inertia arises from the difficulties and hurdles that frustrate taking action.

C. Delegation of authority

53. Under the Convention, one of the main responsibilities of the Secretary-General is the "overall management of the Union's resources", but it is also stated that "he may delegate the management of part of these resources to the Deputy Secretary-General and the Directors of the Bureaux, in consultation as necessary with the Coordination Committee".[38] Delegation (of authority and signature) is used in the ITU as a normal method of exercising authority to manage the resources entrusted to the Union. However, although there are various documents containing mechanisms and procedures for delegating both authority and signature, there does not appear to be a comprehensive framework or a single formal instrument (such as a Service Order) defining the general principles on which delegation is based, classifying the differences between delegation of signature and delegation of authority and the limits, scope and domains of the delegation of authority.

54. This does not mean that delegation does not exist in certain areas. For example, the Staff

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[33] Convention, Chapter I, Article 5, No. 85.

[34] "Remuneration and representation allowances of elected officials", Resolution 46 (Kyoto, 1994).

[35] Convention, Chapter I, Article 5, No. 85 and Article 6, No. 106.

[36] Constitution, Chapter I, Article 11, No. 74; Convention, Chapter I, Article 5, No. 85.

[37] Convention, Chapter I, Article 6, No. 109.

[38] Convention, Chapter I, Article 5, No. 84.

Regulations and Rules contain the processes for implementing delegation of authority by setting out the roles of the Secretary-General, the Directors and other staff in appointments and promotions. The job descriptions of senior staff reporting directly to the Secretary-General and the Directors also embody delegation of managerial and administrative authority. In financial matters, the biennial budget, read in conjunction with the Financial Regulations and Rules and the relevant Service Orders, could be said to spell out the process for implementing the delegation of authority in financial and management planning. In contrast, there are certain other areas (e.g., mission approval) where the presence or absence of delegated authority is less clear.

55. In the interviews for this report, the Inspectors encountered frequent complaints about a perceived lack of delegation of authority in the secretariat. It was observed that there was some "delegation of signature" but not "delegation of authority", i.e., that designated individuals may sign decisions on behalf of the Secretary-General, but that responsibility and accountability for those decisions remains with the Secretary-General. For many actions, including minor ones, even delegation of signature does not exist, and it was pointed out that the Secretary-General approves an inordinate number of documents. Furthermore, the practice of the Secretary-General acting as both Approving Officer and Certifying Officer for the Union goes against the normal separation of these two functions. The issue of the delegation of authority in budgetary matters was a recurring theme. The Directors of the Bureaux, as well as some Heads of Departments in the General Secretariat (notably Finance, Personnel and Common Services) pointed to a lack of control over their individual budgets, which impacted negatively on the efficiency of resource use in their respective areas of responsibility.

56. The conceptual and substantive issues relating to delegation of authority are under review by senior managers in the secretariat of ITU, but it seems that the task is not yet complete. The Internal Auditor was appointed by the Secretary-General to lead a Working Group on the delegation of authority in administrative and financial matters, and a report was submitted to the Secretary-General in September 1999.[39] This took the form of a discussion document, which highlighted several issues to be addressed. It also included a draft Service Order for further consideration, which set out, *inter alia*, general principles and the scope for the delegation of authority in administrative and financial matters, as well as practical procedures and implementation.

57. The Inspectors note the conclusion of the Working Group that a new approach to the delegation of authority would require changes to the present management systems and practices. The conclusions of the report of the Working Group were presented by the Secretary-General in his information report to Council 2000 on the internal audit, but he also made clear that the redefinition of the delegation of authority is a continuing process.[40] In the interim, some clarification of delegation of authority has been made regarding personnel management decisions,[41] and there has been some limited budget decentralization.[42]

D. Towards a new management culture

58. In their analysis of the provisions of the Constitution and the Convention, it has become evident to the Inspectors that, from a management perspective, a system in which the five highest level posts in the secretariat of the Union are subject to election is not one which is conducive to efficient and effective management and administration. This conclusion was further supported by the interviews conducted for the report which revealed general dissatisfaction with the functioning of the Coordination Committee. The Policy and Strategy Committee (PSC), a body established in mid-1999 on the initiative of the Secretary-General as an offshoot of the CoCo, was no more effective. It should be noted, however, that there were clear differences in the views expressed by the Bureaux on the one hand and the General Secretariat on the other.

59. While it may be argued, as did some officials, that a system of five elected officials offers checks and balances on the exercise of power, the corollary is the creation of a managerial vacuum that is detrimental to the operation of the Union. The Inspectors believe that the present managerial structure could be one factor which inhibits the Union in its response to the rapid pace of technological and systemic change in the telecommunications industry. The proposal to create a cross-sectoral focal point at a senior level for mobile telephony, which was unduly delayed for lack of consensus in the CoCo, is a case in point. The Union runs the risk that it will be increasingly bypassed by industry participants, as is already happening in the field of technical standards. The outcome in the longer term might be a much smaller intergovernmental treaty body.

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[39] "Delegation of authority project", Memorandum to the Secretary-General from the Internal Auditor, 30 September 1999.

[40] "Report on the internal audit", Information Report by the Secretary-General, C2000/EP/17-E, 26 June 2000, para. 19.

[41] "Delegation of authority in personnel matters at Headquarters", ITU, Service Order No. 00/11, 14 August 2000.

[42] "Procedures relating to budget decentralization", Service Order No. 00/3, 5 April 2000.

60.   The Inspectors are of the view that the Union should move towards a unitary management structure. Only the executive head of the Union – the Secretary-General – should be elected, which is also in line with the practice in other organizations of the United Nations system. As at present, there should be a four-year term of office for the Secretary-General, renewable once. After consultations with and confirmation by the Plenipotentiary Conference, the Secretary-General should appoint the Deputy Secretary-General, for a four-year term with the possibility of renewal.

61.   Further, the Secretary-General should appoint the Directors of the Bureaux of the Sectors after consultations with and confirmation by the Plenipotentiary Conference. They should be renamed Assistant Secretary-General/Director of the Bureau. These appointed officials should also serve four-year terms, with the possibility of renewal. The Directors would be experts in their own fields. This proposed unitary structure would not in any way detract from the quality of the substantive work of the Bureaux of the Sectors.

62.   Under the proposed unitary system, a new high-level management committee with constitutional status would replace the Coordination Committee. It would comprise the present membership of the Policy and Strategy Committee: the Secretary-General, the Deputy Secretary-General, the three Directors of the Bureaux and their Deputies, and the Chiefs of the Strategic Planning, Finance and Personnel Departments. It would be chaired by the Secretary-General or, in the absence of the latter, the Deputy Secretary-General.

63.   While the unitary structure would, in the opinion of the Inspectors, enhance the effectiveness of the Union, it would not by itself be a remedy for all the administrative and managerial problems facing the Union at the present time. Some of these problems, which are similar to those in other United Nations organizations with a unitary structure, are addressed in the chapters which follow.

64.   As for the delegation of authority in administrative and financial matters, the Inspectors support the conclusions of the Working Group that a new approach would require changes to the present management systems and practices. It is evident that the guidance provided to the Secretary-General by the legislative organs should itself be clear and unambiguous, so as to avoid confusion in its interpretation by the secretariat. In turn, the instruments for delegation of authority/responsibility by the Secretary-General to other officials should be equally clear, unambiguous and current, so as to create a climate of administrative discipline and order. As part of an enhanced management system, a comprehensive system of accountability would need to be developed, together with adequate mechanisms for the evaluation of the performance of officials to whom authority is delegated and the strengthening of enforcement mechanisms to deal with cases of failure. With these considerations in mind, the Secretary-General should finalize a draft comprehensive framework on the delegation of authority in administrative and financial matters for the consideration and approval of Council.

V. STRATEGIC, FINANCIAL AND OPERATIONAL PLANNING

A. Long-term planning

(a) The Strategic Plan

65. Strategic planning was added to the Constitution and the Convention at APP-92 as a result of the report of the HLC, which stated that "the ITU must become more forward-looking in planning its activities and adapting its work programmes to a rapidly changing environment", and recommended the establishment of a strategic planning unit in the Office of the Secretary-General.[43] The Union's first strategic plan, for 1995-1999, was adopted in Resolution 1 (Kyoto, 1994); the second, for 1999-2003, in Resolution 71 and its two annexes (Minneapolis, 1998).[44] A new approach to strategic planning was adopted at the Minneapolis PP whereby the Secretary-General would be responsible for supplying inputs, while the membership would actually elaborate the plan.

66. The 1999-2003 strategic plan is a lengthy document that contains details of activities and priorities for each Sector which might be considered more the purview of the Sector operational plans, and there appears to be scope for streamlining the strategic plan to remove this overlap. The Inspectors also note that the financial implications of the 1999-2003 strategic plan are not assessed. The section on financial considerations found in the 1995-1999 strategic plan, which briefly reviews significant factors on the income and expenditure sides of the budget, is omitted from the later plan.

67. Annual reporting on the implementation of the strategic plan is listed as a duty of the Secretary-General in the Convention of the Union.[45] Resolution 71 provides for reporting by the Secretary-General on both the strategic plan and the goals, strategies and priorities for the General Secretariat and the three Bureaux. The Secretary-General is instructed not only to provide progress reports annually to the Council, but also to include recommendations for adjustments to the plan in response to changes in the telecommunications environment,[46] which offers an important element of flexibility. Annual reporting to Council, including recommendations for adjustments, was also a requirement of the strategic plan for 1995-1999.

68. In their review of the documentation presented to Council in the 1997-2000 period, the Inspectors were not able to identify separate reporting by the Secretary-General on the strategic plan *per se*, as provided for in the pertinent resolutions. It could be considered that the Secretary-General's annual omnibus report to the Council on the activities of the Union fulfils this reporting requirement.[47] However this report, which covers the Sectors, as well as each department of the General Secretariat, including TELECOM, is essentially a review of recent achievements.

69. The issue of strategic reorientation is being addressed to some extent under the Secretary-General's "New Initiatives Programme" which formed part of the budget approved by the Council for 2000-2001.[48] One of these initiatives has been the establishment of strategic planning workshops with the main purpose of advising the Secretary-General on new, cross-sectoral topics that are emerging from the dynamic telecommunication environment. Furthermore, the Secretary-General is required to submit an annual report to Council on activities carried out under the "New Initiatives Programme" in order that the Council can decide on appropriate follow-up.[49]

(b) The Financial Plan

70. Prior to a Plenipotentiary Conference, the Secretary-General prepares, with the assistance of the Coordination Committee, the next four-year draft financial plan. This is submitted to Council and, subsequently, to the Plenipotentiary Conference. On the basis of this draft financial plan the Council also fixes the provisional amount of the contributory unit and the total number of contributory units for the period in question.[50]

71. When drawing up the draft financial plan of the Union for 2000-2003, the "[p]riorities expressed in the Strategic Plan [were] taken into consideration,

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[43] "Tomorrow's ITU: the Challenge …", op. cit., para. 3.2 and recommendation 8.

[44] "Strategic plan for the Union 1999-2003", Resolution 71 (Minneapolis, 1998).

[45] Convention, Chapter I, Article 5, No. 86A.

[46] Recommendations by the Secretary-General to the Council to adjust the strategic plan are to be "based on proposals by the competent advisory bodies of the Sectors, decisions by conferences and by assemblies of the Sectors and changes in the Union's activities and its financial situation". Resolution 71 (Minneapolis, 1998), *"instructs the Secretary-General"*, para. 1.

[47] Note by the Secretary-General, "Report on the activities of the Union", C2000/35-E, 19 May 2000, C99/35-E, 12 April 1999, C98/35-E, 11 May 1998, C97/35-E, 26 May 1997.

[48] Report by the Secretary-General, "Draft budget for 2000-2001", C99/20-E, 14 April 1999, paras. 9.17-9.23; "Biennial budget of the International Telecommunication Union for 2000-2001", Resolution 1133, C99/95-E, 24 June 1999.

[49] "Guidelines for strategic planning workshops", Decision 496, C2000/90-E, 28 July 2000, sect. G; Report by the Secretary-General, "New initiatives and strategic planning workshops", C2000/2-E, 17 March 2000.

[50] Constitution, Chapter V, Article 28, No. 161 B.

together with new initiatives".[51] The draft plan provides estimates of expenditures by the General Secretariat and the three Sectors, at various levels of disaggregation, as well as estimates of income by source, and identifies excess of expenditure over income for the period. It also lists options for expenditure and for cost recovery. However, the Inspectors note that the Minneapolis PP of 1998 did not actually agree on a financial plan for the 2000-2003 period.

72. Part II of the draft financial plan provides a cost analysis of the activities of the Union in 2000-2003, which is " a continuation of the efforts made since 1996 to identify more clearly the full cost of the activities of the Union".[52] This distinguishes between direct costs attributable to a particular activity, product or service, and the indirect costs that are charged to a Department of the General Secretariat or a Sector which require an allocation process so that they can be attributed to a particular activity.

73. The system of cost allocation endeavours to compute the total costs of activities, products or services, and provide a basis for obtaining full cost recovery from users where that is deemed appropriate. In reallocating the costs of the centralized services of the General Secretariat to the consuming departments, the administrative services are reallocated on a headcount basis and the support services on a forecast workload basis. In the interviews for this report, some officials indicated that not all of the Member States and Sector Members of the Union were satisfied with the methodology and results of the cost allocation exercise.

B. Medium-term planning: the biennial budget

Structure and presentation

74. As provided for in the Convention, the Secretary-General, after consultation with the Coordination Committee, prepares a draft biennial budget which is submitted to Council for examination and approval.[53] The Finance Department prepares budget guidelines in consultation with the CoCo and the PSC, and these are issued to the Bureaux and the Departments of the

General Secretariat. The organizational entities prepare draft budgets and the exercise is finalized in a process of consultation with the Finance Department. In the case of the Sectors, the respective Advisory Groups may be involved. Negotiation is an inherent part of the budgetary process, but some departments complain that they are too often the target for budget cuts.

75. The Inspectors have examined the three most recent biennial budgets of the Union and note the change of presentation for the 2000-2001 biennium towards an activity-based budget, a response "to Member States' demands for visibility and transparency in the financial activities of the Union".[54] This enhancement adds a descriptive component to the budget presentation, identifying the activities that are carried out to generate products and services and their related appropriations and costs. This budget also takes account of the objectives of the Strategic Plan for the Union for 1999-2003.

76. The structure of the budget for 2002-2003 will also be activity-based and, according to the guidelines, there will be further enhancements by the inclusion of components of results-based budgeting (RBB), such as major objectives for activities, performance/achievement indicators, and internal services level indicators.[55] The Inspectors would support the adoption of a results-based approach, whilst at the same time recognizing that there may be inherent difficulties in the methodology. Results-based budgeting in the organizations of the System was recently reviewed by the Joint Inspection Unit, which reported that the introduction of RBB was at a preliminary stage in most cases.[56] An early leader in this field in the United Nations system was the World Intellectual Property Organization (WIPO), but even here performance indicators were only recently introduced, in the budget for 2000-2001.[57]

77. One problematic area with RBB lies in the formulation of meaningful and measurable performance indicators. As noted below, the Bureaux have already attempted to incorporate

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[51] The draft financial plan for 2000-2003 is also based on the limits for the expenditure of the Union for the period 1995-1999 (Kyoto Decision 1), and on expenditure for 1996-1997 and the approved budget for 1998-1999 (Council-97, Resolution 1100). "Draft Financial Plan for 2000-2003", Note by the Secretary-General, Standing Committee – F1, C98/4-E, 18 March 1998, paras. 1.1 and 2.

[52] Ibid., para. 15.1.

[53] Convention, Chapter I, Article 5, No. 100.

[54] "Draft budget for 2000-2001", Report by the Secretary-General, Standing Committee – FI, C99/20-E, 14 April 1999, para. 1.2; and Union Internationale des Telecommunications, "Budget biennal 2000-2001", Département des Finances, Octobre 1999, pp. 20-25.

[55] "Guidelines for the preparation of the draft biennial budget for 2002-2003", Finance Department, September 2000 (ITU internal document).

[56] "Results-based budgeting: the experience of United Nations system organizations", Joint Inspection Unit, JIU/REP/99/3, Geneva, 1999, transmitted to the General Assembly as A/54/287, 30 August 1999.

[57] World Intellectual Property Organization, "Draft Program and Budget, 2000-2001", A/34/2, WO/PBC/1/2, 12 March 1999.

performance indicators into the operational plans for the Sectors, with varying degrees of success, but this practice has yet to be fully adopted by the General Secretariat. Work should continue to refine the performance indicators and, to the extent possible, to apply a consistent approach across the various organizational entities to facilitate cross-sectoral comparisons and improve monitoring and evaluation. A programme budget evaluation report should also be developed for eventual presentation to Council, and the Inspectors would point to the recently introduced programme performance report of WIPO as an example of good practice in this regard.[58]

Ceiling on expenditure

78. In common with other organizations of the United Nations system, and in line with ongoing reform initiatives, the ITU prepares its budget under strict financial constraints, which, since the Nice Plenipotentiary Conference in 1989, has been exercised in the form of an expenditure ceiling. Expenditure of the Union for the period 2000-2003 was set by Decision 5 (Minneapolis, 1998) with amounts based on the Swiss franc/United States dollar exchange rate as at 1 January 1998.[59] For each biennium of this period, the underlying assumption was of a steady reduction in costs, especially for support services.

79. For the 2002-2003 biennium, the expenditure ceiling, and hence the budget, is set at CHF 332.6 million, a reduction of 1.8 per cent over the 2000-2001 biennium. But the ITU has many obligations in United States dollars,[60] and the strengthening of that currency in the intervening period has required a further reduction in resources requested under the budget of 1.2 per cent (as at August 2000) in order to meet the expenditure ceiling. Thus the total reduction in the level of resources requested for the 2002-2003 budget compared with 2000-2001 needs to be 3 per cent across the board to remain within the expenditure ceiling.

80. Under Decision 5 (Minneapolis, 1998), paragraphs 4.2 and 5, Council may authorize expenditure beyond the ceiling if certain changes warrant it, including changes in the exchange rate between the Swiss franc and the United States

dollar. It is a function of the Reserve Account to act as a buffer in such circumstances. The Council may wish to exercise this option in respect of the projected reduction in the budget for 2002-2003 attributable to exchange rate fluctuations.

81. Exchange rate fluctuations have had a potentially negative impact on the activities of the Union during the current budgetary period since Decision 5 does not allow for flexibility between the annual meetings of Council. Officials of the Finance Department interviewed for this report pointed to the following options as possible solutions when preparing the budget:

- The expenditure ceiling to be set in current Swiss francs.

- Purchasing forward the United States dollar amount that corresponds to ITU obligations in that currency in the budget.

- Gains/losses from exchange rate fluctuations paid to/withdrawn from the Reserve Account, up to a limit to be set by Council when adopting the budget.

As the first two options are inherently more problematic than the third, the Inspectors consider that the use of the Reserve Account offers the best option to cushion exchange rate fluctuations under an expenditure ceiling.

82. Further problems arise under a strict expenditure ceiling regarding activities which are subject to cost recovery. Where the level of activity significantly exceeds the budgeted level, as has been the case with technical cooperation projects carried out by the BDT, unexpected income from programme support costs may have to go into the Reserve Account. This is because additional expenditure cannot be incurred due to the ceiling on expenditure, even though the income generated for this purpose is available. This situation effectively limits project implementation rates. These activities may also be constrained when support costs for project implementation are greater than those foreseen in the budget appropriations, as has been the case with some UNDP projects. The expenditure ceiling also holds back activities under cost recovery which are market driven, such as the publications programme.

83. Although Decision 5 (Minneapolis, 1998), paragraph 1.3, authorizes Council to exceed the expenditure limit when adopting a biennial budget "in order to meet unanticipated demand for products and services subject to cost recovery", the implementation of these activities may be jeopardized by the need to wait for a decision of

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[58] "Program performance in the 1998-1999 biennium", Report prepared by the International Bureau, WIPO, A/35/2, 7 August 2000.

[59] "Expenditure of the Union for the period 2000-2003", Decision 5 (Minneapolis, 1998).

[60] The following items of expenditure are denominated in United States dollars: pension payments to staff in the professional level and above; fellowships; daily subsistence allowances; salaries of experts; some computer equipment.

Council. To counter this, it will be necessary to give the Secretary-General certain flexibility to increase the budget for activities under cost recovery, within specified limits, so that revenues will accrue to the activities which generated them and not be siphoned off into the Reserve Account.

84.   As can be seen from the discussion above, using an expenditure ceiling as a means of budgetary control has created significant operational problems, as well as constraining the activities of the Union in ways which were probably not intended when the measure was approved by the Plenipotentiary Conference. The Union currently has two budgetary controls: on the expenditure side of the budget, there is a ceiling on expenditure, while on the income side of the budget, there is a ceiling on the amount of the contributory unit. The Inspectors are of the view that the ceiling on the amount of the contributory unit offers an adequate means of budgetary control, and that the problems which arise from the ceiling on expenditure are serious enough to justify its abolition.

Financial base of the Union

85.   On the income side of the budget, the Union receives income from the following sources: contributions from Member States and Sector Members; project support income in ITU-D; interest credited; sale of publications of the three Sectors and the General Secretariat; and cost recovery. Contributions from Member States is the largest source of income by far, amounting to CHF 225.8 million in 2000-2001 out of a total income of CHF 332.6 million, i.e., some 68 per cent of the total.[61]

86.   The Constitution of the Union provides for the collection of contributions from Member States and Sector Members on the basis of a system of contributory units, which is described in some detail in the Convention.[62] It consists of a scale of classes of contributions, 22 classes in total, ranging from a 40 unit class down to a 1/16 unit class, and a contributory unit denominated in Swiss francs (CHF 315,000 in 2000-2001). Subject to certain provisions which primarily limit the smallest classes to the least developed countries, Member States and Sector Members are free to choose their class of contribution, and this will take place at the Plenipotentiary Conference in the case of the former, and within three months of it ending for the latter, these timings applicable from the next PP.

87.   There is a perception by some Sector Members that the contributions that they make to their respective Sectors do not accrue in their entirety to the budgets that are allocated to those Sectors. There is thus no incentive for Sector Members to increase their contributions; on the contrary, Sector Members are likely to reduce their contributions to a minimum, and they may be encouraged to choose the cheaper option of Associate membership. Some Sector Members have reduced their contributions to the minimum allowable and supplemented this with direct voluntary contributions to a Sector, in some cases targeted to a specific project. The budget for 2000-2001 shows that the funds which were allocated to each Sector exceed the contributions of the Sector Members in each case, and by a wide margin for ITU-R and ITU-D. In the last three bienniums, there has been only one instance, for ITU-T in 1998-1999, where the Sector Member contributions exceeded the planned budget and the difference did not accrue to the said Sector. To encourage Sector Member contributions, greater transparency in the budgetary process may be needed to demonstrate that Sector Member contributions actually do accrue to the respective Sectors. This is particularly important given the relatively small proportion of Sector Member contributions in total income (some 12 per cent in 2000-2001) and the need to strengthen the financial base of the Union.

C.   Short-term planning: operational plans

88.   The formal requirement to "extend operational planning to the three Sectors and the General Secretariat as a mechanism to enhance accountability and transparency…" is to be found in the strategic plan for the Union 1999-2003, Resolution 71 (Minneapolis, 1998).[63] This was developed further in Resolution 72 (Minneapolis, 1998) which provides for the linkage of strategic, financial and operational planning in the Union. Resolution 72 also identifies the main elements of operational planning, including the specification of activities, workload forecasts, specification of resource availability, prioritization of activities, and the establishment of performance indicators.[64]

89.   The Radiocommunication Sector had been using operational planning as a management tool well before 1998, and we have reviewed the annual operational plans for this Sector in the period 1996-

[61] Union Internationale des Telecommunications, "Budget biennal 2000-2001", Département des Finances, Octobre 1999, p. 9, tableau 2.

[62] Constitution, Chapter V, Article 28, Nos. 155-170; and Convention, Chapter IV, Article 33, Nos. 468-487.

[63] "Strategic plan for the Union 1999-2003", Annex 1 to Resolution 71, para. 50.5.

[64] "Elements associated with operational planning", Annex to Resolution 72 (Minneapolis, 1998).

2000 as well as the draft plan for 2001.[65] The earlier operational plans for BR (1996-1998), which flow from the first strategic plan of the Union, share a common format, setting objectives, identifying tasks and activities, and establishing priorities for the various organizational units, with progress in achieving these objectives assessed through quarterly reports.

90. The structure and presentation of the operational plan for BR was adapted in 1999 to reflect the requirements of Resolutions 71 and 72, with a change of focus towards key products and services and the main results to be achieved for each. Quarterly assessment has been facilitated with the introduction of key performance indicators emphasizing quality and, in many cases, measuring results on the basis of a target timeframe. Not all of these key performance indicators are measurable, and there may be scope for further refinement.[66] Nevertheless, the adoption of a results-based approach to planning is in line with current thinking on best practice.

91. A similar approach was adopted by the Telecommunciation Standardization Sector in its formal operational plans, the first of which was presented to Council in 1999. Organized in tabular form around the elements identified in Resolution 72, the TSB operational plan provides an overview of ITU-T operational activities (including priorities), objectives and performance indicators (which are not clearly distinguished one from the other), and allocated budgetary resources. The performance indicators given for most of its operational activities are, in general, specified in numerical terms (documents, pages).[67] A strength of the TSB annual operational plan is that it attempts to show linkages between strategic, financial and operational planning in ITU-T.

92. An operational plan for the Tele-communication Development Sector was also first adopted formally in 1999, although BDT had already undertaken de facto operational planning for the Sector for several years. For the period 1999-2001, the annual operational plan of ITU-D is closely derived from the Valletta Action Plan, which was adopted by the 1998 World Telecommunication

Development Conference.[68] There is also an attempt to link the operational plan to the strategic plan of the Union through a restatement of the five general goals of the latter, as well as the priority areas for ITU-D. In line with Resolution 72, the BDT operational plan identifies activities, objectives, allocated resources (human and budgetary), and performance indicators, and it also summarizes the actions proposed to meet the objectives.

93. Formal operational planning was also adopted by the General Secretariat in 1999. The approach is to identify for each department operational activities and objectives, their relationship to strategic policies and plans, and resource requirements in three main areas (support for conferences and meetings of the Sectors, ongoing activities, and new initiatives). The operational plan is presented in a seemingly common tabular format, but there are major differences between the departments in the type of information provided, particularly that on resource requirements. Furthermore, though objectives are listed, there are few performance indicators as such. There is no overall cohesion within the operational plan of the General Secretariat, and major differences exist between it and the plans of the Sectors.

94. It is noted that the final preparation of the operational plans is carried over into the early part of the target year. In the case of the Sectors, this may reflect the timing of the meetings of the Advisory Groups which have primary responsibility for reviewing and adopting revisions to the plans of their respective Sectors. The operational plans of the three Sectors and the General Secretariat are also presented to Council in the target year, and hence Council is "invited to examine and take note of the plans" at a point in time when half of the target year is already passed.[69]

95. Review of the operational plans of the three Sectors and the General Secretariat has revealed some similarities in approach, but also many differences which make comparisons difficult and may detract from their usefulness as a management tool. To the extent that these differences are a reflection of the early stage of development of formal operational planning in the Union, it should be possible for the four entities to adopt a more harmonized structure and format based on an agreed interpretation of the elements identified in

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[65] The following documents were reviewed: RAG96-1/9-E, 6 February 1996; RAG97-1/1-E, 17 December 1996; CA/54-E, 4 March 1998; CA/63-E, 19 March 1999; revision to CA/77, 17 July 2000; RAG2001-1/2-E, 2 February 2001.

[66] For example, for BR publications a key performance indicator is given as "user satisfaction" in the operational plan for 1999, and "timely publication and positive reaction from users" in the plan for 2000 and the draft for 2001.

[67] For TSB, see C99/31-E, Annex B, 28 May 1999 and C2000/EP/8-E, 22 May 2000, for the 1999 and 2000 operational plans respectively.

[68] For BDT, see C99/31-E, Annex C, 28 May 1999 and C2000/EP-9-E, 22 May 2000, for the 1999 and 2000 operational plans respectively.

[69] "Operational Plans", Report by the Secretary-General, C2000/38-E, 26 June 2000.

Resolution 72.[70] Beyond that, the further development of key performance indicators based on measurable units would appear to merit attention.

96. Each of the operational plans of the Sectors includes performance indicators of varying degrees of sophistication. Performance indicators offer a means to evaluate progress in achieving objectives, and the "lessons learned" should feed back into the planning cycle. Performance indicators also provide a basis of accountability for the resources entrusted to managers. The operational plans of BR and BDT make provision for quarterly assessments of progress based on their respective performance indicators, and, in the case of BDT, these are presented to the Advisory Group. In the case of BR, written quarterly reports are provided by the department heads to the Director and to the other department heads for management review, and an annual report comprising a consolidation of these quarterly reports is provided to the Advisory Group when it is considering the draft of the next year's plan. There is no reference, however, to quarterly assessment of progress in the operational plans for TSB. And, as noted above, performance indicators are largely absent from the operational plan of the General Secretariat. The Inspectors also note that there is no provision for reporting to Council on the implementation of the operational plans, although Council is instructed by Resolution 72 to evaluate progress in this respect.

D. Linking strategic, financial and operational planning

97. Resolution 72 (Minneapolis, 1998) sets out the rationale for linking strategic, financial and operational planning in ITU. The Secretary-General and the Directors of the three Bureaux are instructed to prepare their consolidated plans reflecting these linkages for annual review by Council, and the Council is instructed to evaluate progress in linking the functions and in implementing operational planning.[71]

98. Meaningful linkages would, however, appear to be problematic since, as noted above, the 1998 Plenipotentiary Conference adopted a strategic plan for 1999-2003 without assessing its financial implications. It also failed to adopt a financial plan for the 2000-2003 period. Furthermore, as discussed

in the previous section, variations in the type and quality of the information provided in the different operational plans, particularly that for the General Secretariat, suggest the need to harmonize such plans before attempting to forge links between the different planning functions. There is also a need to align the strategic and financial plans on a four-year cycle, which, in turn, should be aligned with operational plans and the budget on a biennial cycle.

99. The Inspectors have concluded from their review that the overall planning process lacks coherence and cohesion. The 1998 Plenipotentiary Conference tried to address the problem in Resolution 72 and its annex, but interpretations and applications of its provisions are not consistent. Some of these problems are highlighted by the Secretary-General in his reports to Council in 1999 and 2000 on linking strategic, financial and operational planning. In his 1999 report, it is stated that "differences in the activities of the Bureaux and the General Secretariat as well as in the requirements of their members and/or clients appear to preclude the use of a standard report format" for the operational plans,[72] a view which is not shared by the Inspectors, as discussed above.

100. The Secretary-General's report for 2000 identifies proposed enhancements, notably that the "Financial Plan should reflect the important strategic objectives set in Strategic Plans in a more quantifiable form" and hence provide a bridge to the operational plans.[73] A proposed revision of the Financial Regulations foresees closer involvement by the Sector Advisory Groups in the budget planning process, which would help to improve the link between the biennial budget and the annual operational plans.[74] And "efficient use of measurable performance indicators" in the operational plans is also envisaged. On the basis of the issues discussed in this chapter, and the conclusions drawn, the Inspectors support these proposed enhancements.

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[70] A statement of the measures and elements to be included in the operational plans of the Bureaux and the General Secretariat is to found in the report to Council by the Secretary-General entitled "Linking strategic, financial and operational planning", C99/31-E, 3 May 1999, para. 1.

[71] "Linking strategic, financial and operational planning in ITU", Resolution 72 (Minneapolis, 1998).

[72] "Linking strategic, financial and operational planning", Report by the Secretary-General, C99/31-E, 3 May 1999, para. 2.1.

[73] "Linking strategic, financial and operational planning", Information Report by the Secretary-General, C2000/EP/2-E, 16 May 2000, para. 4.

[74] "Amendments to the Financial Regulations of the Union", Report by the Secretary-General to Standing Committee - FI, C2000/16-E, 26 May 2000.

VI.   HUMAN RESOURCES MANAGEMENT

A.   Role of the Secretary-General

101.   Under the Constitution and the Convention, as noted above, the Secretary-General has responsibility for the overall management of the Union's resources, including human resources. In addition to appointing the staff of the General Secretariat, the Secretary-General appoints the staff of the Bureaux of the Sectors "on the basis of the choice and proposals" of their respective Directors, "although the final decision for appointment or dismissal shall rest with the Secretary-General".[75] For each Sector, the Convention states again that the respective Directors "shall choose the technical and administrative personnel of the Bureau" but that their appointment shall be made "by the Secretary-General in agreement with the Director", and that "[t]he final decision … rests with the Secretary-General".[76]

102.   The Constitution and the Convention appear to centralize decision-making in respect of staff appointments and vest considerable powers with the Secretary-General. The reality though is somewhat different, since the Directors of the Bureaux are elected officials and less subject to the managerial imperatives that would pertain in a unitary structure. Thus, the role of the Secretary-General is in fact reduced to the possibility of exercising a veto. Furthermore, the creation by the Secretary-General of new posts having a cross-sectoral component would require consultation in the Coordination Committee and recent experience has shown that the required consensus may not be forthcoming. Thus, in the area of human resources management, the Constitution and the Convention assign certain responsibilities to the Secretary-General without fully granting the powers needed to carry out those responsibilities. Irrespective though of whether the Directors of the Bureaux are elected or appointed, the Secretary-General should take account of their recommendations regarding appointments.

103.   A common feature of organizations of the United Nations system is that legislative bodies promulgate "regulations" for the administration of the staff. These are normally broad policy directives which provide the basis for the executive head to issue "rules", which go into much more detail, but which must be consistent with the regulations. The scope and purpose of the United Nations Staff Regulations are defined as follows:

"The Staff Regulations embody the fundamental conditions of service and the basic rights, duties and obligations of the United Nations Secretariat. They represent the broad principles of personnel policy for the staffing and administration of the Secretariat. ... The Secretary-General, as the chief administrative officer, shall provide and enforce such staff rules consistent with these principles as he or she considers necessary."[77]

104.   It is noted that the ITU Staff Regulations provide for an inordinate amount of detail related to the administration of the staff, a situation which limits considerably the authority of the Secretary-General and which encourages micromanagement by the Council. In the view of several senior officials interviewed for this report, with which the Inspectors concur, this situation is detrimental to the efficiency of management and administration of the staff. The Inspectors recommend that a detailed review of the Staff Regulations and Staff Rules be conducted with a view (a) to simplifying them as much as possible and (b) to establishing an appropriate balance between, on the one hand, the regulations, which should encompass only the essential broad principles of personnel policy and, on the other, the rules, which the Secretary-General should be authorized to promulgate, consistent with the principles embodied in the regulations. The oversight responsibility of the Council with regard to the management of the Union's human resources should be exercised with the assistance of the administrative and financial committee proposed earlier in this report, which would review such reports by the Secretary-General on issues of human resources management as the Council may require.

B.   Geographical and gender balance

105.   The issue of geographical representation and gender balance in the professional and higher categories in the staff of the Union is addressed in the basic instruments, though not without ambiguity. The Constitution requires that "[d]ue regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible", but does not address gender balance.[78] In the Convention, however, it is a responsibility of the Council to "take decisions to ensure equitable geographical distribution and representation of women … and monitor the implementation of such decisions…", which is a stronger and more comprehensive policy statement.[79]

106.   Resolution 48 (Rev. Minneapolis, 1998) states that preference should be given in international recruitment to equally qualified candidates from regions of the world which are insufficiently represented, taking account of the desirable gender

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[75] Convention, Chapter I, Article 5, Nos. 87 and 88.

[76] Convention, Chapter I, Article 12, No. 182, Article 15, No. 206, Article 18, No. 226.

[77] ST/SBG/1999/5, 3 June 1999, p. 1.

[78] Constitution, Chapter V, Article 27, No. 154.

[79] Convention, Chapter I, Article 4, No. 69.

balance.[80] These conditions appear in vacancy notices and in letters to administrations which accompany the distribution of such notices, while language requirements for posts may be waived in the case of candidates from developing countries. Nevertheless, the Secretary-General's report to Council 2000 indicated that geographical imbalance in recruitment persists at the professional level and above, while the proportion of advertised posts at this level filled by women was only 29 per cent in 1999.[81]

107. In the United Nations, a certain proportion of professional posts is subject to the requirements of geographical distribution. A system of desirable ranges is applied to these posts, and entry-level recruitment through national competitive examination aims to achieve these targets. Other organizations of the United Nations system have adopted similar benchmarks in pursuit of this objective, and the various systems have been reviewed in a report of the JIU.[82] The United Nations has also adopted proactive policies in respect of gender balance.[83]

108. Notwithstanding the provisions in the Constitution and the Convention related to the need to ensure equitable geographical distribution and representation of women, the Inspectors note that there is no systematic policy in place in ITU to achieve those goals. They recommend therefore that the Council, in order to be in a position to discharge its policy-setting and oversight responsibilities as described above, requests the Secretary-General to submit to it, for its consideration and approval, a plan of action and proposed procedures aimed at improving the geographical and gender representation in the professional and higher categories of the ITU staff. Such a plan should ensure that the overall requirements of professional competence and efficiency are not compromised.

C. Human resources development issues

109. The situation regarding contracts appears to be unsatisfactory in many ways, with about a quarter of the staff on short-term contracts and a large number of vacant posts. While this may reflect, *inter alia*, the constraints of the expenditure ceiling, it is

detrimental to efficient programme delivery as well as staff morale. Variations in the treatment of staff contracts appear to be aggravated by the federal structure of the Union since it is difficult to apply consistent policies when certain decisions regarding posts or recruitment are not made on the basis of agreed guidelines. A proposal on contract policy is currently being prepared for the Secretary-General, who will consult with the Coordination Committee and with the Joint Advisory Committee which deals with staff matters.

110. A further issue concerns staff mobility. There has been limited staff mobility at Headquarters between the Bureaux and the General Secretariat, in part a reflection of the specialized qualifications and experience required for posts in the Bureaux. There has also been little mobility between Headquarters and the Regional Offices. This inertia is at odds with current thinking on best practice in human resources management, and the Inspectors would point to recent initiatives in the United Nations to encourage staff mobility across occupational groups and duty stations.

111. As regards appraisal of the performance of staff members, the Secretary-General, after consultations with the Joint Advisory Committee, has recently accepted the proposal of the Working Group on Performance Evaluation for a new procedure, including a new appraisal form.[84] The new appraisal system will be implemented progressively in the first half of 2001. In this regard, the Inspectors would refer the ITU to the requirements for successful implementation as elaborated in a previous ITU report on the subject.[85]

D. Administrative issues

112. Administrative arrangements in respect of human resources are also the responsibility of the Secretary-General, and these are discharged on his behalf by the Personnel and Social Protection Department. The Union follows the United Nations common system in the area of human resources management. Under the Convention, the Council approves and revises the Staff Regulations of the Union "taking account of current practice of the United Nations and of the specialized agencies applying the common system of pay, allowances and pensions...".[86] The salaries of the five elected officials of the Union are, however, based on a formula determined by the Plenipotentiary

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[80] "Human resources management and development", Resolution 48 (Rev. Minneapolis, 1998).

[81] "Human resources management and development", Report by the Secretary-General, C2000/EP/1-E, 17 March 2000, Annex A.

[82] "Comparison of methods of calculating equitable geographical distribution within the United Nations common system", JIU/REP/96/7, Geneva, December 1996, transmitted to the General Assembly as A/51/705, 4 December 1996.

[83] For example, women with at least one year's service on any type of contract are allowed to compete as internal candidates for posts at the P-4 level and above. For this and other initiatives, see "Special measures for the achievement of gender equality", ST/AI/1999/9, 21 September 1999.

[84] "New performance appraisal system", ITU, Service Order No. 01/02, 20 February 2001.

[85] "Towards a new system of performance appraisal in the United Nations Secretariat: requirements for successful implementation", Joint Inspection Unit, JIU/REP/94/5, Geneva, 1994, transmitted to the General Assembly as A/49/219, 4 August 1994.

[86] Convention, Chapter I, Article 4, Nos. 63-68.

Conference and set out in Resolution 46 (Kyoto, 1994).

113. The Personnel and Social Protection Department was reorganized as from 1 August 2000 into two divisions: the Personnel Administration Division and the Human Resources Development Division (HRD). The aim of the new structure is to group the main activities logically, with clear reporting lines, well-defined responsibilities, and increased accountability.[87] Post classification activities have been transferred to the HRD Division, which is in line with the trend in the United Nations common system to combine post classification with competencies.

114. In the opinion of many of the senior officials interviewed for this report the administrative procedures for human resources management remain too cumbersome and there is a need for further streamlining. This was also a conclusion of the Internal Auditor in a recent audit report on human resources management in the Union.[88] The procedures are very regulated, offer little flexibility, involve many steps, and are very time consuming.

115. As part of this streamlining, there is a need for an integrated personnel information system and this is currently under discussion among the concerned officials of the General Secretariat. The SAP information system is already in use in the Finance Department, and this system is being promoted by the latter as well as the Information Services Department. The Personnel and Social Protection Department is, however, considering alternative systems. The Inspectors support the extension of an integrated management information system covering finance and personnel, and believe that the potential efficiencies, including cost savings, of adopting such a system should be carefully evaluated.

116. In the course of their interviews, the Inspectors became aware of certain tensions between some of the senior officials of the Bureaux and the General Secretariat on the one hand, and those of the Personnel and Social Protection Department on the other, which is not uncommon in other organizations of the United Nations system. To some extent this may reflect understandable frustration at the lengthy recruitment procedures and the delays in filling posts.

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[87] "Reorganization of the Personnel and Social Protection Department", ITU, Service Order No. 00/10, 3 August 2000.

[88] "Human resources management in ITU", Internal Audit Report, 6 September 2000, section II.3.

VII.   CENTRALIZED SUPPORT SERVICES OF THE GENERAL SECRETARIAT

117.   There are three departments of the General Secretariat which provide centralized support services to the Bureaux of the Sectors as well as to the General Secretariat itself. The cost savings in providing such services centrally are not in question, and there is, in general, strong support from the service-consuming departments for the continuation of the present structure. Nevertheless, there appear to be some problems which impact on the efficient delivery of certain of these services.

A.   Conference services

118.   The functions of the Department of Conferences cover the organization of conferences and other meetings, document control, text editing, translation, document composition (the pool), and interpretation services. Technical editing, however, is undertaken by specialist units in the Bureaux. Outsourcing or temporary assistance is used for about 30 per cent of translation for conferences, some 50 per cent of typing, and all interpretation.

119.   There has been a major drive to reduce the volume and cost of documentation for conferences, assemblies and the Council, with concrete proposals put forward in a resolution of the 1998 Plenipotentiary Conference, as well as in reports to Council by the Secretary-General.[89] Among the measures adopted have been limitations on the distribution of documents to delegates at meetings and the greater use of the electronic format for documents. In pursuit of cost savings, the Department of Conferences is considering the introduction of machine translation, and is also evaluating the possibilities of remote translation and interpretation.

120.   As noted above, the Inspectors attended several meetings of the Union and were able to observe at first hand the high quality of the provision of conference services. They are, however, aware of problems that arise when certain services that impact on the outputs of conference services are provided elsewhere in the secretariat. The first of these concerns the technical editing which is undertaken in the Bureaux, particularly the BR and the TSB, where a lack of coordination or a blurring of responsibilities has led to the issuance of different versions of a document, including postings on the ITU website. Another difficulty arises with the printing and distribution of documents for conferences and meetings, since functional responsibility for these services lies with the Department of Common

Services. A blurring of responsibilities may affect the efficiency of service delivery. It also raises questions about accountability.

B.   Common services

121.   The Department of Common Services is the largest in the General Secretariat with nearly 200 staff. It has a wide area of responsibility including logistics (most procurement, security services, buildings maintenance, etc.), publications production, publications sales and marketing, printing and distribution, and library and archives services. Buildings maintenance is outsourced, as well as some print jobs. Some services are provided in common with other United Nations organizations in Geneva (medical service, training, pouch), and there is also joint procurement of goods and services with UNOG, but there may be more scope in this regard within the "new framework" for United Nations common system services at Geneva which was recommended by a recent report of the JIU.[90]

122.   Publications income corresponds to about 40 per cent of the budget of the Department. The publication-related activities are subject to cost recovery, with any surplus income going to the Reserve Account. About one third of all sales occur through the ITU website and the proportion is growing. A major objective is to maintain and improve the high quality of ITU's web-based publications, but website posting may give rise to problems in this regard since responsibility for this task is not centralized. Some of these publications are posted on the website by the Department of Common Services, but presently most publications (mainly recommendations) are posted directly on the website by the Bureaux. There have occasionally been problems with version control, i.e., ensuring that the same version is sold to all website customers. As with the Department of Conferences, this leads to questions concerning responsibility and accountability between the service providers in the General Secretariat and the Bureaux.

123.   As for conference documents, a strong case was made during the interviews for this report for retaining the printing of these within the Department of Common Services, based on the cost savings which flow from large-scale centralized print shop operations. It was suggested that peaks and troughs in demand can be handled more efficiently, with bottlenecks foreseen and machine use maximized.

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[89] See, for example, "Reduction of the volume and cost of documentation for ITU conferences", Resolution 104 (Minneapolis, 1998); "Reduction of the cost and volume of documentation for conferences, assemblies and the Council", Report by the Secretary-General, C2000/12-E, April 2000.

[90] "United Nations system common services at Geneva. Part I: Overview of administrative cooperation and coordination", Joint Inspection Unit, JIU/REP/98/4, Geneva, 1998, Recommendation 1.

Nevertheless, in the case of new standards from ITU-T, where time was of the essence, it was reasonable that the unit dedicated to fast publishing of these outputs was located in the Department of Conferences.

C.   Information services

124.   The Information Services Department (IS) is responsible for the information and communication infrastructure of the ITU, both internal and external, as well as applications. Some 80 per cent of the staff of the department are in the professional grades, reflecting the technical and specialized nature of the work. The functions are performed by five divisions covering computer and network management, office systems, information exchange, database applications, and administrative systems.

125.   The requirement contained in the guidelines for the 2002-2003 draft budget of the Union to reduce requested resources by 3 per cent in order to remain within the expenditure ceiling impacts heavily on the Information Services Department. This is partly because it faces sharply increased pension contributions, a result of the strength of the United States dollar and the high proportion of professional staff it employs. Furthermore, the increasing demand for information and communication technology services limits its scope to cut staff resources. In the draft regular budget for the Department, reductions are envisaged in contractual services and acquisitions.

126.   In the 2002-2003 biennium, the ITU has need of additional information and communication technology projects which are outside the scope of the regular budget for this function. At least two of these projects are urgent: replacement of the local area network, and a new backup and archives system. In the interviews for this report it was pointed out that if funds were not forthcoming for these upgrades, the integrity of ITU's information systems might not be guaranteed in the event of a catastrophic systems failure. Three other special projects are listed in the draft budget of the IS Department: automatic monitoring of network applications and services; computerized management of network components; and new systems for human resources management and procurement. These five projects amount to an additional budgetary requirement of some CHF 4.5 million, and the Inspectors understand that a proposal for a special IT fund is under review.

127.   A problem in the centralized provision of support services may arise when the service consumer and the service provider have conflicting views on the optimal choice of product or service. This appears to be especially so in the case of information systems, with the risk that systems development may become fragmented. The proposed new human resources management system for ITU is a case in point. As noted above, discussions are currently taking place in the secretariat regarding the extension of the SAP system, which is being used for financial management, to human resources management.

128.   Software development is also taking place in the Bureaux independently of the Information Services Department. In the BR, for example, there are three software divisions, one for terrestrial applications and two for space applications. In part this reflects the specialized nature of systems development for ITU-R, but there is also an historical aspect since the computer department was originally located in the IFRB. There has been cooperation between the BR and IS Department on technical software development projects in the past, but there were indications that the BR would prefer to keep this kind of work in-house. Potential areas of disagreement concern systems of a more general or administrative nature.

129.   The TSB relies heavily on the IS Department for information services, including software development for technical applications. There is good cooperation between the two entities, and there could be more project development but for the budget constraints on the IS Department. There appears to be a less cooperative relationship, however, between the BDT and IS Department. From the viewpoint of BDT, it would appear that there is inadequate consultation with the users before software systems are introduced. Another problem has arisen in respect of IS support for the regional offices, since the BDT was not in a position to transfer IT dedicated posts to the IS Department to cover this need.

130.   In general, the position of the IS Department is that user support can be decentralized, but that for systems development, centralization is the only way to avoid duplication. There are, however, strict budget constraints, as well as a relatively high staff vacancy rate, that limit the services that the IS Department can offer to the Bureaux and other departments in the General Secretariat.

VIII.   OVERSIGHT MECHANISMS

A.   Internal oversight

131.   Internal audit is a relatively new management tool in the ITU. Following a recommendation by the External Auditor, an internal audit function was included in the mandate of the Strategic Planning Unit (SPU), along with the functions of strategic planning and operations analysis, as had been recommended by the High Level Committee. The SPU was established in 1991, but the post of Internal Auditor was not staffed at that time because of resource constraints. In 1997 the SPU was merged with the External Affairs Unit, and a reallocation of resources permitted the appointment of the first Internal Auditor at the P-4 level.

132.   In June 1999, the Secretary-General issued an Internal Audit Charter as Service Order No. 10, which established the mandate of the Internal Auditor, specifying that the post is under the direct authority of the Secretary-General, and setting out the responsibilities and scope of activities (audit, inspection and investigation), as well as prerogatives and reporting relationships.[91] The main responsibility of the Internal Auditor is to conduct management audits in order to assist the Secretary-General and the other elected officials in discharging their duties more efficiently and effectively. Upon written instructions from the Secretary-General, the Internal Auditor may also conduct investigations of allegations or presumptions of fraud or mismanagement.

133.   As specified in the Charter, the Internal Auditor plans, organizes and implements a comprehensive internal auditing programme. The general scope of this programme is determined by the Secretary-General in consultation with the Coordination Committee. The Internal Auditor then determines which specific operations and activities will be audited and prepares a work plan for the approval of the Secretary-General. The Internal Auditor is required to report the results of audit examinations, including the comments of the managers concerned, to the Secretary-General, and to follow up on the recommendations of the audit report to determine whether effective action has been taken within a reasonable period of time.

134.   Under the Charter, the Internal Auditor also prepares an annual report of activities for the Secretary-General, although there is no requirement for this report to be submitted to the Council. Nevertheless, the first report of the Internal Auditor, for the period 1998-1999, was presented to Council

2000 by the Secretary-General as an information document.[92] It appears from this report that, although action has been taken in some areas to implement the Internal Auditor's recommendations, it has been delayed in some others due to resource constraints (e.g., production of financial and administrative procedures manuals), or by the requirements for further study and analysis (e.g., delegation of authority in administrative and financial matters).

135.   There is evidence of resistance by some officials of the Union to the internal audit function, particularly in the early stages of its introduction. The interviews for this report suggested that this attitude still lingers in some quarters, and it may be an obstacle to the rate of implementation of the recommendations of the internal audits. To give the internal audit function greater independence and more weight, and enhance its effectiveness as a tool of management, the Inspectors recommend that the Internal Auditor should submit a consolidated annual report to the Council through the Secretary-General, with or without the latter's comments.

136.   The Inspectors also think that the internal audit function needs strengthening. It suffers by being undergraded and understaffed, which lessens its credibility and effectiveness. In earlier reports on accountability and oversight in the organizations of the United Nations system, the JIU has argued against oversight "on the cheap".[93] The ITU is the only organization of the United Nations system where the internal audit function is graded at the P-4 level; other organizations grade the function as P-5 at least. We understand that there is a proposal in the 2002-2003 draft budget for an additional professional post, and for a full-time general services post to replace the current half-time post. The Inspectors support this proposal and would recommend that the post of Internal Auditor be upgraded.

137.   Besides audit and inspection, internal oversight covers the functions of monitoring and evaluation. As was noted in chapter V above, monitoring and evaluation should be facilitated by the further development of the results-based approach to budgeting in the Union as well as the concomitant performance indicators. A need for reporting on

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[91] "Internal Audit Charter", ITU, Service Order No. 10, 8 June 1999.

[92] "Report on the internal audit", Information Report by the Secretary-General, C2000/EP/17-E, 26 June 2000.

[93] "Accountability and oversight in the United Nations secretariat", Joint Inspection Unit, JIU/REP/93/5, Geneva, 1993, transmitted to the General Assembly as A/48/420, 12 October 1993; and "Accountability, management improvement, and oversight in the United Nations system", Parts I and II, JIU/REP/95/2, Geneva, 1995, transmitted to the General Assembly as A/50/503, 25 October 1995 and A/50/503/Add.1, 2 November 1995.

performance was also identified. The Inspectors believe that an additional oversight post will eventually be required to undertake monitoring and evaluation, preferably within a consolidated internal oversight unit.

138. The Inspectors are also concerned that although there is a mandate for the investigations function in the Internal Audit Charter, investigative work has largely consisted of reviews of financial disbursements which arise in the course of an audit. The responsibility to initiate investigations lies with the Secretary-General, and there is as yet no formal mechanism in place for staff to approach the Internal Auditor in confidence with reports or allegations of fraud or other misconduct. The Inspectors would encourage the setting up of such a mechanism. The problems confronting the smaller organizations of the United Nations system in providing for the investigations function were identified in a recent report of the JIU, which also offered some possible solutions.[94] One recommendation of the report was that the executive head of the organization should prepare a risk profile covering the structure of the organization, the nature of its work and the quality of its internal controls, in order to determine its need for access to a professional investigations capability. The Inspectors would urge the ITU to undertake such a study.

B.   External oversight

139. The Central Audit Office of the Swiss Confederation serves as the External Auditor of the Union. The services are provided free of charge on a permanent basis, in accordance with an agreement with the host country which dates from the inception of the Union. The principal task of the External Auditor is to conduct an annual audit of ITU accounts and the accounts of TELECOM exhibitions and forums, and to present the findings to Council in the form of a detailed report identifying problems uncovered in the course of the audit. The External Auditor's report generally includes responses to queries that he has addressed to the secretariat.

140. In addition to inspecting and certifying the accounts, the reports of the External Auditor usually address issues related to the financial management practices and procedures of the secretariat, particularly to instances in which the Financial Regulations have not been properly applied, or in which control procedures are inadequately designed or resourced.

141. As noted in paragraph 8 above, external oversight is also provided by the Joint Inspection Unit on a United Nations system-wide basis. The Unit consists of 11 Inspectors representing the different geographical groups, assisted by a secretariat. Through inspection and evaluation, the Inspectors should satisfy themselves that the activities undertaken by the United Nations organizations are carried out in the most economical manner. They should provide independent views aimed at improving management and methods mainly through reports and recommendations which do not have the power of decisions, and which are addressed to legislative bodies and/or executive heads of organizations. The reports may cover a single organization, such as the present report on ITU, or several organizations or be system-wide. The Unit may also issue notes and confidential letters addressed to executive heads. The Unit is responsible for preparing its annual programme of work based on requests by Member States usually through legislative bodies, suggestions by executive heads, or on initiatives by the Inspectors themselves.

C.   Shared responsibility for oversight

142. A recent report of the JIU has emphasized the concept of shared responsibility for oversight, i.e., that effective oversight in the United Nations system requires a partnership among Member States, senior management in the secretariats, including internal oversight officials, and the external oversight mechanisms.[95] Within the context of shared responsibility, Member States play the essential leading role. The Inspectors believe that a consolidated finance and administrative committee in the ITU, as recommended above, would strengthen the oversight function of Member States and enable them to fulfil their shared responsibility.

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[94] "Strengthening the investigations function in United Nations system organizations", Joint Inspection Unit, JIU/REP/2000/9, Geneva, 2000.

[95] "More coherence for enhanced oversight in the United Nations system", Joint Inspection Unit, JIU/REP/98/2, Geneva, 1998, transmitted to the General Assembly as A/53/171, 9 July 1998.

ANNEX

PRACTICES AND PROCEDURES FOR ELECTION OR APPOINTMENT OF HIGH-LEVEL OFFICIALS OF UNITED NATIONS SYSTEM ORGANIZATIONS

	A. THE UNITED NATIONS, ITS PROGRAMMES, FUNDS AND OFFICES			
ORG.	**ELECTED OFFICIALS**	**TERM OF OFFICE**	**APPOINTED OFFICIALS**	**TERM OF OFFICE**
UNITED NATIONS	Secretary-General elected by the General Assembly on the recommendation of the Security Council.[1]	Five years renewable.	Under-Secretaries-General and Assistant Secretaries-General appointed by the Secretary-General under Staff Regulations.[2]	Normally five years, subject to prolongation or renewal.
OHCHR			High Commissioner for Human Rights appointed by the United Nations Secretary-General and approved by the General Assembly.[3]	Four years, renewable once.
UNCTAD			Secretary-General of UNCTAD appointed by the United Nations Secretary-General after confirmation by the General Assembly.[4]	Extension of term of office subject to the same provisions as those for appointment.
UNDP			Administrator appointed by the United Nations Secretary-General, following consultations with the members of the Executive Board of UNDP, and after confirmation by the General Assembly.[5]	Four years renewable.
UNEP	Executive Director elected by the General Assembly on the nomination of the United Nations Secretary-General.[6]	Four years renewable.		
UNHCR	High Commissioner for Refugees elected by the General Assembly on the nomination of the United Nations Secretary-General.[7]	Variable depending, *inter alia,* on date up to which the General Assembly has authorized continuation of the Office – term of office of current incumbent is three years.	Deputy High Commissioner appointed by the High Commissioner (nationality other than his/her own).	Same term of office as High Commissioner.
UNRWA			Commissioner-General appointed by the United Nations Secretary-General in consultation with Governments represented on the Advisory Commission of the Agency.[8]	Not specified.
UNICEF			Executive Director appointed by the United Nations Secretary-General in consultation with the UNICEF Executive Board.[9] Deputy Executive Directors appointed by the United Nations Secretary-General upon the recommendation of the Executive Director.	Four years renewable.

	A. THE UNITED NATIONS, ITS PROGRAMMES, FUNDS AND OFFICES (cont.)			
ORG.	**ELECTED OFFICIALS**	**TERM OF OFFICE**	**APPOINTED OFFICIALS**	**TERM OF OFFICE**
UNFPA			Executive Director (USG) appointed by the United Nations Secretary-General after consultation with UNFPA Executive Board. Deputy Executive Directors (ASG) appointed by the United Nations Secretary-General upon recommendation of the Executive Director.	Fixed-term, usually for a period of two years and subject to renewal – no limitation on renewal.
WFP			Executive Director (USG) appointed jointly by the United Nations Secretary-General and the Director-General of FAO after consultation with Executive Board. Senior officials above D-2 appointed by the Executive Director in agreement with the United Nations Secretary-General and the Director-General of FAO and in consultation with Executive Board members.	Five years, renewable once.
UNU			Rector appointed by the United Nations Secretary-General after consultation with the Director-General of UNESCO following approval by Council on the recommendation of the Nominating Committee (comprising Chairman of Council, representative of the United Nations Secretary-General and representative of the Director-General of UNESCO).[10]	Normally five years, renewable once.
ITC			Executive Head appointed at the level of Assistant Secretary-General by the United Nations Secretary-General upon a joint recommendation of the Executive Heads of the parent bodies of ITC, namely, the Secretary-General of UNCTAD and the Director-General of the World Trade Organization.	Generally three years renewable.
UNITAR			Executive Director appointed by the United Nations Secretary-General after consultation with the Board of Trustees.[11]	Not specified.

	B. SPECIALIZED AGENCIES OF THE UNITED NATIONS SYSTEM AND THE INTERNATIONAL ATOMIC ENERGY AGENCY			
ORG.	**ELECTED OFFICIALS**	**TERM OF OFFICE**	**APPOINTED OFFICIALS**	**TERM OF OFFICE**
ILO	Director-General elected by the members of the Governing Body (more than one-half majority required, failing which GB may postpone the election and set a new deadline for submission of candidatures).[12]	Five years – the appointment may be renewed for such further period or periods as the Governing Body may decide. No single extension shall exceed five years.[13]	Deputy Director-General, Assistant Director-General, and Treasurer and Financial Comptroller, appointed by the Director-General after consultation with Officers of the Governing Body.[14] In addition the Director-General may designate a Principal Deputy Director-General, in which event such designation shall be made after consultation with the Officers of the Governing Body and with the agreement of the Governing Body.[15]	For a period not exceeding five years. Appointments may be renewed indefinitely. No single extension shall exceed five years.[16]
FAO	Director-General appointed by the Conference (overall majority required).[17]	Six years renewable.	Deputy Director-General appointed by the Director-General subject to confirmation by the Council.[18]	
UNESCO	Director-General nominated by the Executive Board and appointed by the General Conference, under such conditions as the Conference may approve.[19]	Six years, renewable once.	Directors of Legal Affairs and Internal Oversight appointed by the Director-General after consultation with the Executive Board.	
ICAO			Secretary General appointed by Council after consideration of all candidates suggested by States (including current Secretary General if standing for reappointment).[20] D-2 level appointments (5 in total) made by Secretary General following advice of an ad hoc Commission, appointed by the Council (comprising members of the Council).	Specified term of office from three to five years, the exact duration of which to be determined by the Council on each occasion. Fixed-term basis for terms of between three and five years, the duration of which determined at the time of appointment.
UPU	Director-General and Deputy Director-General elected by the Congress.[21]	Minimum five years (for a period between two successive Congresses), renewable once.	Assistant Director-General (D-2) appointed by the Director-General since 1999. Prior to this date, ADGs appointed by the Council of Administration.[22]	
WMO	Secretary-General appointed by the Congress.[23]	Four years, renewable twice.		

	B.	SPECIALIZED AGENCIES OF THE UNITED NATIONS SYSTEM AND THE INTERNATIONAL ATOMIC ENERGY AGENCY (cont.)		
ORG.	**ELECTED OFFICIALS**	**TERM OF OFFICE**	**APPOINTED OFFICIALS**	**TERM OF OFFICE**
WIPO	Director General appointed by the WIPO General Assembly on the nomination of the Coordination Committee.[24]	Six years, renewable once.	Deputy Directors General appointed by the Director General after approval by the Coordination Committee.[25] Assistant Directors General, D-2s and D-1s appointed by the Director General taking into account the advice of the Coordination Committee.[26]	
IFAD	President appointed by the Governing Council (two-thirds majority vote).[27]	Four years, renewable once.	Vice-President appointed by the President.	
UNIDO	Director-General appointed by the General Conference upon the recommendation of the Industrial Development Board.[28]	Four years, renewable once.		
IAEA	Director General appointed by the Board of Governors with the approval of the General Conference.[29]	Four years renewable.		
WHO	Director-General appointed by the World Health Assembly on the nomination of the Executive Board on such terms as the World Health Assembly may determine.[30]	Five years, renewable once.	Regional Directors for the six regions of WHO appointed by the Executive Board in agreement with the Regional Committee.[31] Internal Auditor appointed by the Director-General after consultation with the Executive Board.[32]	Five years, renewable once.
ITU	Secretary-General, Deputy Secretary-General and three Directors of Bureaux elected by the Plenipotentiary Conference.[33]	Term of office determined by the Plenipotentiary Conference at the time of election - usually four years, renewable once.		

NOTES

[1] Articles 97 and 101 of the Charter of the United Nations.

[2] Staff Regulations of the United Nations, Regulation 4.4.

[3] General Assembly resolution 48/141, para. 2(b) of 20 December 1993.

[4] General Assembly resolution 1995 (XIX), Section II, para. 27 of 30 December 1964.

[5] General Assembly resolution 1240 (XIII), Part B of 14 October 1958.

[6] General Assembly resolution 2297 (XXVII), Part II, of 15 December 1972.

[7] General Assembly resolution 428 (V) of 14 December 1950.

[8] General Assembly resolution 302 (IV) of 8 December 1949.

[9] General Assembly resolution 57 (I) of 11 December 1946.

[10] General Assembly resolution 3081 (XXVIII) of 6 December 1973; Article V of the UNU Charter.

[11] Article IV, para. 2 of the UNITAR Statutes.

[12] Rules governing the election of the Director-General (adopted by the Governing Body on 23 June 1988), document GB.240/18/24/D.1, para. 11.

[13] Staff Regulations of the ILO, Article 4.6, para. (a).

[14] Staff Regulations of the ILO, Article 4.2, para. (b).

[15] Staff Regulations of the ILO, Article 4.2, para. (c).

[16] Staff Regulations of the ILO, Article 4.6, para. (b).

[17] FAO Constitution, Article VII, para. 1; FAO General Rules, Section C, Rule XXXVI.

[18] FAO General Rules, Section C, Rule XXXIX.

[19] Constitution of UNESCO, Article VI, para. 2; Rules of Procedure of the General Conference, Chapter C, sub-chapter XI, Rule 58 and sub-chapter XIX, Rule 105.

[20] ICAO Convention, Articles 54(h), 58 and 59.

[21] UPU General Regulations, Article 109 and UPU Rules of Procedure of Congress, Article 22.

[22] UPU General Regulations, Article 110.

[23] WMO Convention, Article 21; WMO General Regulations, Section VI, Regulations 196 to 199.

[24] Appointment of the Director General is governed by Article 9(3) of the WIPO Convention. At its September 1998 session the WIPO General Assembly agreed to adopt texts amending the process of election or appointment of high level officials (doc. WO/GA/23/6 of 9 September 1998). The amended texts are reflected in the above table, but have not yet been reflected in Article 9(3) of the WIPO Convention.

[25] WIPO Convention, Article 9(7).

[26] WIPO Staff Regulation 4.8(a).

[27] Agreement Establishing IFAD, Section 8, Article 6.

[28] UNIDO Constitution, Article 11; Rules of the procedures of the Industrial Development Board, Rule 61; and Rules of the procedures of the General Conference, Rules 103 and 104.

[29] IAEA Statute, Article VII, para. A.

[30] WHO Constitution, Article 31; Rules of Procedure of the Executive Board, Rule 52; Executive Board resolution EB97.R10 of January 1996; Executive Board decision EB100(7) of May 1997; and Rules of Procedure of the Health Assembly, Rules 108 to 112.

[31] WHO Constitution, Article 52; Rules of Procedure of Regional Committees.

[32] Financial Rules of WHO, Rule 117.3.

[33] ITU Constitution, Article 8, No. 55; ITU Convention, Article 2, No. 13.