Hundred and sixty-seventh Session

167 EX/14
PARIS, 20 August 2003
Original: English

Item **4.3** of the provisional agenda

**BIENNIAL EVALUATION REPORT ON THE ACTIVITIES
AND RESULTS OF ALL UNESCO DECENTRALIZED BODIES**

SUMMARY

In accordance with General Conference 30 C/Resolution 83 and 160 EX/Decision 6.4, the Director-General presents the biennial evaluation report on the activities and results of all UNESCO decentralized bodies. This report presents work in progress on the initiatives taken by the Internal Oversight Service (IOS) to evaluate decentralized bodies, in particular field offices, based on the criteria that have been approved by the General Conference and the Executive Board.

Decision proposed: paragraph 72.

BACKGROUND

1.   UNESCO's decentralized bodies seek to allow the Organization to "best attain its general all-embracing aims by varying its programme to fit the circumstances and needs of its Member States" (136 EX/SP/RAP/1). In the last two years there have been many initiatives taken by the Secretariat to help establish an effective and rational decentralization process. One of these initiatives was the establishment of basic criteria for the rational implementation of decentralization which were approved by the Executive Board (156 EX/Decision 5.1) and the General Conference (30 C/Resolution 83).

2.   One of the basic criteria for the rational implementation of decentralization specifies that decentralized bodies must be subjected to a periodic review by the Executive Board which will make recommendations to decide on their future. In order to do this, the Executive Board should receive regular evaluation reports on the activities and results of decentralized bodies. To facilitate this, a set of evaluation criteria were established by the Director-General and subsequently approved by the Executive Board (160 EX/Decision 6.4). The criteria provide a conceptual and operational frame of reference for the evaluation of field offices and should be regarded as an essential instrument for guiding and supporting the performance of field offices with a view to developing a culture of evaluation in which evaluation is seen less as a monitoring instrument and more as a means of achieving progress.

EVALUATION CRITERIA

3.   This report presents work in progress on the initiatives taken by the Internal Oversight Service (IOS) to evaluate decentralized bodies, in particular field offices, based on the criteria that have been approved by the Executive Board.

4.   The criteria originally proposed cover the processes which contribute to the achievement of results and each criteria comprises several indicators. The original criteria were: strategic planning, integration into the United Nations system and leadership, relations with stakeholders and beneficiaries, information and analysis, human resources, management of activities and programme results.

5.   When the criteria were proposed, the Secretariat stressed that they should not be regarded as hard and fast standards but as versatile tools for ongoing improvement that had been developed through a goal-oriented approach. To reflect the evolution of decentralization policies and implementation since the criteria were established in September 2000, IOS made some refinements to these criteria and their presentation (e.g. combining two criteria). For example, with the creation of the new field structure and the strengthening of multi-sectoral cluster offices and mono-sectoral regional bureaux, there is a need to assess the functioning of these offices in performing their roles in this decentralized structure. The implementation of the decentralization structures by closing some national offices also raises an important issue in relation to maintaining UNESCO's presence in those Member States without a field office. Hence, to address this issue an indicator has also been added to the existing criteria and assessed in this report.

6.   The following presents the criteria that will be discussed in this report:

      I.   Strategic planning

      II.   Integration into the United Nations system and leadership

      III.   Relations with stakeholders and beneficiaries

THE IOS STRATEGY FOR EVALUATING DECENTRALIZED BODIES

7.   This work in progress report presents emerging issues and observations, including good practices, from the first round of "Field Office Reviews" undertaken by IOS. Evaluations of other types of decentralized bodies (institutes, liaison offices) and evaluations of UNESCO's activities in Member States where there is no field office will be undertaken in late 2003 and 2004 to feed into the comprehensive review of decentralization, led by the Bureau of Field Coordination (BFC), to be reported to the Executive Board in 2005.

8.   Since February 2003, the IOS "Field Office Reviews" have covered 10 field offices.[1] The offices selected for this initial round represent all types of field offices (regional bureaux, cluster offices with regional support functions, pure cluster offices, national offices) from four regions. Some of the observations presented in this report are also supported by findings from field audits that have been undertaken by IOS (33 field locations have been audited since 2001).

9.   The IOS teams have comprised both evaluators and auditors. This is essential to obtain a comprehensive view of the entity being reviewed/evaluated. Historically, the audit focus on effective and efficient utilization of resources as inputs to programme implementation has been divorced from the evaluation focus on the achievement of results from programme implementation. The joint teams review what is essentially a set of continuous processes that convert the provision of inputs into the achievement of results. These processes cannot be separated. An example is that when the team selects an extrabudgetary project to be reviewed by the evaluators (donor agreement, programme monitoring and evaluation, achievement of results, etc.), the auditors will review receipts and payments for the same project and confirm that the funds have been used for the purposes intended.

ACTIONS TAKEN BY THE DIRECTOR-GENERAL IN RESPONSE TO THE FINDINGS

10.   The findings that emerged from the field office review, which are discussed in this document, informed the development of the Organization-wide Table of Authority and Accountability, and resulted in the identification of "high-level" issues that needed to be addressed by the Secretariat as a prerequisite to securing the effective functioning of decentralized bodies. The issues were presented and discussed in the College of ADGs in March 2003 and subsequently a Senior Management Task Force on Delegation and Decentralization (subsequently referred to as the Task Force) chaired by ADG/ODG was established by the Director-General to initiate follow-up actions to address these issues. Some of those actions are related in this report. Summarized findings from the field office reviews and the progress of the Task Force were discussed in the Directorate in June 2003 and again in July 2003 following discussion in a retreat of all heads of field offices. Furthermore, the Director-General has asked that this document be shared with all Headquarters and field office staff to ensure dissemination of lessons learned and good practices

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[1]   Almaty, Bangkok, Dakar, Guatemala, Havana, Jakarta, Kathmandu, Kingston, Rabat and Santiago.

OBSERVATIONS

Criteria I: Strategic planning

A.   Involvement of field offices in the UNESCO planning process

11.   The UNESCO decentralization strategy (160 EX/6) specifies that the "cluster office forms the delivery platform for all programming and implementation relations at country-level with Member States … In the search for a more demand-driven UNESCO, cluster offices will play a proactive role in consulting with individual Member States and their National Commissions, as well as with United Nations system and other partners, at the very beginning of the programming cycle, in order to provide inputs that will form the basis for subregional, regional and global programming as well as strategies to raise extrabudgetary funding and harmonization with other United Nations agency programmes at country level".

12   Discussions with heads of offices showed that one of the fundamental issues was a lack of clarity as to the role that UNESCO field offices are best placed to play in meeting the needs of Member States (helping governments to formulate policies or as project implementers).

13.   Another issue was that the planning process was found to be still top-down and, with a few exceptions, field offices had not been effectively involved in the initial design stage when the overall priorities had been outlined. Sometimes offices were not invited to provide inputs to emerging programme sector strategies. Regional consultation meetings were conducted and some regional strategies to provide input into the development of document 32 C/5 in Headquarters were prepared. But it was not clear to field offices how this input had been applied in the development of the C/5 document. In most cases the more substantive field office contribution to the C/5 document process took place at a later stage, namely the development of work plans at the activity level with Headquarters having defined the main structure and priorities up to the main line of actions (MLA) level. For the field offices some of the MLAs were not necessarily responsive to regional, subregional and national needs.

14.   The reviews observed that there is a need to develop a common consultative mechanism that would feed into the preparation of the C/5 document in a more structured and timely fashion. Each sector had a different approach and different timeline at the various stages of the development of the C/5 document (e.g. requesting field input, determining budgetary envelopes). In consequence, the field office had to submit several inputs in different formats over a period of time. This was not efficient and also compromised the coherence of the field inputs leaving limited scope to address cross-sectoral issues. This issue was discussed in the College of ADGs and is being addressed in the review of programme management cycle by the Task Force.

15.   Most field office work plans consisted mainly of a list of activities and budget allocations. There was a lack of qualitative information such as project strategy, expected results, clear time frame, reference to monitoring and evaluation tools to be employed, and they did not cover non-budgeted activities such as advocacy, consultation and inter-agency coordination. There was not always adequate substance to determine objectively if the proposed activities and corresponding budgets were reasonable and justified. The approval of work plans was centralized in Headquarters and plans were sometimes rejected or amended. This process had not been done in a transparent manner as many offices were not consulted or informed of the reasons for the rejection or amendment.

B.   Involvement of stakeholders at the programme design stage

16.   Currently activities developed by most of the offices in their work plans are not always guided by formal strategies or elaborated jointly with Member States to identify their strategic priorities and needs. In the absence of such strategies there is a risk that UNESCO programmes will not be viewed as fully relevant to Member States. The constraints faced by the offices include the limited time frame that has been provided by Headquarters to the field offices for these processes, inadequate financial resources to bring all stakeholders together for consultations, and inadequate capacity of some stakeholders (particularly the National Commissions) to provide strategic inputs.

17.   While it has not yet been included as part of UNESCO's formal programming framework, the development of a cluster strategy which consolidates inputs from the Member States and various stakeholders could provide a mechanism for ensuring that UNESCO programmes are relevant to the needs of Member States. Encouragingly, some offices have taken serious initiatives in this area. Some are still at an early stage such as the effort made by the Dakar Office to develop profiles for cluster countries consisting of country-specific programme related information including details of past project activities and Participation Programme activities which can be used as the basis for discussion with the stakeholders in each country to identify key priorities and to develop country strategies.

18.   A number of other cluster offices have conducted cluster consultation meetings with the stakeholders from the cluster countries. These consultations have made positive strides to better involve the National Commissions in various aspects of programme development and implementation. However, these consultation meetings need to be supported by other activities. An example is the initiative taken by the Rabat Office in document 32 C/5 planning and strategizing, with close involvement of the National Commissions from the cluster countries, based on the following three-step model which included a cluster consultation meeting:

- Development of national strategies. National Commissions conducted a national consultation exercise with stakeholders in the country. Guidelines were provided incorporating the need for the national strategies to be in line with UNESCO's strategic thrusts and priorities, and with the global strategy of the United Nations system in the country (CCA, UNDAF, MDGs, etc.). The output from this exercise was a national strategy document.

- Development of a cluster strategy based on the national strategies to produce a medium-term strategy for the cluster outlining priorities in each of the five areas of UNESCO's competence as well as intersectoral initiatives. This cluster strategy was prepared by the office based on the discussions held at the cluster consultation meeting and subsequently sent to the National Commission for validation.

- Development of plans of action for document 32 C/5 to identify the activities to implement the strategy. Each National Commission was invited to develop five national projects within the context of their national strategy and three subregional projects in line with the cluster strategy. Thus the project proposals were developed in response to and supported by strategies. The office offered assistance to each National Commission by providing a standard framework within which the activities were to be designed and to provide a quality control mechanism for the plans of actions. These projects will be submitted to Headquarters for inclusion into the 2004-2005 work plans.

19.   This approach not only provides a means by which UNESCO's global strategic planning process can be improved to more adequately reflect Member States' priorities but also provides a

means through which to build the capacity of National Commissions to become effective programme partners. The review observed that despite the support provided by the Rabat Office, some National Commissions still found strategic planning to be quite challenging. Nevertheless, the exercise added value by bringing out a number of common issues in the cluster.

20. The Task Force established by the Director-General to review the programme management cycle has identified the need to include development of cluster strategies as part of UNESCO's strategic planning.

C. The linkage between the programme objectives followed by field offices and the general objectives of UNESCO's programme

21. Once Headquarters have defined the main structure and priorities up to the main line of action (MLA) level and the field office has been requested to identify the activities to be carried out consistent with those priorities, there should not be much leeway for field offices to deviate from the general objectives of UNESCO. However, the reviews identified major risks that could lead to implementation of activities which do not correspond to the approved work plans or to the overall programme objectives:

- Validation of work plans in SISTER by Headquarters had been undertaken with little coordination and quality control and was mostly linked to budget line verification.

- Lack of a transparent programme monitoring mechanism. Once work plans have been entered, validated and the budget is approved, most offices were not using SISTER to monitor and evaluate progress during the course of the activity. There are several reasons for this situation including problems with connectivity (see para. 65). To address this issue, which is also a Headquarters issue, the Director-General issued an instruction in July 2003 stating that for document 32 C/5, budget allotments will be suspended if the programme managers do not record activity progress reports in SISTER to ensure transparent monitoring of the implementation of the approved work plans.

- Lack of an accountability mechanism requiring field offices to report on the achievement of the expected results set out in the approved work plans. The Task Force is considering how best to establish an effective accountability mechanism.

In practice, the reviews did identify cases where the activities undertaken did not correspond to the approved work plans. Such cases are being followed up by the Task Force in the context of reviewing arrangements for approving and monitoring work plans initiated by field offices.

22. The reviews also showed that securing an effective linkage between extrabudgetary activities and UNESCO's overall priorities is more problematic given the materiality involved and the lack of programme management oversight from Headquarters. The offices reviewed had not been asked to prepare resource mobilization strategies and did not have the training to do so. As a result, fund-raising was done on an ad hoc basis. Positioning all extrabudgetary resources and activities within a cluster strategy would allow for proper monitoring and reporting of all such activities and ensure coherence with UNESCO's overall objectives.

D. Coverage of programme activities

23. The most common issue found during the field office reviews was a lack of coordination of UNESCO's activities within a Member State. Headquarters, regional bureaux, cluster offices, institutes and other offices often implemented activities in a Member State without informing the

national office or cluster office responsible for that particular Member State. There were cases confirmed during the reviews which showed that this resulted in duplication of efforts and an inefficient use of resources. Lack of knowledge and coordination of all activities in cluster countries not only hinders the cluster office from fulfilling its representative role in the cluster countries but also prevents UNESCO from effectively and efficiently coordinating and securing programme results. The same applies for national offices. Several of the cluster offices had not been able to map the complete set of activities undertaken by UNESCO in its cluster countries. Discussions with programme partners during the reviews showed that this situation had also created confusion. The Organization was not viewed as "one UNESCO" and this affected its credibility. This results from the lack of clarity as to the role of each "actor" in the decentralized network and Headquarters. This is an issue that will be thoroughly assessed and the results reported to the Executive Board in the comprehensive review of decentralization policies in 2005.

24.   Despite all these constraints, some cluster offices had tried to map activities in the cluster countries to allow for better coordination. Such an initiative was taken by the Kingston Office as part of the development of an "Education programme framework 2002-2007" for the Caribbean. This was distributed within UNESCO and to external stakeholders. It provides an integrated framework for all education services provided by UNESCO in the Caribbean and comprises strategic focus, longer term objectives as well as results expected by the end of 2003 and the different strategies to achieve the objectives identifying both UNESCO partners and external partners who will undertake the activities.

25.   The reviews found that often UNESCO's credibility is compromised by the low level of funding available from the regular programme to support activities in cluster countries. Field offices are required to develop their activities within the MLA defined by Headquarters and this often resulted in a fragmented set of low budget activities. For the field offices some of the MLAs were not necessarily responsive to regional, subregional and national needs. For example, an average of $12,600 per education cluster activity was provided to cover seven cluster countries managed by the Dakar Office. In practice UNESCO is only viewed as credible if it is able to raise significant extrabudgetary funding to supplement the meagre regular programme funding.

26.   Despite the limitation in financial resources, some cluster offices had made efforts to make the most of limited resources at subregional level. The Almaty cluster office allocated about 70% of its regular programme budget to subregional activities in an effort to provide equitable coverage to as many countries within its cluster as possible. Given the fact that these countries have common issues, this subregional approach is an effective means of programme delivery to maximize coverage within a limited budget.

Criteria II: Integration into the United Nations system and leadership

A.   Participation of field offices in the planning and implementation of the strategy of the United Nations system in the country

27.   The extent of UNESCO field office collaboration with United Nations system activities in the country varied from one extreme to another. The reviews identified some offices where the head of the office did not even attend the regular heads of United Nations agencies meetings. In contrast there were offices where UNESCO was considered to be a very active and credible partner by other agencies.

28.   In general, most of the offices had some collaboration with the United Nations system and participated in UNDAF to a certain degree. The Rabat Office had, for example, recently been designated as the lead agency for a United Nations working group on EFA in Morocco. The Jakarta

Office also assumed a leadership role within UNDAF, the Resident Coordinator having nominated the head of office to chair the inter-agency theme group on "Conflict prevention, post-conflict recovery and peace-building". This helped to improve the office's ability to mobilize financial resources from within the United Nations system. The Guatemala Office participated actively in no less than 20 working groups established by government and civil society in the field of education and culture of peace including working groups within the United Nations system leading to the preparation of the CCA, UNDAF and the country response to the MDGs. At some of these working groups, UNESCO represented the United Nations system.

29.   Some challenges include the coordination of two sets of work plans given the difference between the UNESCO programming cycle (six years medium term) and UNDAF (five years). Clearly, with the limited financial and human resources, contributing and participating to UNDAF in all cluster countries, including those without UNESCO field presence, is another major challenge.

B.   Recognition of UNESCO's leadership

30.   Generally, other United Nations agencies recognized the serious constraints faced by UNESCO field offices due to the absence of professional staff and financial resources. As a result UNESCO often cannot assume leadership in its fields of competence. There were signals from some agencies that they had been unable to find an operational counterpart in UNESCO at country level because of the absence of staff in the field and the low level of funding. The fact that many UNESCO offices depend heavily on consultants that are hired on a short-term basis also creates a difficulty in terms of maintaining a continuing partnership.

31.   In contrast, there were examples of countries where UNESCO's leadership and contribution is highly respected. In Guatemala UNESCO is well recognized as a leading agency in the fields of education and culture of peace through its technical and intellectual contributions at various thematic working groups and for collaborative work on the CCA and UNDAF. Strong cooperation with government agencies, regional networks and non-governmental organizations is one of the strengths of the Jakarta Office where the office participated in no less than 23 regional networks directly related to the work of all major programme areas. Likewise, the Santiago Office had established nine regional education networks.

Criteria III: Relations with stakeholders and beneficiaries

A.   Cooperation with and degree of satisfaction of the stakeholders/beneficiaries/donors

32.   While the cluster consultation process involving the National Commissions has successfully promoted a spirit of dialogue and collaboration, there remains a significant confusion with regard to the exact nature of the working relationship between a National Commission and a UNESCO field office. Actions are being taken by Headquarters, led by ERC, to clarify these issues.

33.   In some offices the function of the National Commission is limited to managing the flow of information between UNESCO and the government. However, in other offices there are effective interactions between the office and National Commission. In addition to the Participation Programme (PP), some field offices, such as Rabat, have provided direct financial assistance under the regular programme to some of the National Commissions in the cluster countries to implement project activities and to help develop their implementation capacity and to improve their visibility. The Bangkok Office's experience with the Lao PDR National Commission shows that close collaboration with the National Commission can be an effective mechanism to serve the needs of a

Member State which does not have a UNESCO office. Several activities were executed in the country by the Bangkok Office with collaboration from the National Commission.

34.   Recognizing that possession of sound operational capacities is an important prerequisite to increasing the participation of National Commissions in programme execution, ERC has developed *The Capacity-Building Action Plan for National Commissions (2002-2003)* which places special focus on areas of training identified as essential by National Commissions themselves (164 EX/39). A progress report on the implementation of the action plan was presented to the Executive Board in document 166 EX/5.

35.   While there were some exceptions, in general, information exchange and coordination were the main continuing challenges for relations between the office and National Commissions. Currently, the National Commissions are often insufficiently informed, especially about the progress of extrabudgetary activities in the country. However, the representatives of the National Commissions who attended cluster consultation meetings, considered these meetings to be valuable in strengthening communication and operational cooperation on programme activities.

36.   With regard to the Participation Programme (PP), the formulation of the activities by many National Commissions is done in isolation from UNESCO field offices. Some offices are not informed as proposals are developed, submitted and activities implemented. This presents a risk that the PP activities do not form a coherent part of the overall UNESCO programme designed to meet the needs of the country. Again, the missing element is a strategy, a common vision that would bring the office and the National Commission together to focus on a common set of priorities as "one UNESCO".

37.   As to the degree of satisfaction of donors, there were some success stories as well as less successful ones. The three external evaluation reports presented to the Board at this 167th session (167 EX/15) discuss successful extrabudgetary projects. And the success of the Community Learning Centre Project in Nepal had enabled the Kathmandu Office to raise additional extrabudgetary funds. However, IOS audits and reviews also confirmed that in several extrabudgetary projects reviewed, the planning and management of the projects had shortcomings leading to dissatisfaction of the donors. There were also delays in preparation and submission of donor reports. IOS is committed to providing a lessons learned report on the audits of extrabudgetary projects, so that problems can be avoided in future.

B.   Raising of extrabudgetary funds

38.   The low level of regular programme funds available to the field points to extrabudgetary resource mobilization being a priority. A number of the offices reviewed had been quite successful in terms of generating extrabudgetary funds. However, this had not been done strategically. The offices had not been encouraged to establish extrabudgetary resource mobilization strategies and had not been provided with adequate support from Headquarters for this purpose. The fund-raising activities had been conducted on an ad hoc basis as opportunities arose and had not been linked to inter-agency cooperation. The absence of cluster strategies which reflect the priorities and needs of the Member States makes it more difficult to establish a resource mobilization strategy that is linked to the needs of Member States.

39.   Despite the absence of an extrabudgetary mobilization strategy the Havana Office had started a good initiative to identify and map the funding mechanisms of regional organizations including the development banks. The information was being recorded in a database and was being made accessible to UNESCO offices in the region to assist them in mobilizing extrabudgetary resources.

40.   Discussions with programme managers in Headquarters and the field showed that there had been limited attention from Headquarters to programme management oversight of extra-budgetary projects for which funds had been generated by field offices. Most offices stressed the need for support from Headquarters or regional bureaux to provide training and guidelines, for example on the development of project proposals, to help them to develop the capacity to undertake effective resource mobilization.

41.   The review confirmed that there is a lot of potential for extrabudgetary funding in the field. However, some of the offices were reluctant to generate further extrabudgetary funding due to limited programmatic and administrative support in the office. Most offices asserted that funding received by the field from the Funds-in-Trust Overhead Costs Account (FITOCA) was not adequate to cover the costs of administering the extrabudgetary funds and fund-raising. In relation to this issue, IOS is undertaking an audit of FITOCA to review its administration and the utilization of the funds, including an assessment of the basis for distributing funds to field offices.

Criteria IV: Decentralized network structures

A.   <u>Roles</u>

42.   One of the main obstacles in the effective implementation of decentralization is the fact that the roles and responsibilities of each decentralized body and each unit within Headquarters are not widely understood. The authorities which have already been defined, in some cases, are not being respected in practice leading to confusion and frustration in the field and Headquarters and potentially to confusion among UNESCO's programme partners. An example is confusion over the role of the regional bureaux in "coordinating" or "negotiating" distribution of regional envelopes. While the decentralization strategy clearly specifies that there is no hierarchy among the three types of field offices (regional bureau, cluster office, national office), the acceptance of this role by regional bureaux has created an "informal" hierarchical role. For the preparation of document 32 C/5, the Director-General has clarified this particular issue by confirming that regional bureaux should not be responsible for distributing regional envelopes.

43.   In contrast, the strategy of not having a hierarchy among the offices has created difficulties in implementing some of the offices' functions. For example, regional bureaux are not in the position to give any compulsory instruction to the other offices to follow up the regional agenda or to submit information for work planning for which the bureaux were requested by the sectors in Headquarters to coordinate inputs from the field. Unclear roles, authorities and responsibilities have also created competing interests between different layers of the decentralized network and Headquarters. As previously noted, offices other than the field office in question, institutes and Headquarters implement activities in a national office or the cluster countries without involvement of the relevant national or cluster office. This issue will be one of the main items to be thoroughly assessed in the comprehensive review of decentralization to be reported to the Executive Board in 2005.

44.   It was also clear that a number of preconditions required for the effective implementation of the decentralized field network are not being met, the most significant of which is that offices are often not adequately resourced. This issue is further discussed in the Financial and human resources section of this report.

B.   <u>Delegation of authority</u>

45.   The Table of Authority to Field Offices which was formalized and issued in mid-2002 was received positively by the field and has improved some of the decision-making authorities of field offices. However this has not been respected consistently by all Headquarters staff involved. An

illustration is the authority of the head of offices to establish a shortlist of candidates for professional staff posts after appropriate consultation with Headquarters. There were a number of cases where the head of the Office was not involved in the shortlisting process. Similarly, some heads of offices have taken advantage of the delegation of authority to isolate themselves by not consulting other entities when they should.

46.   As part of the decentralization process, more programme funds have been decentralized to the field. However, the reviews revealed that this decentralization of funds, in some cases, was not accompanied by full delegation of authority. Headquarters, to varying degrees, was sometimes still engaged in directing and managing the activities. Certain funds decentralized to the field were for the continuation of projects started by Headquarters and sometimes decisions on how the funds were to be spent had already been taken by Headquarters.

47.   The empowerment that comes with the delegation of authority should be accompanied by adequate support and a proper accountability mechanism. These were found to be lacking. The Task Force will be looking at these aspects including development of accountability/reporting mechanisms and various guidelines, criteria, required to support the revised programme management process.

C.   Responding to needs of Member States where UNESCO has no formal presence

48.   As part of the decentralization strategy, 22 offices have been closed and six more are planned to be closed. The IOS reviews included an assessment of the modalities used by the Organization to discharge its mandate and to respond to the needs of Member States without the formal physical presence of an office. The following presents the approaches that have been undertaken by various cluster offices. The selection of the most ideal approach for each country depends on many factors and should be reviewed on a case-by-case basis and regardless of the modality applied. The National Commissions should be kept informed on the programme activities undertaken in the Member States.

- Collaboration with the National Commissions and United Nations Resident Coordinator
  The Bangkok Office, working closely with the National Commission in the Lao PDR, coupled with regular missions by the Bangkok Office staff, has been able to maintain an effective UNESCO presence to serve the needs of this Member State without the physical presence of an office. This approach depends crucially on the capacity of the National Commissions. The United Nations Resident Coordinator had also kept the office informed of United Nations coordination activities within the framework of UNDAF in the Lao PDR and had submitted input from the office to the meetings.

- Placing a staff member housed in another United Nations agency office
  This approach has been "tested" by the Dakar Office. A staff member on a short-term contract who reports to the head of the Dakar cluster office is based in the UNDP Office in Guinea and assigned with the task of monitoring all UNESCO programme activities in the country. The office accommodation is provided free and the cost to the office is basically the fee of US $700 monthly. However, this approach does not provide a maximum representation of UNESCO interests in the UNDAF process which would require at least a permanent professional staff member, as is the case for instance in Benin, following the closure of the UNESCO Office in Porto Novo.

- Setting up of a UNESCO House
  Such a scheme is foreseen in Tunisia where an NPO is to be appointed. He/she will not only channel the technical cooperation between UNESCO and Tunisia and manage

extrabudgetary projects in conformity with UNESCO's rules and regulations, but will also assist the director of the UNESCO House, which is to be established in Tunis. The UNESCO House will be a national institution directed by a national civil servant and closely linked to the National Commission. It will be a centre for public dissemination of the Organization's ideals and programmes. The House will be managed by a Steering Committee in which the Organization will be represented.

- Independent projects led by Chief Technical Adviser
Currently in several field offices there were extrabudgetary projects implemented and led by chief technical advisers. Some of the projects are administratively independent (a number of them had their own imprest account). The technical advisers report to the head of the office. These technical advisers could be used as a channel to maintain UNESCO's presence in the Member States and at the same time implementing the projects.

- Collaboration with subregional institutions
The Kingston cluster office works closely with CARICOM (Caribbean Community) to establish priorities and position UNESCO for interventions in Member States.

The Task Force is considering the advantages and disadvantages of each modality.

D.   Communication and information

49.   The IOS Field Office Reviews concluded that poor communication between Headquarters and field offices is a chronic problem that needs proper attention. In many cases the field offices do not get information in a timely manner or in some cases they do not get any information at all on particular issues (both programmatic and administrative). More than one office described getting information from Headquarters as being based on "finding the right person" rather than having a proper communication structure, systems and processes in place. Action to address this issue includes the regular "newsflashes" now issued by the Director-General's spokesperson; establishing focal points in Headquarters Central Services for the field on specific issues; and the initiative taken by the Education Sector to bring all Headquarters and field-based education specialists together for a meeting in October 2003 with a view to strengthening communication and networking between Headquarters and the field.

50.   Similarly, various sectors and services at Headquarters also find it difficult to get information from the field. A 30% response rate to questionnaires sent to field offices is considered as a good rate. The uncoordinated way in which information requests are released by Headquarters has created an unnecessary workload in the field. Similar information is sometimes requested by different entities at Headquarters and at different times. In general, there is a lack of acknowledgement of receipt or substantive feedback provided by Headquarters on information sent to Headquarters by the field offices.

51.   A good practice in sharing information among offices was identified in the Santiago Office where the regional bureau issues a bimonthly education newsletter which gives an update of regional activities and important events in the Latin America and the Caribbean region.

Criteria V: Financial and human resources

A.   Financial resources

52.   Two main concerns emerged from the reviews in relation to financial resources for field offices: the allocation process and the amount of the funds allocated. The process can be better

coordinated and should be more transparent. Currently, there is no common fund allocation process among the programme sectors. Some sectors had delegated the allocation to the regional bureaux or regional advisers, while some were still centralized at Headquarters. The field offices are not clear on the criteria used by each sector in deciding on the resource allocation to the field. Similarly cluster and national offices are not clear on the criteria used by the regional bureaux in deciding on the allocation to each cluster/national office. The same applies for support costs (indirect programme budget). Field offices are not clear on the criteria used by Headquarters for allocating these costs.

53.   The current resourcing approach requires offices to go through a separate planning or "bidding" exercise, requesting and receiving separate envelopes for each major programme area. Cluster offices commented that this approach promotes a vertical, sectoral approach to programming which inhibits cross-sectoral initiatives. This issue was raised and discussed in the College of ADGs and the Task Force is considering various mechanisms for resource allocation as part of the review of the programme management cycle.

54.   The mandate of one regional bureau was expanded in mid-2001 from covering 14 countries to 45 countries with a net decrease in budget. Similarly the support cost of one of the cluster offices was not increased when the office was assigned with a new function as cluster office. It was clear that while the total funds available is a constraint, at least the allocation process should be transparent.

55.   The shortfall in funding and human resources in most offices reviewed raise questions as to whether the current structure is "affordable". In many cases, the amount of regular programme funds allocated clearly would not allow the offices to discharge its functions in attending to the needs of the Member States. As explained earlier, Headquarters define the main structure of the programme framework up to MLA level and this is also how the budget is allocated to the field. The small budget for each MLA results in resources being spread thinly over a very wide range of programme activities. Dakar proposed 45 education cluster activities with an average budget of US $12,600 per activity for the biennium to cover seven countries. The Kingston cluster office was provided with an average budget of US $12,000 for 24 communication and information activities to cover 21 countries and territories. Such a small budget could impact on the credibility and quality of programme delivery.

56.   A large number of the offices reviewed have generated extrabudgetary funds far in excess of their regular programme funds. This underlines the importance of establishing resource mobilization strategies to ensure that the objectives of the extrabudgetary projects complement the overall field office and UNESCO wide strategy. An interesting case found in an office which was allocated with a very low level of regular programme funds and yet had only spent less than 10% of the amount after 18 months of the biennium. One of the main reasons given was that the office viewed the regular programme activities as only complementary to the extrabudgetary projects and that the regular programme activities are seen as being "imposed" by Headquarters with small budgets while the latter was formulated in accordance with the specific needs of the country with a much larger budget and thus larger impact.

B.   Human resources

57.   Of the seven cluster offices reviewed (four of them are also functioning as regional bureaux), only one office had established posts in all programme areas. This adversely impacted the functioning of the cluster offices which are mandated as multidisciplinary offices to respond to the needs and priorities of Member States in all fields of UNESCO's competence.

58. Of the available posts, a high number were vacant. Indeed, as at June 2003, there were 42 vacant Professional posts and 34 General Service posts in the field (programme and administrative staff) giving a total of 76 vacant posts (13%) out of 566 regular programme funded field posts. The main reason was delays in the recruitment process which involve several "actors" i.e. the programme sector, Human Resource Management (HRM), the Cluster/National Office, the Regional Bureau and Bureau of Field Coordination (for Administrative Officer posts).

59. Most offices have to depend on the services of short-term consultants to be able to perform their functions. In one of the cluster offices, of seven programme staff, only one is a professional (a national staff) member and the others are temporary staff. The high reliance on temporary personnel affects the staff morale, the continuity of work as well as accumulation of organizational knowledge and networking with other entities including stakeholders. An office can benefit from building the capacity of qualified, competent short-term staff. However, policy and/or budget limitations have prevented the offices in many cases from retaining these individuals. Action to be taken on these staffing issues will be part of the comprehensive review of decentralization which will be reported to the Executive Board in 2005.

60. The absence of Administrative Officers in some offices creates a severe constraint given the high volume of programme activities and a large number of countries covered by a cluster. This situation has resulted in some programme staff being diverted from their core tasks to tackle financial and administrative issues. The reviews also identified issues regarding long-serving international staff. At the extreme programme specialists/advisers had been in the same duty stations for 11 and 17 years and one Administrative Officer had served for 16 years in another office.

61. To tackle this issue, the Secretariat has finalized an integrated policy on Recruitment, Rotation and Promotion which will be implemented shortly. The main objectives of the rotation policy are to support decentralization, improve programme delivery and contribute to the career development and the professional growth of staff. It also includes successful field service as a positive factor for promotion, in particular to P-5 posts. The policy will enter into force in Autumn 2003 and the first round of rotations should commence in the summer of 2004. All new staff members, as well as all current staff members being appointed or transferred to another post, should be compulsorily subject to the rotation policy, provided the post in question is a rotational post. In other cases, the policy would be implemented on a volunteer basis for the next five years. In view of the large number of posts currently vacant in the field, the Director-General has decided to accompany the first round of rotations with a set of exceptional emergency measures aimed at reducing the number of vacant posts through a fast-track internal recruitment procedure. These measures will involve various incentives, including exceptional promotions for staff volunteering for a field posting.

C. Updating skills and working relations of field office staff

62. Most of the offices that have been reviewed expressed the need to have more training for their staff on various programme-related areas such as Result Based Management, SISTER, Programme Management Cycle, and Project Proposal Development. According to HRM, 122 different workshops/courses have been organized for some 1,800 participants during the period of January 2002–June 2003. These include Administrative Officer Regional Training, Supervisory Skills Training, Team-Building Workshops, Project Management/Resource Mobilization seminars, FABS training, etc. And a new Learning and Development Policy has been designed and will be implemented in the autumn of 2003. One of the main features of the new policy is the decentralization of "learning budgetary envelopes" for the 2004-2005 biennium to sectors, bureaux and field offices.

63.   To facilitate team building meetings were usually conducted on a regular basis to discuss programmatic and administrative issues.

Criteria VI: Programme results

A.   <u>Mechanism to monitor activities and achievement of results</u>

64.   The reviews undertaken focused on the existence and functioning of mechanisms to monitor programme implementation and evaluating the effectiveness of the results achieved.

65.   The Organization has adopted SISTER as a programme planning and monitoring system. SISTER has been used by the field offices to record their work plans and this process is mandatory or otherwise the budget allotment is not approved. However, except for some exceptions, in most of the offices reviewed by IOS, the system had not been used effectively for periodic and systematic monitoring of programme implementation. A good initiative was taken by the head of one cluster office who planned to launch a "SISTER Day" each month and this day was dedicated by programme managers to update the progress of their programme activity implementation in SISTER.

66.   Some offices developed their own monitoring system. One of the cluster offices reviewed had established their own monitoring tool in the form of a spreadsheet that contains project objectives, main line of activities, expected results and performance indicators. This tool was widely used in the office and the content was discussed periodically during office meetings. Other offices maintained that monitoring was done through other mechanisms such as mission reports, regular donor progress reports and various monthly reports submitted by programme staff to the superviser or the head of the office. However, the offices did not have a consolidated monitoring mechanism incorporating the inputs coming from all these individual reports so that all the information collected could be efficiently and effectively distilled into reports to meet various reporting purposes such as submissions for the EX/4 and C/3 documents and donor progress reports. SISTER is intended to serve that purpose in an open and transparent manner. The Director-General has seriously addressed this issue by issuing an instruction to suspend budget allotments if relevant progress information on activities is not monitored and recorded in SISTER.

67.   Some of the constraints raised by the offices were connectivity problems (e.g. frequent connection disruptions which compromise the process) and lack of training. BFC and DIT are working together closely to identify solutions to the connectivity problem not just for SISTER implementation but in preparation for implementation of a field office financial system. As for SISTER training, at least one person from each UNESCO field office had been trained and in total some 130 field personnel have been trained. What emerged, however, was the lack of dissemination of the knowledge obtained by staff members trained to other staff in the office. This points to the need to include or adjust the training not only to focus on individual training but also on training for trainers so that the knowledge can be disseminated effectively. There is also a need to consider simplifying SISTER in order to make it more user-friendly.

68.   The UNESCO Evaluation Strategy relates that evaluations are not systematically built into the planning and programming processes of UNESCO. This was confirmed during the field office reviews where most offices' work plans do not include evaluation activity and that evaluation was not generally used as a management tool. This has slowly improved, the quality of the evaluation terms of reference has improved, and IOS has provided support and advice on methodology and the selection of evaluators to ensure objectivity. Moreover, the reviews did identify a number of external evaluations of good quality. Three of these evaluations are presented to the Executive Board at this session (167 EX/15).

B.   Accountability for results

69.   Theoretically, there are multiple layers of accountabilities from field offices to Headquarters, mainly to programme sectors on programme results and reporting on utilization of funds, and to BFC on management of the office and utilization of support costs. However, currently there is no standard and systematic mechanism through which field offices are required to exercise this accountability. There are ad hoc requests from individual sectors or divisions related to their projects or activities. And the response rate to requests for submissions to the EX/4 and C/3 documents are very low, with no sanctions when the reports are not submitted.

70.   The Task Force is reviewing various options to establish mechanisms to provide a transparent accountability process which the field offices would be held responsible for achieving a set of expected results with the authority delegated to them.

Concluding remarks

71.   Many issues have emerged from the field office reviews undertaken by IOS. They identified some examples of good practice but many challenges surfaced. Action is needed in response to ensure that UNESCO's activities in the field are relevant to the needs of Member States and to ensure that UNESCO is viewed as a credible programme partner that delivers results. Some of the issues need to be tackled now and others will be addressed in the comprehensive review of decentralization to be reported to the Executive Board in 2005. The issues have been discussed in the College of ADGs, in the Directorate and among the heads of field offices. The Director-General has taken a direct personal interest in tackling these issues. He has established a *Senior Management Task Force in Delegation and Decentralization* to initiate follow-up actions and some of the actions already taken have been related in this report. He has also asked that examples of good practices identified in this report should be widely disseminated. The results of further field office reviews undertaken will be fed into the comprehensive review of decentralization to be reported to the Executive Board in 2005.

Draft Decision

72.   In the light of the above, the Executive Board may wish to adopt a decision along the following lines:

The Executive Board,

1.   Having examined document 167 EX/14,

2.   Takes note of the efforts already made by the Director-General to address emerging issues related to decentralization and the functioning of the field offices;

3.   Expresses its support for the Director-General's further initiatives to resolve other outstanding issues and to disseminate lessons learned and good practices to all field offices and Headquarters units;

4.   Invites the Director-General to report the progress made in addressing the issues emerging in this document to the Executive Board at its 170th session.