



**ALICI BARCENA
UNDER-SECRETARY-GENERAL FOR MANAGEMENT**

--

**REMARKS TO THE GENERAL ASSEMBLY
THEMATIC DEBATE
“TOWARD A COMMON UNDERSTANDING
OF MANAGEMENT REFORM”**

New York, 9 April 2008

Mr. President,
Deputy Secretary-General,
Excellencies,

Thank you for the opportunity to address some of the specific points and concerns raised during the debate yesterday.

As Under-Secretary-General for Management, I am responsible for programmes that range from preparing the regular and peacekeeping budgets of the UN, to ensuring continuity of operations in the event of a major disaster, to revitalizing management of our human resources. The challenges of this job are enormous, but also gratifying and even during my short tenure I believe we've accomplished much.

I am particularly grateful to the President of the General Assembly for focusing on three broad themes, which are at the core of management – (1) the way mandates are formulated, implemented and evaluated; (2) the planning and budgetary process, and (3) the management of human resources.

I want to express my sincere appreciation to the members of the Fifth Committee and the ACABQ who provide invaluable guidance and support to us at every step and whose recommendations allow the General Assembly to deal with every aspect of the Organization's work.

I am also grateful for the Four Nation's initiative enabling ongoing dialogue between the Secretariat and member states as to how we can jointly contribute to the goals of the Organization.

I would like to thank the Ambassadors and the many delegations for their encouraging statements and their enthusiasm for the Secretary-General's initiatives which are key to moving the Organization forward.

A number of you have expressed concerns about the budgetary process, human resources reform, as well as matters of accountability, enterprise risk management, results-based management, enterprise resources planning and information and communications technology. Many of these issues have been with us for some years and can be traced back to specific mandates emanating from the 2005 World Summit and subsequently the "Investing in the United Nations" proposals in 2006. During 2007, we have continued building on these investments and have submitted specific concrete proposals to move forward the management agenda. We have also benefited from the provision of the very useful Four Nations Initiative report.

Listening to you yesterday, it is clear that a number of you have queries on the status of these reforms, both as to their implementation to date and with regard to their further development in the future.

I will begin by noting that there have been already significant achievements since the 2005 World Summit with regard to initial requirements in the administration of justice, human resources, establishment of an Independent Audit Advisory Committee, strengthened capacity of OIOS, the establishment of an Ethics Office, the institution of a robust whistleblower policy, the establishment of a Chief Information Technology Officer, and a number of procurement reforms, including the systematic strengthening of the Headquarters Committee on Contracts and the Local Committees on Contracts in missions. These have all been achieved in the space of the last two to three years, and I would like to thank you for the support shown at the level of the ACABQ, the Fifth Committee and the Plenary for the review of our proposals that led to these achievements.

Let me start by addressing **mandate formulation, review and evaluation**, which is very closely linked to accountability and results-based management.

This is an extremely important topic, and I would like to recognize the work of the co-chairs of the GA mandate review process, Ambassador Rosemary Banks of New Zealand and Ambassador Kaire Mbuende of Namibia, for their very hard work and seriousness of purpose in coordinating this year's mandate review and for giving the Secretariat the opportunity to participate in this member states-driven initiative.

They have just completed a review of the humanitarian affairs cluster of mandates, and I believe they have developed a methodology that is fair and efficient and

will allow for informed decisions regarding the review and evaluation of current mandates and formulation of future mandates.

From the Secretariat's perspective, there are three major problems with the current mandate generation process, as described in the report entitled "Mandating and delivering: analysis and recommendations to facilitate the review of mandates" (A/60/733).

First and foremost, a fundamental and recurring challenge has been the adoption, year after year, of hundreds of mandates which must be implemented within resource constraints that do not keep pace. Member States confer additional responsibilities with neither corresponding funds nor guidance on how resources should be reallocated. This gap leads to real costs for the Organization and the people it serves.

The second major problem is the uncoordinated and burdensome mass of reports requested from the Secretariat. The quantity of the reports obscures their quality and impact, overwhelming the Member States and overburdening the Secretariat.

And lastly, year after year, the General Assembly, ECOSOC and the Security Council continue to adopt new mandates on the same issues, sometimes even under more than one agenda item in the same organ, usually without introducing new ideas or approaches. While some overlap of mandates from different organs is inevitable and different perspectives desirable, the existence of many interrelated mandates is generally confusing, redundant and wasteful. In many instances there are no concrete timeframes attached, neither are the responsible entities identified.

Given these challenges, I was delighted to read the proposals of the Four Nations Initiative (4NI) related to mandate formulation, implementation and evaluation.

The 4NI proposed that Member States consider drafting mandates more clearly in order to facilitate preparation of the relevant budget frameworks and to increase the ability to hold the Secretariat accountable for implementation. They proposed the following elements to consider when drafting mandates:

- timeframes for implementation and results;
- expected outcomes and indicators to measure these;
- monitoring systems; and
- criteria for determining when a mandate has been completed.

I very much welcome these suggestions as well as the concrete proposal made yesterday by Ambassadors Banks, on behalf of CANZ, to develop a simple checklist or standard approach when generating a mandate. Such a checklist would include expected results, a time frame, estimated resource implications, and criteria for mandate

completion. Equally important, it would place the initiative in the context of existing similar mandates in hopes of avoiding duplication.

The Secretariat stands ready to support the Member States in generating this type of information during the mandate formulation process as well as when additional inputs are provided to the ACABQ and the Fifth Committee during their deliberations. We should collectively aim to write and review mandates in a more results-oriented manner. Doing so would reinforce the Secretary-General's proposals for implementing results-based management, risk management and strengthening accountability in the Secretariat.

The Four Nations Initiative also recognized the critical importance of the evaluation and feedback process for identifying, correcting and learning from successes and failures in implementing mandates.

I very much agree that the Secretariat must strengthen its evaluative and monitoring capacity. This is why the Secretary-General's recent report on strengthening accountability and implementing results-based management highlighted this critical gap and proposed a dedicated capacity to strengthen monitoring and evaluation by programme managers. We have drawn significantly from the Results-based Management concepts elaborated in the JIU reports and the experience of other UN entities. *I urge you, Member States, to approve the requested resources for this dedicated capacity.*

An important limitation to the review of mandates that the mandate review co-chairs have identified is the difficulty in cross walking resources with individual mandates. The Secretariat does not currently track funding by outputs and mandates but rather by sub-programmes that are established by mandates.

I am committed to addressing this very serious limitation and have asked the Controller to work with individual programme managers to map the effects of recommendations agreed by Member States to sub-programmes and outputs. I hope that this type of mapping will enable Member States to understand the resource implications of their decisions regarding existing mandates. It will produce accounting methods allowing us to 'cost' mandates, outputs and results.

Let me now turn to the budgetary process where again we have heard concerns that were expressed during the budget debate last year and again yesterday, that the budget process appears to have a piecemeal approach.

Budget process

Firstly, we are working within the framework established by General Assembly resolution 41/213 which provides for the elements of initial budget proposals, including the budget outline, statements of programme budget implications and revised estimates, as the main vehicles for presenting resource requirements before the Assembly. **Budget discipline begins with the mandate process.** This arrangement exists to ensure that the

Secretariat is positioned to respond in a timely fashion to requirements arising both from adopted strategic frameworks, individual legislative requirements from the Security Council, ECOSOC and the General Assembly and specific requests of the sort you have made with regard to proposals for ERP, accountability, results based management, human resources reform, including the administration of justice. Absent these arrangements, the Secretariat would not be in a position to make a timely response to new legislative mandates and requirement proposals could only be considered on an intermittent basis once every two years, thereby slowing the pace for action in areas which are considered by Member States to require urgent attention.

Special political requirements continue to be the major factor in the growth of the regular budget. For the biennium 2002-2003, the General initially authorized \$98.9 million. The budget outline for 2004-2005 proposed a level of \$223.3 for these operations. For 2006-2007, \$349.7 million was proposed. For 2008, the annual amount approved is \$435.5 million. This provision will need to be replenished by a similar or larger amount in 2009.

General Assembly resolution 41/213 also provides for the contingency fund, which is a mechanism that makes it possible for the General Assembly to provide, *within a certain limit*, i.e. 0.75% of the approved budget, *additional resources* to implement additional mandates that have not been provided for in the programme budget for the biennium.

Under the terms of General Assembly resolution 41/213, additional requirements related to peace and security and requirements for recosting are *not* chargeable to the contingency fund. We budget in US dollars and we have experienced a period of weakening of the US dollar relative to other currencies. The result is an upward shift in budget level in order to continue to carry out operations at all our locations. Such recosting adjustment does not reflect any real growth --- these are requirements to deliver *existing* mandates.

Background to 2008-2009 budget

You will recall that in September 2005, Member States set out a wide programme of reform to be implemented over the following years. Given the significant resources required for implementation, the General Assembly acted to provide funding over and above the level of the contingency fund that was approved for 2006-2007. Further additional appropriation was approved to fund reform proposals during 2006.

In 2006, the budget outline for the biennium 2008-2009 set out indicative estimates for the period. It was noted at that time that a number of critical reports on the direction of several proposals (e.g. ERP, administration of justice) were still to be considered by the General Assembly.

At the same time, proposals were made in the budget outline to set a contingency fund level of 1.35 per cent for the biennium 2008-2009, an increase of 0.6 per cent as compared to the level of 0.75 per cent for previous periods. The General Assembly decided to maintain a level of 0.75 per cent, it also requested a review of the experience of the contingency fund. The review was carried out and reported in document A/62/229.

With the decision of the General Assembly to set the contingency fund level at 0.75 per cent for the 2008-2009 biennium, every effort has been made to handle additional requirements consistent with the terms of resolutions 41/213 and 42/211, including the assessment of opportunities to redeploy resources or to defer activities.

In 2007, the new Secretary-General put forward detailed budget proposals based on the plan and outline which had been approved in the previous year. Reform action continued in parallel with initiatives of the Secretary-General, and with the review of the proposed programme budget. Building on the foundation of the programme budget for 2008-2009 approved in December 2007, further work is required to maintain reform momentum and to update the programme of work in critical areas such as ICT, accountability, and administration of justice.

Extrabudgetary resources

Concerns have been expressed about the level and role of extra-budgetary resources in the work of the Organization. Indeed, extra-budgetary estimates total a significant amount--- some \$6.7 billion. At the same time, it is important to note that over 70 % of these estimates relate to programmes with separate governing bodies, with utilization of these resources reviewed in that context. These programmes include UNHCR, UNRWA, UNODC, UNEP, and UN-Habitat.

Extrabudgetary resources estimated for the biennium 2008-2009

(Thousands of United States dollars)

	<i>Amount</i>	<i>Percentage</i>
A. Programmes with separate governing bodies		
UNHCR	2 765 000.0	41.5
UNRWA	1 198 839.5	18.0
UNODC	290 160.0	4.4
UNEP	277 132.0	4.2
UN-Habitat	242 138.5	3.6
Subtotal	4 773 270.0	71.7
B. Technical cooperation funds	535 073.0	8.0
C. Reimbursement for support and services provided ^a	680 963.8	10.2
D. Substantive trust funds	672 003.1	10.1
Subtotal	1 888 039.9	28.3
Total	6 661 309.9	100.0

^aEstimates revised subsequent to General Assembly approval of the peacekeeping support account budget for 2007/08.

Future planning and resource allocation

This informal thematic debate takes place at an opportune time. Plan proposals for 2010-2011 are being finalized now, and will be reviewed by the CPC in June of this year. The budget outline for the period will be submitted to the General Assembly later this year. Decisions of the General Assembly on the plan and the budget outline in December 2008 will form the foundation for preparation of programme budget proposals in early 2009. The programme budget for 2010-2011 will be decided by the General Assembly in December 2009. The establishment of mandates and the related resources is the prerogative of Member States. These milestones provide opportunities for Member States to decide on the programme of work to be implemented in 2010-2011. I am committed to providing the support necessary to ensure that this process is a successful one, fully taking into account our discussions over these two days.

Procurement

Following the procurement reform initiatives and with the additional resources approved by the General Assembly, the Procurement Division has embarked on a number of activities to implement procurement reform agenda, strengthen internal controls, enhance ethical behaviour, and increase business opportunities for developing countries and countries with economies in transition..

In order to strengthen professionalism of staff involved in acquisitions, the Procurement Division developed and delivered a number of training programmes including the Best Value for Money training, ethics and integrity in procurement, and debriefing of unsuccessful vendors and suppliers. The Division has also conducted a pilot project in training of field procurement staff and members of Local Committee on Contracts (LCC). A total of 35 sessions will be delivered to the peacekeeping missions and other duty stations by the end of May 2008 to train over 1,000 staff members involved in the acquisition of goods and services for the Organisation.

In order to enhance transparency and fairness of the acquisition process, Procurement Division has strengthened its compliancy and oversight function. It has actively followed up on the status of implementation of audit recommendations. The Division also organized management visits to most of the peacekeeping missions to resolve issues identified in audit and monitor compliance with recommended course of action.

As far as vendor management is concerned, the Procurement Division held a total of 65 Vendor Review Committee meetings to review issues, pertaining to removal or suspension of vendors engaged in unethical or corrupt practices. Another important issue in the procurement reform is to increase procurement opportunities for vendors from developing countries and countries with economies in transition. A working group established in PD has reviewed the current vendor registration process with a view to simplifying and streamlining the procedure to increase opportunities for vendors from these countries. The Procurement Division has also revitalized its business seminar

programme for these countries and visited 18 locations in 2007. Currently the share of the developing countries and countries with economies in transition has reached 52 per cent of the overall UN procurement volume.

It is well understood that procurement reform is not an end in itself but rather a process which should result in restoring and strengthening of public trust in the UN procurement. The Secretariat is fully committed to proceed with further implementing all the steps necessary to ensure that global taxpayers' funds are spent in the most transparent, fair and efficient manner.

Let me now turn to **Human Resources management**. There's been much open and candid discussion over the last day, which I hope will continue when the Secretary-General's human resources proposals are considered by the intergovernmental bodies. But I believe there is already an acknowledgement that HR reform must be the foundation of any meaningful organizational change.

No doubt you've noted the ambitious scope of the HR initiatives presented by the Secretary-General yesterday related to workforce planning, contracts and conditions of service, vacancy management, mobility, career development and training and performance management and accountability of managers. The proposals are formulated within the 3 specific dimensions and authorities – (i) Secretary-General's direct authority, (ii) consultations with staff and the ICSC, and (iii) General Assembly authority. As Member States, if you decide to invest significantly in human resources, you have the right to know how your investments will further the achievement of the Organization's mission.

Contracts and conditions of service

It is true that the current contractual arrangements and inequitable conditions of service in the field hamper the ability of the Organization to attract, recruit, manage and retain staff for service. Therefore, the Secretary-General has presented to the GA at its 61st and 62nd sessions his proposals on the streamlining of contractual arrangements and harmonization of conditions of service.

His proposals include one staff contract that offers career prospects for staff in all locations to serve under one series of staff rules, without limitations to specific offices or projects. One staff contract is a sine qua non to achieving the goal of a mobile and versatile workforce. Streamlining contractual arrangements is not in itself enough. A consistent, common system of salaries, allowances and benefits is also critical. Member States reviewed the proposals at the first resumed session of the 62nd session and deferred a decision on the proposals to the 63rd session in the fall 2009. We sincerely hope that a decision to move forward will be taken by the member states before the end of the year.

Senior-level appointments

General Assembly resolution 51/226, Section II, paragraph 5 allows the Secretary-General the discretionary power to appoint and promote staff in his Executive

Office and senior officials at the Assistant Secretary-General (ASG) and Under-Secretary-General (USG) levels outside the established procedures. Nevertheless, ever since he took office, the Secretary-General has tried to do his utmost to ensure equitable geographical distribution and gender balance in appointing senior-level officials.

The Secretary-General has advertised recent senior-level positions in various media publications in order to attract qualified candidates from around the world. He will continue to adopt proactive strategies to identify and attract promising senior leaders. He is planning to utilize more rigorous assessment mechanisms in recruitment for senior positions.

He is streamlining procedures for recruitment of staff at the D-2 level to ensure better geographical distribution, gender balance and transparency. The Secretary-General currently reports to the General Assembly on an annual basis in his report on the Composition of the Secretariat the information on posts subject to geographical distribution at the ASG and USG levels, such as the number, nationality and gender.

Responsibility and accountability of programme managers in human resources management

In human resources management, accountability of programme managers has been enhanced through senior managers' compacts and departmental human resources action plans. Compacts include four indicators in the area of human resources management including vacancy management, geographical representation, gender balance and performance appraisal system (PAS compliance).

The Human Resources Action Plans (HRAP) is a compact between the heads of department/office and the Assistant Secretary-General for human resources management. It is both a monitoring tool and a mechanism of accountability to ensure compliance with the overall human resources objectives of the Organization. It also includes targets in nine key areas in human resources management including vacancy management, geographical distribution, gender, mobility, performance appraisal, staff development, staff-management communication, employment of consultants, and employment of retirees. Measurable targets and indicators are set for each of the management areas.

The implementation of the HRAP is monitored by OHRM regularly, evaluated jointly with each department/office and reported to the Management Performance Board.

Geographical distribution and gender balance

We are reviewing experience gained from the implementation of the current staff selection system, particularly with regard to geographical distribution and gender balance. Based on this review, we are putting in place new mechanisms to improve compliance with geography and gender mandates.

National Competitive Examinations have helped with geography and gender, the trend is generally more women than men coming in through this process. It has helped to address under-representation of several Member States during the period 2003-2007. More aggressive effort has been made to place candidates from the NCE roster with a record number of recruitments in 2007.

An outreach position has been created and candidate review is under way. This will enable the Organization to undertake targeted search for candidates from un- and under-represented member states and women candidates. Cooperative arrangements will also begin to be established with organizations and professional networks. Strengthening of departmental gender focal points system is under way and their revised terms of reference are being prepared.

Mobility

The policy was established as an integral part of Staff Selection System effective 1 May 2002 and followed extensive staff/management discussions in SMCC and GA resolutions. The policy has had positive effect as increasingly large numbers of staff have actually moved prior to reaching their post occupancy limits. Data derived from Human Resources Action Plans reflects that staff mobility increased from 10.8 per cent in 2002 to 21.0 per cent in 2006 confirming that greater awareness and proactive approach, coupled with expanded learning and career development programmes, leads to increased mobility outside of managed reassignment.

The Organization's training and learning policy and staff development programmes have been enhanced to support mobility such as training programmes to upgrade substantive and technical skills; management development programmes, etc. Learning is critical investment in Organization's future as it develops, nurtures and supports staff and managers to ensure high performance, ethical behaviour and facilitate career aspirations. Responsibility for career growth and development is shared by Organization, its managers and staff.

I have always put emphasis on strong staff management relations. At the local level, we established last year the Joint Negotiation Committee, which is a significant step forward in engaging with the staff union on matters of local importance.

At the global level, the SMCC is the Secretariat-wide mechanism for staff management relations, and it is a crucial one. Our policies affect staff all over the world, and it is essential that they be given the opportunity to contribute in developing and putting forth ideas. For this, the SMCC needs to be strengthened. An inter-sessional working group has made initial proposals, and the matter will be further discussed at the 29th session of the SMCC this coming June, at Headquarters.

Finally, I would like to address the issue of **accountability**. The work of the Organization has grown at a fast pace in the last ten years, making it difficult for Member States and the Secretariat to see clearly whether the Organization is doing the right things and doing things right.

The challenges are great. The Organization is not only expected to do more, but it is expected to work with greater accountability, transparency, efficiency and effectiveness. There must be an increased focus on results, but at the same time, attention must be given to how the Organization achieves those results, where improvements can be made, what risks are acceptable and what measures are in place to enable the Organization to function effectively.

To address these issues, the Secretary-General recently submitted a report to the General Assembly on strengthening accountability and implementing results-based management and risk management (A/62/701). In this report, he proposed a new **Accountability Architecture** for the Secretariat, to be comprised of three pillars:

- **Performance**: individual, team and organizational performance in achieving the real results expected at all levels.
- **Compliance**: respecting and adhering to the regulations and rules stipulated for carrying out work of the Organization.
- **Integrity**: strict adherence to ethical standards.

The Architecture includes two new elements: results-based management and Secretariat-wide risk management. **Results-based management (RBM)** is an approach that focuses on the achievement of results rather than on processes and procedures and requires managers to monitor and evaluate programmes regularly in order to take necessary corrective actions. **Risk management** is a process to help the Organization identify, evaluate and manage risk. It therefore increases the probability that the Organization will achieve its mandates and objectives.

The Secretary-General, Deputy Secretary-General and I are 100% committed to making this Organization more results-oriented and to strengthening accountability at all levels. We know that you, the Member States, also want us to move more in this direction, *but we cannot do it comprehensively without dedicated capacity to see these processes through from start to finish.*

This is why the Secretary-General recently proposed a **new Division for Accountability and Results Management**. **This dedicated capacity will be responsible for** developing policies, guidelines and standards for each aspect of results-based management, including monitoring and evaluation. It will train staff in these areas and ensure that planning and budget documents reflect a results-orientation. It will coordinate, monitor and regularly report progress related to the senior managers' annual compacts and other key performance indicators. It will also report issues arising from

oversight body reports that are of a systemic nature or those requiring special attention by senior management and/or the Management Committee.

All in all, the new accountability architecture, comprised of performance, integrity and compliance pillars, would reflect the Secretariat's commitment to achieving results while respecting its regulations, rules and ethical standards.

Thank you, Mr. President.