

Hundred and sixty-first Session

161 EX/5
Part I
PARIS, 18 May 2001
Original: French/English

Item 3.1.2 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART I

STAFF POLICY AND OVERSIGHT

SUMMARY

Following the main reform thrusts outlined to the Executive Board at its 159th and 160th sessions (159 EX/5 and addendum, 160 EX/6, Part I and addendum), the Director-General submits the present interim status report on Human Resources Management matters since the last session of the Executive Board as well as on the setting up of the new Oversight Service.

I. STAFF POLICY

1. The Director-General, in his report on the reform process to the 159th and 160th session of the Executive Board (159 EX/5 and addendum, 160 EX/6, Part I and addendum) announced the launch of a new human resources policy framework, the key elements of which are: proactive quality recruitment, results-based performance appraisal programme, training and career development, staff mobility and updating of skills.

2. The purpose of this document is to inform the Executive Board of the developments in the human resources management reform actions that have taken place or are in the process of taking place since the last session of the Board.

BUREAU OF HUMAN RESOURCES MANAGEMENT

3. In order to promote, and support and extend the reform programme, at all levels of the Secretariat, the Bureau of Human Resources Management has redefined and refined its roles and functions with the following objectives in view:

- (i) improving its functioning by simplifying and rationalizing its administrative procedures;
- (ii) developing its role as a genuine strategic partner, geared more towards assistance and advice, and attentive to the level and renewal of the managerial capacities of supervisory staff.

4. The Bureau has therefore been restructured along two main lines. Firstly, there are the standard-setting functions relating to staff policy, with four sections:

- Staff Relations Section;
- Policy Coordination Section;
- Training and Career Development Section;
- Human Resource Information Management Section.

5. Secondly, there are the “operational” functions, with five sections:

- Classification and Compensation Section;
- Recruitment and Staffing Section;
- Service Section (Headquarters and field);
- Pensions and Insurance Section;
- Medical Service.

6. The new structure has been in place since the beginning of March 2000. This involves adjustments and, especially, training for the staff concerned, which will be carried out in the months to come. Moreover, the Bureau is in the process of recruiting a number of specialists

in matters of salaries, working relations, training, career management and administrative services so as to strengthen the level of expertise in the management of various branches.

7. It should be pointed out that the reorganization of the Bureau of Human Resources Management is being carried out in response to the priorities for the years 2002/2003, but also in a context of staff cuts, a dozen or so posts in the Professional and General Service categories having been abolished.

8. In this perspective, the Bureau's work plan includes several large-scale actions already under way, such as: (i) a review of contractual arrangements with a view to greater flexibility while ensuring equitable treatment for the categories of staff concerned; (ii) a re-examination of recruitment policies and procedures so as to improve their quality while delegating authority in the matter to the sectors; (iii) an in-depth study of internal administrative procedures with a view to rationalizing and simplifying them.

Recruitment

9. From 1 July 2000 to 1 April 2001, the Bureau of Human Resources Management advertised a total of 114 posts at the Professional and above level, of which 82 externally and 32 internally. Of these, two were at D-2 level and four at D-1 level. This represented a significant increase compared to the same period one year earlier i.e. 1 July 1999 to 1 April 2000, when 34 posts – of which two ADG, four D-2 and two D-1 – were advertised.

10. As mentioned in document 160 EX/6 Part I, as of 22 March 2000, all posts at the Professional and above level are advertised on UNESCO's Internet website. This has resulted in a significant increase in the number of candidatures received. In 2000, about 8,000 candidatures at professional and above level were received, compared to 2,000 candidatures in 1999. This upward trend has been even stronger in 2001, with 4,000 candidatures registered during the first quarter.

11. In February 2001, the computer application used for recruitment was replaced by a new Intranet based application, developed internally. This application will facilitate the work of the Recruitment Section of the Bureau of Human Resources Management once fully operational.

12. Furthermore the internal review of the recruitment procedures is being completed with the objective of streamlining and delegating to the newly established Executive Offices of the Sectors/Services, to the largest extent possible, a number of functions linked to this process.

13. The involvement of the National Commissions for UNESCO in the solicitation of candidates to advertised posts is very important to ensure an equitable geographical distribution and gender balance as well as rejuvenation of staff, and taking fully into account the criteria of competitiveness, expertise, efficiency and universality. To this end, the involvement of the Bureau of Human Resources Management in the training at Headquarters of newly appointed Secretaries-General of National Commissions is important. Since the 160th session of the Executive Board, one such training session was carried out on 10 November 2000, when the Secretaries-General from 23 Member States had the opportunity to receive in-depth information on the recruitment procedure, the role of the National Commissions in the recruitment process, the Young Professionals Programme, etc. Of the participants, 7 came from non- and under-represented Member States. This session in

the training programme was highly appreciated and is now institutionalized. The next training session will take place in December 2001.

Appointments

14. A total of 47 external candidates at the Professional level and above took up their duties from 1 July 2000 to 1 April 2001, including 11 Associate Experts.

The breakdown is as follows:

<i>Grade</i>	DDG	ADG	D-2	D-1	P-5	P-4	P-3	P-1/P-2¹	NPO²	Total
<i>Appointments</i>	1	3	5	2	1	1	6	23	5	47

¹ Including Associate Experts and the Young Professionals Programme

² National Professional Officer

It is to be noted that amongst the nine high level officials recently appointed there are the posts of DDG, three ADGs (ED, SC and ADM) and five D-2s (WHC, BSP, HRM, LA and IOS). In addition, decisions have been taken for appointment to posts ADG/SHS and ADG/CI whose respective dates for assumption of their duties on 7 May and 1 July 2001.

Training and Career development

15. As part of the reform process in which UNESCO is currently engaged, the Bureau of Human Resources Management has reinforced the Training and Career Development functions. For this purpose, this section is presently recruiting one P-5, Chief of Section, two P-3s, Programme Officer and Career Development Officer.

16. A Training and Career Development action plan over two years has been developed and some of the initiatives foreseen in this plan are:

- (1) The **Senior Management Team**, i.e. the D-G, DDG, his ADGs and some D-2s will be attending a **Senior Management Symposium** on 11 and 12 May. The overall objectives of this Symposium are to establish a new working culture within which the Senior Management will build a more effective and coherent team. In the Symposium the Team will:
 - discuss UNESCO's new strategic vision, the reform process and the means to integrate this process into all Sectors, aspects and areas of UNESCO;
 - explore the need for a cohesive Senior Management Team and identify specific proposals for improving cooperation and communication throughout UNESCO;
 - agree on an action plan which will strengthen the managerial capacity to effect change throughout UNESCO.
- (2) **Leadership and Change Management Programme for Directors (at Headquarters and field offices)**

This training will enable managers from D-2 to P-5 to:

- better understand their role as a manager/leader in a multicultural Organization;
- enhance thinking strategically and creatively, develop and communicate a common sense of vision and purpose;
- be accountable with a result-oriented approach;
- enhance personal credibility, integrity and competence.

The first workshop is planned for Autumn 2001.

- (3) **Supervision Skills:** Two, 3-day **Supervision Skills** workshops for P-3s and senior GS Staff will be given in June and September 2001. Additional workshops are planned for 2002-2003. These workshops are designed to encourage their creativity, productivity and effectiveness in people management. It will enhance their understanding of performance planning, management and evaluation in UNESCO.

17. In order to improve managerial skills in appraising, planning, implementing, monitoring and evaluating UNESCO's programmes and projects, two training courses on **Programme/Project Cycle Management and Logical Framework** were offered to some 75 Programme Specialists from P-1 to P-5 and to Associate Experts. By encouraging transverse networks and improved information-sharing, these courses support communication and cooperation among sectors in UNESCO, a feature of the reform process.

18. In order to raise staff member self-awareness, and to develop consultative relationships in the context of problem solving and planning, **Team-building Training** is a regular element of the Training Plan. Three Team-building workshops are scheduled for this year; one in the Middle East, one in South America and one in Asia. These courses are part of the HRM effort to develop a cohesive managerial culture within UNESCO.

19. **AO Training workshops** are planned for Administrative Officers (AO's). A five-day workshop for AO's is scheduled to take place in South America in a new Cluster Office in December 2001. This will prepare AO's for the transition to the new Management and Monitoring tool (SAP), train them to manage the decentralization of activities and to develop a problem-solving AO-network. This will serve to strengthen understanding of the personnel, budget and financial principles governing procedures and practises at UNESCO in a decentralized environment.

20. **IT and language training** remain a feature of the Training and Career Development Section programme. Research into E-Learning has taken place to identify the most appropriate model to enhance our IT and language learning. Regional offices will receive comparable training to Headquarters once E-Learning is in place, with up to 300 staff members benefiting from these types of training.

Young Professionals

21. On 6 November 2000, 11 **Young Professionals** were appointed (6 from non-represented Member States and 5 from under-represented Member States). On 31 October 2000 the current recruitment campaign was launched and was extended to 31 March 2001. As of 2 April 2001, 288 applications have been received. The second phase of the selection

process will be completed at the end of June by a selected panel which will represent all sectors and bureaux. In September the short-listed candidates will be interviewed and the successful Young Professionals will be appointed to UNESCO in early January 2002.

Associate Experts

22. The Associate Expert Programme is sponsored by the participating countries and targeted at young graduates under the age of 32 with a limited professional experience. At present there are 15 participating countries, namely, Austria, Belgium, Finland, France, Greece, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, Spain and Republic of Korea. As a general rule, Associate Experts are normally nationals of their own countries, however the Netherlands for example, has agreed to finance Associate Experts posts for nationals of developing countries. As of 1 January 2001, UNESCO had a total of 54 Associate Experts, out of which, 23 were posted to the field and 31 at Headquarters.

General Service Staff: Revising the GS Classification Standard

23. The conversion of the 1,100 General Services posts at Headquarters from the old 6-level classification system to the new 7-level system came to a halt on 11 November 1999 with the publication of Administrative Circular N° 2090. Its closing paragraph pointed to “problems of post classification raised by the new standard (established in 1998)” and called for a new post classification exercise based on a revised evaluation tool that would take “due account of the real needs of the Organization”. While awaiting that revision, application of the (problematic) tool would be temporary.

24. Over the course of the year 2000, developments to the Standard made steady progress. Several in-depth consultations were held with representatives of the UNESCO staff associations to explore the difficulties encountered with applying the temporary standard, to identify and prioritize expectations for improvement, and to test various design options for the new standard on a representative 10% sample of General Services posts. Based on these inputs and other standards already approved by the International Civil Service Commission, a final draft of the GS Standard was presented to representatives of the employee associations in February 2001. The general consensus was that a sound classification tool had been created, capable of logically evaluating the full range of GS work at UNESCO.

25. While testing the new draft tool on the 110 post sample during the fall of 2000, it became increasingly apparent that the poor quality of many work descriptions was making it difficult to assign logical ratings. Some jobs appeared underwritten while others appeared overwritten, when one would have expected similar descriptions for essentially the same work. It has therefore been decided that a series of generic (or model) work descriptions would be written for all common jobs, with management and employee input.

26. The writing of generic descriptions will require a few months before they can be evaluated and converted into the 7-level system; however, accurate and complete descriptions is the key to achieving fair and logical conversion results, now slated for late fall 2001.

II. SETTING UP OF THE INTERNAL OVERSIGHT SERVICE

27. The Internal Oversight Service (IOS) was formally established in February 2001 when the Director, John Parsons, took up post. He was appointed after consultation with the Executive Board, reports directly to the Director-General and is accountable to him. He is on

secondment from the United Kingdom National Audit Office. This status preserves his independence as it is always open to him to return to the National Audit Office at any time.

28. The first priority for the Director of IOS was to ensure that adequate resources were made available to the Service. Two new Senior Auditor posts were approved by the Director-General and recruitment action to fill these posts is now well advanced, as is recruitment to fill a vacant Service Evaluator post. Several other posts have been established and IOS have been allocated significant additional funds in 2001 to enable it to contract in resources whilst recruitment action is in progress.

29. The next priority was to commission a UNESCO-wide risk assessment to form the base for annual and long-range oversight plans. This involves group work with senior and middle managers, culminating in a session at the Senior Management Symposium in May. This will also help senior management to identify the risks that might threaten the achievement of the Medium-Term Strategy and the action needed to minimize them.

30. The priorities emerging from the UNESCO wide risk assessment include the need to:

support management through initiatives to strengthen accountability by delegation of authority;

increase audit and evaluation coverage of field operations in support of the policy of decentralization;

give greater coverage of extrabudgetary activities both audit and evaluation coverage;

develop methodologies which forge the link between evaluation and audit.

31. Senior management also considered it prudent to ask IOS to commission a risk assessment of the progress of the Finance and Budgetary System (FABS) and to help identify any mitigating action needed.

32. IOS has recently undertaken an audit of UNESCO's operations in Brazil and provided support to a review of UNESCO's procurement function under the Food for Oil Programme in Iraq.

33. A close working relationship has already been established between IOS and the External Auditor. For example, a senior representative of the External Auditor participated towards the end of IOS's audit of the UNESCO Brasilia Office. All IOS reports are transmitted to the External Auditor.

34. IOS will prepare an annual report on significant oversight conclusions and recommendations (including programme evaluations) and remedial actions proposed and taken. The Director-General will make this available unchanged to Executive Board Members and permanent delegates.

Hundred and sixty-first Session

161 EX/5 Corr.
Part I
PARIS, 29 May 2001
Original: French/English

Item 3.1.2 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART I

STAFF POLICY AND OVERSIGHT

CORRIGENDUM

Paragraph 27: delete last two sentences.

Hundred and sixty-first Session

161 EX/5
Part II
PARIS, 18 May 2001
Original: English

Item 3.1.2 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART II

DECENTRALIZATION

SUMMARY

Following the main reform directives outlined to the Executive Board at its 160th session and in accordance with 160 EX/Decision 3.1.2 (III) paragraphs 16 and 17, the following document presents the Director-General's progress report on the implementation of the Decentralization Reform Strategy, including detailed information on the location of all field offices, the timing of office clustering and closures, as well as information on the alternative arrangements offered in cases where existing offices are to close.

Information on the estimated costs, financial savings from office closures, efficiency savings and added value, an action plan and timetable, as well as outcomes to be achieved from the decentralization reform is also included.

INTRODUCTION

1. Information relating to the progress of implementation of the decentralization reform is contained in the present document and in its annexes. Information relating to the financial aspects of the reform is presented in Section II.

I. IMPLEMENTATION

2. In line with the decisions of the 159th and 160th sessions of the Executive Board, the Director-General held extensive consultations and negotiations with Member States and their National Commissions, to discuss the implementation of the Action Plan on Decentralization, the choice of countries that would constitute each cluster, and which Member State within a cluster would house the cluster office.

3. Progress in this domain has been steady but difficult. Overall, Member States have given their support to the Director-General's decentralization policy. The Director-General initially sought consensual proposals for clusters from Member States from the different regions. However, each Member State and regional group has had its own concerns in respect of this strategy, some of these concerns diverging from those of its neighbours. In some instances, conflicting signals were received. This meant that when the time came to select the final cluster office configuration or regional bureaux, positions became subjective. Finally, in cases where regional groups were unable to come to an agreement on the selection of the cluster office for their subregion, the final decision was entrusted to the Director-General.

UNESCO's new network of field offices

4. UNESCO's new field network is composed of 27 **cluster offices** and 13 **regional bureaux**. (**Annex 1** – Regional maps indicating the cluster configuration and location of the field offices and **Annex 2** – UNESCO's new field network: Location of cluster offices, regional bureaux and national offices). Regional bureaux will be initially built out of the existing regional office capacities in education and science, and regional adviser capacities in social and human sciences, culture and communication and information.

5. Initially, 24 national offices will be maintained. In order to comply with the commitments made by UNESCO at the World Education Forum (Dakar, 26-28 April 2000) to achieve the Framework of Action's goals by 2015, offices in each of the "Nine High Population Countries" (E-9) will be maintained for a minimum of eight years, subject to a review in 2009. Another category of national office comprises those in countries or territories in post-conflict situations or undergoing transition. These offices will be maintained for a limited period to deal with specific and time-bound needs. A rigorous evaluation of the offices will be conducted every four years using the criteria outlined in 30 C/Resolution 83 of the General Conference. Once the specific needs in programme delivery have been addressed, the office will be closed and the country will fold back into its cluster.

6. Member States have been informed of the decisions concerning UNESCO's new field network, including concerned Member States where offices are foreseen to close.

Organizational strategy

7. In keeping with 30 C/Resolution 83 the new field network is composed of a two-tier system. **Cluster offices** (the first tier) will be composed of a multidisciplinary team, including a director, an international administrative officer, and ideally one specialist for each programme sector, as well as local support staff. Cluster offices will constitute the delivery platform for the implementation of all UNESCO's activities in the countries covered by the office. In this way, they will play a proactive role in consulting with individual Member States, their National Commissions, the United Nations system and other partners (including NGOs), in order to develop subregional, regional and global programming, and in order to move towards a more demand-driven UNESCO.

8. **Regional bureaux** (the second tier) will be specialized in one of UNESCO's fields of competence. Their functions are to provide technical backstopping and to advise cluster and national offices at the regional level in one of UNESCO's fields of competence, and to plan the implementation of regional programmes in cooperation with these offices. With the exception of UNESCO Santiago, and UNESCO Venice, all regional bureaux are located in cluster offices.

9. In view of the highly complex and intersectoral nature of the work away from Headquarters, the Bureau of Field Coordination (BFC) will serve as the organizational base and central structure of the field in Headquarters. BFC has been assigned the responsibility of ensuring overall coordination of the field network, and hence the effectiveness of UNESCO's intersectoral approach. BFC will act as focal point for all field and liaison offices within Headquarters. As such, it will be involved in upstream activities relating to the Organization's policies and strategies concerning field managerial administration and resourcing arrangements, as well as in activities such as facilitating coordination and resource-sharing among the field offices, institutes and Headquarters.

10. Reporting lines from cluster offices to Headquarters in terms of programme will remain in the programme sector. BFC will ensure administrative financial coordination and facilitate programme coordination and resource-sharing functions. In fulfilling its functions, BFC will collaborate with all relevant sectors and central services in order to avoid duplication. This new mode of management is expected to provide clearer lines of authority for the field offices, and will do away with the current overlap and confusion.

Time frame and office closures

11. The decentralization reform has now moved into the implementation phase, which will run throughout the current year and over the next biennium to the end of 2003. This period will provide a practical length of time to initiate change, but with a clear endpoint that aligns with the completion of the 2002-2003 biennium (31 C/5). As part of the strategy, a total of 18 offices are foreseen for closure before the end of the year 2001. (**Annex 3** – UNESCO's Decentralization Reform Process-Quantitative Summary, and **Annex 4** – Offices expected to close by December 2001). Additionally, nine offices are foreseen to close by the end of 2004. In short, approximately 27 offices are foreseen for closure before the first review of the decentralization strategy and the full network of field offices, including cluster offices in 2005. A full review will be presented to the Executive Board.

12. During this period, decentralization from Headquarters to field-based operations will be strengthened with the objective of broadening the Organization's outreach to its Member States and integrating better global strategies and solutions with action in support of subregional, regional and national development objectives.

13. The full changeover from the current parent sector mode of management of field offices, to management through BFC, will commence in January 2002 with the start of the new biennium (31 C/5), with a maximum six-month transition period. Extensive consultations on transitional arrangements have already started between BFC, sectors, and central services. In order to deliver sound advice on strategic policy as well as backstopping services, which will effectively meet the needs of Member States, BFC's team will continue to be reinforced with field and Headquarters staff. A full complement should be in place by December 2001.

14. As part of the Director-General's strategy, consultations have been held with agencies within the United Nations system in order to compare methods used for the rationalization of field structures and in order to learn from their past experience in the area of reform policies, including office closures. These consultations also served the purpose of ensuring that UNESCO's future action in the field will be complementary to that of its sister agencies. According to some of the agencies, UNESCO's effort to restructure its field network is one of the most comprehensive within the United Nations system. With regard to the cost of this exercise, the past experience of other agencies has shown that the financial implications involving the closure of offices are often underestimated, and therefore risk being under budgeted.

15. The Joint Inspection Unit of the United Nations has also been consulted (160 EX/41 – Review of Management and Administration in UNESCO) and the UNESCO External Auditor (160 EX/25 – Financial Report and Audited Financial Statements of UNESCO for the period ended 31 December 1999 and Report by the External Auditor).

16. To facilitate the closure of offices, special procedures have been elaborated by the Secretariat, including a checklist for office closures and guidelines for dealing with files on office closure. These procedures are already being implemented under the supervision of a multisectoral team led by BFC, and composed of members from the programme sectors and central services, and the concerned director/head of office. In this respect, tools have been developed concerning the main actions to take with regard to: the transfer and smooth continuation of programmes and activities; the transfer of personnel; the recording or "archiving" of documents; the liquidation of non-transferable assets; the separation of local staff; the termination of office lease agreements; and the closing of accounts.

17. As part of the procedure, the multisectoral team meets with the head or representative of each office in order to agree on the best date of closure, make concrete action plans and calendars for action on the closure procedure, and deal with issues and/or problems specific to the office. In offices where the head of office has retired, or been transferred from the office, a multisectoral team, limited in size, will be sent to the country to close the office in question.

18. As offices close during the course of the year, international professional staff will, after consultation, be redeployed to reinforce cluster or other offices or to Headquarters. National Professional Officers (NPOs) will be encouraged to apply for relevant *international* posts within other UNESCO offices. Special assistance will be given to locally recruited staff members who may need to be separated to seek re-employment within other United Nations

agencies or bilateral diplomatic missions. In case a satisfactory solution is not found, a special 50% increase in the indemnity benefit payment will be made. Persons who have been working under Special Service Agreement contracts (SSA) and whose contracts do not normally allow for any indemnity benefit upon separation will receive exceptional compensation.

Alternative arrangements and reinforcement of the new field network

19. As mentioned earlier in the document, the implementation of UNESCO programmes in Member States will be decentralized to cluster offices, regional bureaux and national offices. Upstream programme design, consultations and downstream implementation will be focused through the cluster office's multidisciplinary teams. In the case of offices to be closed, care is being taken to ensure continued programme implementation in the Member State concerned. As a directive of the Action Plan on Decentralization, it is incumbent on the relevant cluster offices to establish closer relations with the Member States where a UNESCO Office will be closing. Each case is being looked at individually, with the best possible cost-effective alternative being proposed to government authorities in order to ensure that UNESCO's action in the field is maintained.

20. With this goal in mind, the cluster office strategy has been developed to facilitate the strengthening of relations between the UNESCO Secretariat and its regional, national and civil partners, with the focus of delivering at the Member State level. In order to ensure that there is an adequate concentration of capacity in field offices to carry out UNESCO's tasks effectively, priority has been given in the preparation of document 31 C/5 to increasing the Organization's impact in the field in terms of staffing and budget allocation. Sectors have also been requested to review their regional programme strategies to follow the Director-General's Action Plan on Decentralization. In the area of staffing, UNESCO will initiate a proactive campaign to recruit and decentralize Headquarters personnel with appropriate capabilities into cluster offices as part of its new rotation policy. Additionally, UNESCO will target the provision of personnel under Associate Expert and United Nations Volunteer (UNV) schemes to fill gaps in cluster office teams.

21. Towards these ends contacts are being made with Member States housing cluster offices to enhance the terms of their participation and increased support to the Organization which will be reflected ultimately in revised "host country agreements". Some of the terms include the provision by the Member State of the office premises, the security and maintenance of the premises; equipment; telephone, facsimile, Internet and other communication costs; the secondment of professional staff in the form of NPO posts, as well as secretarial, administrative and other support staff.

22. As an arrangement to reinforce the new field network, where extrabudgetary funds are available, "Project teams" will be established to deal with specific, time-bound needs anywhere in the world, particularly in Member States where the office is foreseen to close (e.g. Angola and El Salvador). The project team will always be attached and responsible to a cluster office, representing an extension of the cluster office's concentration on priority needs for limited periods of time in a particular location. Once the project objective has been achieved, the team would move on, be disbanded, or fold back to the cluster office.

23. There are also some cases where other alternative mechanisms will be used to strengthen the field network. For example, the assignment of a staff member to the Member State as a temporary "antenna person" (for example in Buenos Aires and Pretoria). Other

mechanisms also include temporarily placing a staff member from the appropriate cluster office within the United Nations offices, or in some cases by employing a National Professional Officer (NPO). Attention will be paid to ensure that competent national personnel are recruited in a transparent way for these posts. With regard to the latter alternative, during the initial period of transition, assistance may need to be provided to some Member States where an office will be closing. NPOs will need to be funded by extrabudgetary funds if available, or initially funded by regular budget funds, and then eventually taken over by the government.

24. In the context of the new policy on decentralization, National Commissions are an important and unique element of the Organization's decentralized system. Where National Commissions have the operational capacity, areas of national activity that fall within UNESCO's programme priorities could be identified, along with ways to expand the involvement of the National Commission in programme implementation. National Commissions and field offices must work hand-in-hand in programming and in execution while retaining a clear distinction in the responsibilities of each in order to ensure a sense of institutional balance. National Commissions should continue to be involved in implementing the activities of UNESCO through the relevant UNESCO field office.

25. The existing complementarities between UNESCO and National Commissions should be maintained, especially as the reform process continues to gather momentum. With this objective in mind, the Director-General will be presenting to the 161st session of the Executive Board, a set of "guidelines to orient developments in the implementation of the C/5 programme" and ensure management of the oversight mechanisms related to such activities. (Agenda item 8.4 – Proposals by the Director-General for the establishment of a "special procedure" to increase the participation of National Commissions in the execution of UNESCO's programme and to strengthen the accountability arrangements for programme activities carried out by National Commissions).

26. In cases where UNESCO institutes or UNESCO centres exist in Member States where a field office is to be closed, an institute or centre may consider the possibility of carrying out some of the functions originally held by the field office, or they could also function as a regional bureau. For example, the UNESCO Institute for Statistics (UIS) in Montreal.

27. UNESCO institutes, intergovernmental councils and committees, and UNESCO centres are also an essential part of the Organization's decentralized system. Their roles and interrelationships with the new field network need to be reassessed. These groups form a complex pattern with a variety of structures and operating modes. A Task Force on UNESCO Institutes and Centres has been established by the Director-General (chaired by the Deputy Director-General) with the objective of reviewing in a focused manner their situation and functioning, ensuring that they are complementary with the rest of the Organization, and avoiding both dispersion of resources and duplication of efforts (see document 161 EX/41).

II. IMPLEMENTATION COSTS

Estimated costs of closing offices

28. On the basis of the information and data collected from the offices to close between January 2001 and December 2004, and taking into account the current staffing table review has been undertaken by the Director-General, the estimated cost for the closure of 27 offices

amounts to US \$4.5 million. (Details of estimated costs for closing offices are shown in **Annex 5**). The details of this estimated cost are as follows: closure of 18 offices by the end of 2001 will cost US \$3.8 million and will be financed from the overall savings on staff costs effected in 2000-2001; closure of five offices during the period 2002-2003 will cost US \$0.4 million and will be covered from savings from indirect costs resulting from closures as well as from the overall savings on staff costs; and the closure of four offices by the end of 2004 will cost US \$0.3 million. These figures take the following costs into consideration: staff transfers between field offices and Headquarters; the separation of local staff under regular and SSA contracts; annual leave payments related to leave accumulated by the staff to be separated; transportation and freight costs for the transport of vehicles and equipment from closing offices to the new cluster offices; consultation missions to Member States conducted by the special envoys and representatives of the Director-General; other miscellaneous expenses.

29. Detailed information on the expected financial and budget savings from the indirect costs of closing offices are shown in **Annex 6**. This annex shows, in terms of indirect costs, the budget savings of closing offices as reflected in the programme and budget document 31 C/5 (Draft). The financial savings in addition represent the expected proceeds (US \$278,000) from sales of certain items from the inventories. These items mainly include vehicles and data processing equipment that may have a local market value. Other items will be donated to National Commissions, NGOs, other United Nations agencies or universities after their registration.

Financing the new field network

30. In order to implement the Director-General's Action Plan on Decentralization on the basis of zero nominal growth, his decisions on the composition of the field network within the initial time frame have sought to build cluster offices from elements of the current system and from the Organization's existing human resources.

31. The new field network will be more cost-effective, not least because its additional staffing commitment is met through a 5% internal redistribution of staff costs from Headquarters to the field. All other savings will be re-invested into further strengthening the field network and its ability to deliver more effectively the programmes of UNESCO. Thanks to cost-saving measures to be taken in implementing document 31 C/5, US \$7 million will be invested to reinforce the new field network system.

32. The Plan of Action foresees three types of actions/costs to ensure a fully operational new two-tier field system: transition costs, fresh expertise, and alternative arrangements to maintain "presence".

Transition costs: These include staff separation and transfers as well as networking, training and mentoring. With regard to the transfer and separation measures, the costs associated with these measures have been comparatively reduced for the period 2002-2003 as they concern the closing of five field offices only. The costs will be financed partly from the savings on indirect costs resulting from the office closures in 2002-2003 and partly from the savings on the overall staff costs. A sum of US \$2.5 million has been earmarked for networking, training and mentoring measures. This amount will be covered from reallocation of corresponding indirect cost funds released by the closure of

18 offices in 2001 (US \$1.8 million) and partly from the US \$3 million budget allocated towards staff training and development (US \$700,000).

Fresh expertise costs: In the absence of additional funding, considerable efforts have been made to circumvent the gaps in programme expertise as well as administrative capacities prevailing in the existing field network. This has resulted in the net creation of 35 field posts, with a view to more adequately satisfying the requirements of the new network. For example, the international AO coverage has been ensured in 20 of the 27 clusters. Furthermore, sufficient coverage in terms of programme expertise has also been achieved, notably in education (almost 100%) and science. Field representation for culture and communication has also been increased in relative terms. A greater effort will, however, be needed to improve that of the social and human sciences.

Alternative arrangements: As described earlier in the document, since the alternative arrangements are currently being discussed with the Member States concerned, it is difficult to cost these arrangements very precisely. However, given the increased impact and effectiveness sought from the new multidisciplinary cluster office teams, together with new procedures for finalization of detailed work plans through close consultation between cluster offices and National Commissions, it is reasonably expected that an additional US \$1.4 million in terms of programme activities will be invested in countries where offices are closed, i.e. half as much again as previously allocated (US \$2.8 million) to the closed offices.

	\$
Training, mentoring and networking.	2,500,000
Fresh expertise.	3,100,000
Additional investment to increase decentralized activities in countries where offices have been closed.	1,400,000
Total cost investment to reinforce the new field system in document 31C/5	<u>7,000,000</u>

Added value of the new field network

33. It is already clear that the new system is more effective in the service of UNESCO's Member States. The closure of 27 offices will lead to savings in overheads and other items that will be redistributed towards strengthening the new field network in terms of action and presence, indirect costs or networking between field offices and with Headquarters. As one example, compared with the 27 offices previously existing with only one international staff member, the corresponding new figure (1 January 2002) will stand at 11, including five in offices to be closed during the period 2002-2003.

34. In summary the new network will introduce the following benefits: organizational efficiencies that will allow upgraded quantity and quality of programme delivery for the same cost, together with savings on overheads; outreach to a critical mass; immediate multidisciplinary service to all Member States; guaranteed performance quality of field offices

by application of competency standards to appointments of directors; training; the institution of a field office mentoring system; the placement of an international Administrative Officer, wherever possible; a staff rotation system; field connectedness and sensitivity of UNESCO as a whole; a more coherent reporting and direct line of authority between Headquarters and the field; a significant attempt to shift from a Headquarters to a team-based field orientation; more demand-driven, decentralized, autonomous field offices; greater emphasis on networking, teambuilding, less need for temporary assistance in the form of Special Service Agreements, etc. In addition, the added value to UNESCO activities that can be provided by National Commissions is capitalized upon more effectively.

Outcomes achieved by the decentralization reform

35. The following outcomes and milestones can be identified:

1. **February 2001:** Announcement by the Director-General of the cluster configuration of Member States and location of the cluster offices.
2. **April 2001:** Announcement by the Director-General of the location of all field offices together with a timetable for closures or review.
3. **July 2001:** The cluster offices network enters into force (6-month transition period).
4. **July 2001-December 2001:** Closure of 18 UNESCO offices.
5. **January 2002:** The new mode of field offices management through BFC enters into force (6-month transition period). Cessation of the parent sector system and introduction of new field staff policy.
6. **December 2002:** Completion of review and redesign exercise of “Host Country Agreements” for Member States hosting an office.
7. **December 2004:** Further closure of nine national offices by this date.
8. **January 2005:** First full review of UNESCO’s field network using the criteria outlined in 30 C/Resolution 83 of the General Conference.

Conclusion

36. A minimum of US \$7 million will be invested in 2002-2003 and within the zero nominal growth context, to ensure that UNESCO’s new presence in the field settles in well and to reinforce the Organization’s delivery capacity there. This investment does not take into consideration the amount already decentralized for the implementation of activities for which efforts have also been made to strengthen further UNESCO’s efficiency and impact in the field. As one example of this, 62.3% of the budget of Major Programme I has been decentralized in draft document 31 C/5.

37. Decentralization – or the redistribution of programming, budget, authority, implementation and organizational presence away from Headquarters and into the field – provides a means of building a bridge between global issues and direct Member State interest at a local level. But decentralization is not an end in itself. Reorienting UNESCO’s action and

increasing its efficiency and effectiveness will require a new working culture that must be enhanced by the Secretariat as a whole and will take time to take root. This will also require a change in mentality and perception of UNESCO as *one* Organization (including the field and Headquarters) with *one* overall mission, with its central focus being its impact on and relevance to its Member States. For new programme orientations to bring expected results, they need to be supported with reformed implementation tools: revitalized human resources, modernized management, administrative procedures and structures and an adequate technical infrastructure.

38. The Executive Board may wish to consider the following draft decision:

The Executive Board,

Having examined document 161 EX/5 (Part II),

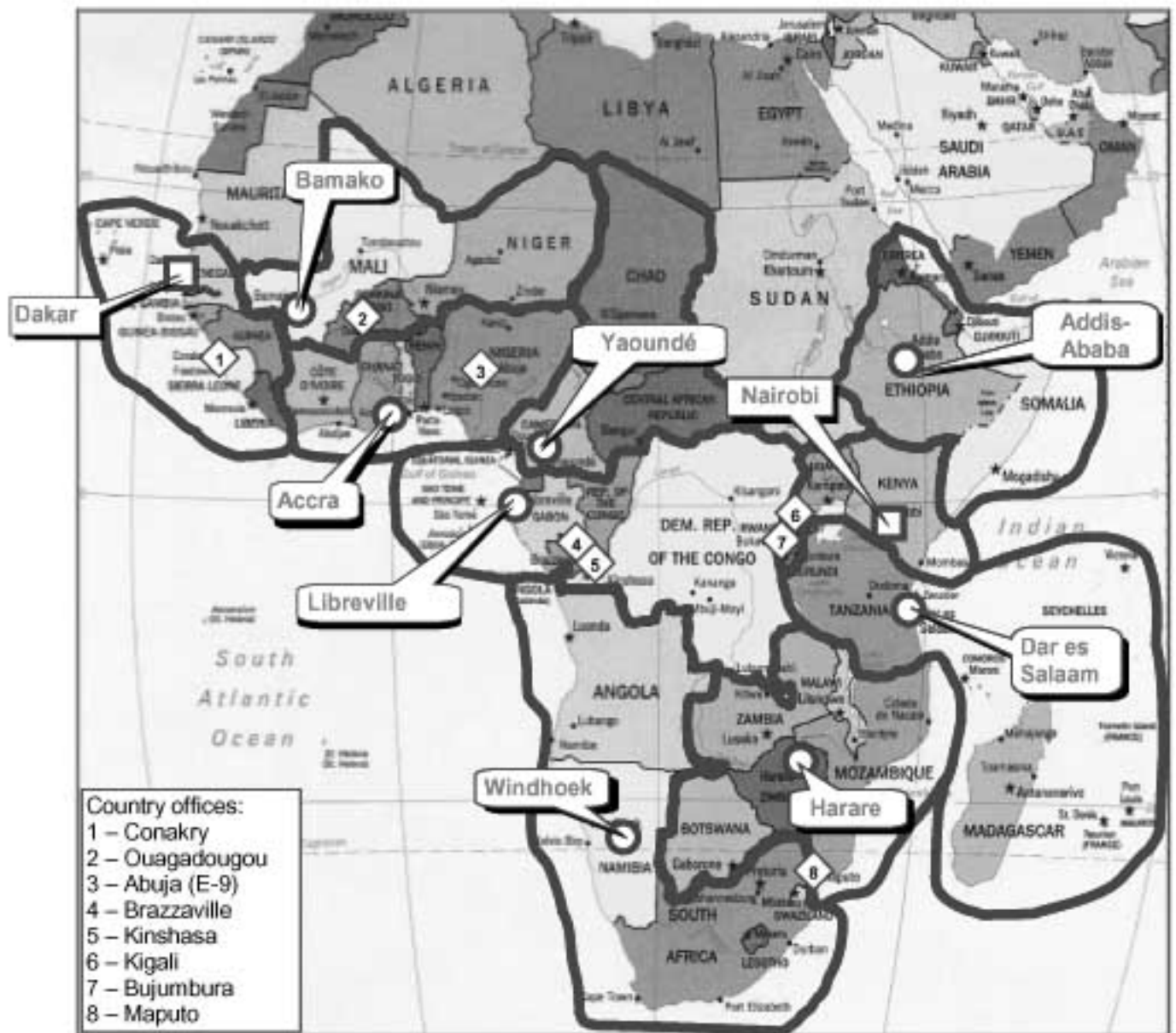
Notes the efforts made by the Director-General to implement the new decentralization reform strategy in view of the numerous difficulties involved, including budgetary constraints;

Invites the Director-General to pursue the implementation of his Action Plan and to report thereon to the Board at its 163rd session.

ANNEX I

Geographical location of UNESCO Offices

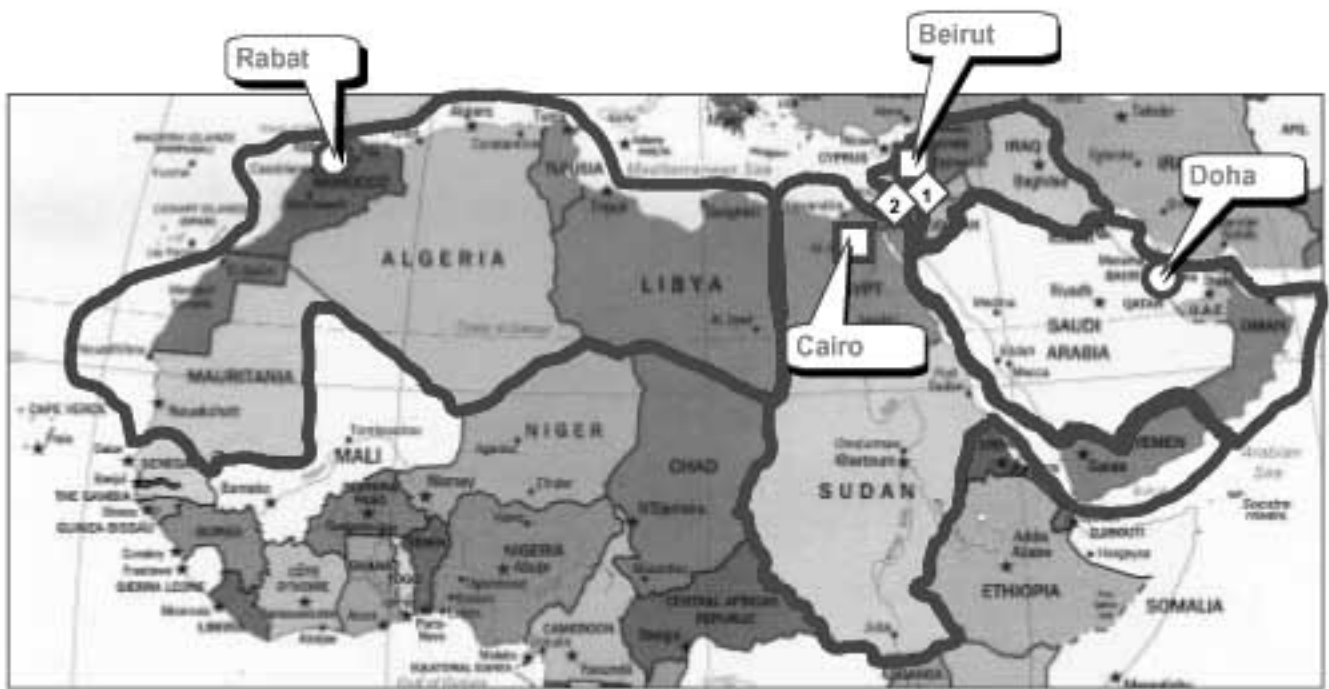
UNESCO Offices in Africa







- - Cluster
- - Cluster Office
- - Cluster Office and Regional Bureau
- ◇ - Country Office (maintained for a limited time)

Geographical location of UNESCO Offices

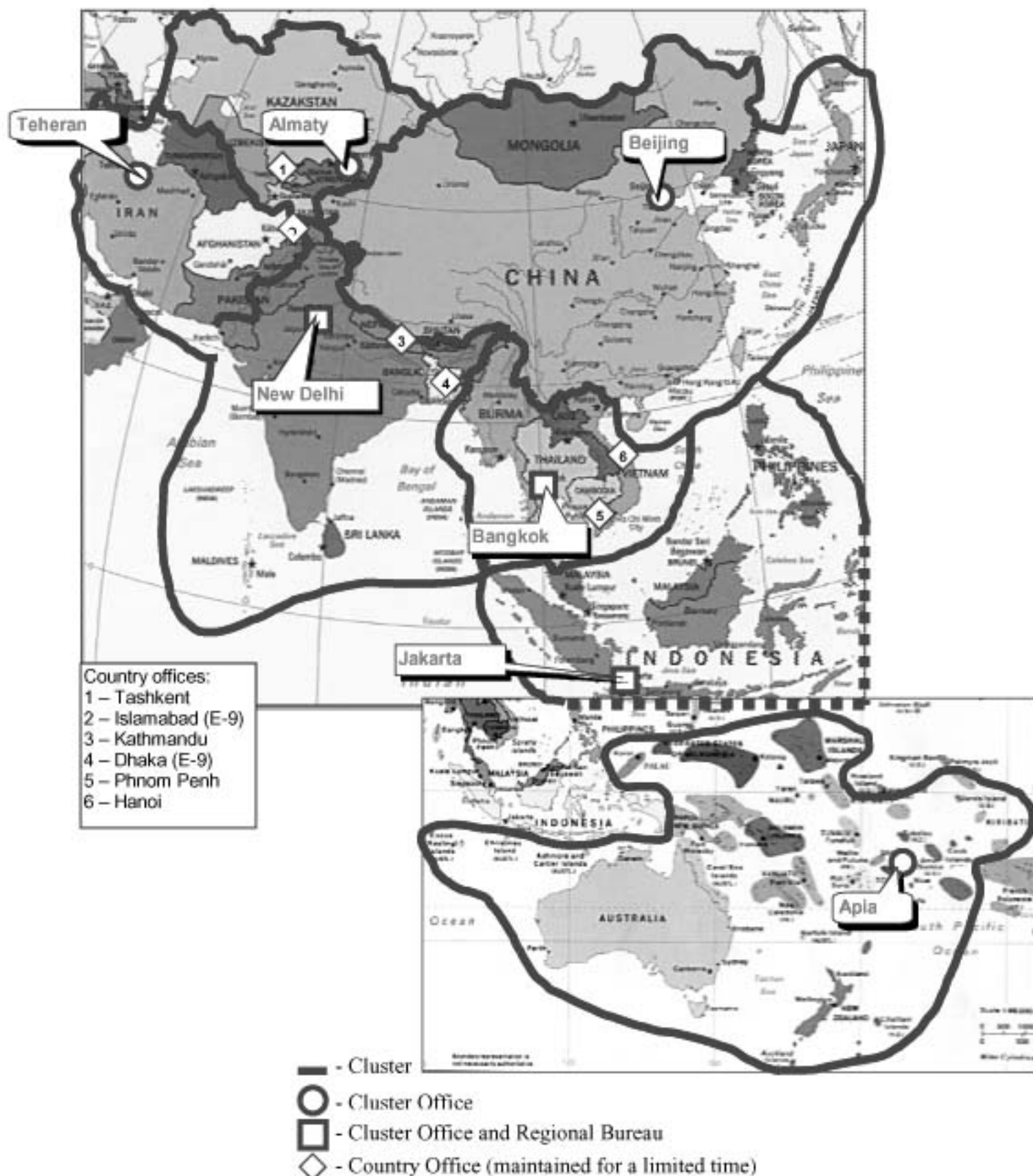
UNESCO Offices in the Arab States



-  - Cluster
-  - Cluster Office
-  - Cluster Office and Regional Bureau
-  - Country Office (maintained for a limited time)

Geographical location of UNESCO Offices

UNESCO Offices in Asia and the Pacific



Geographical location of UNESCO Offices

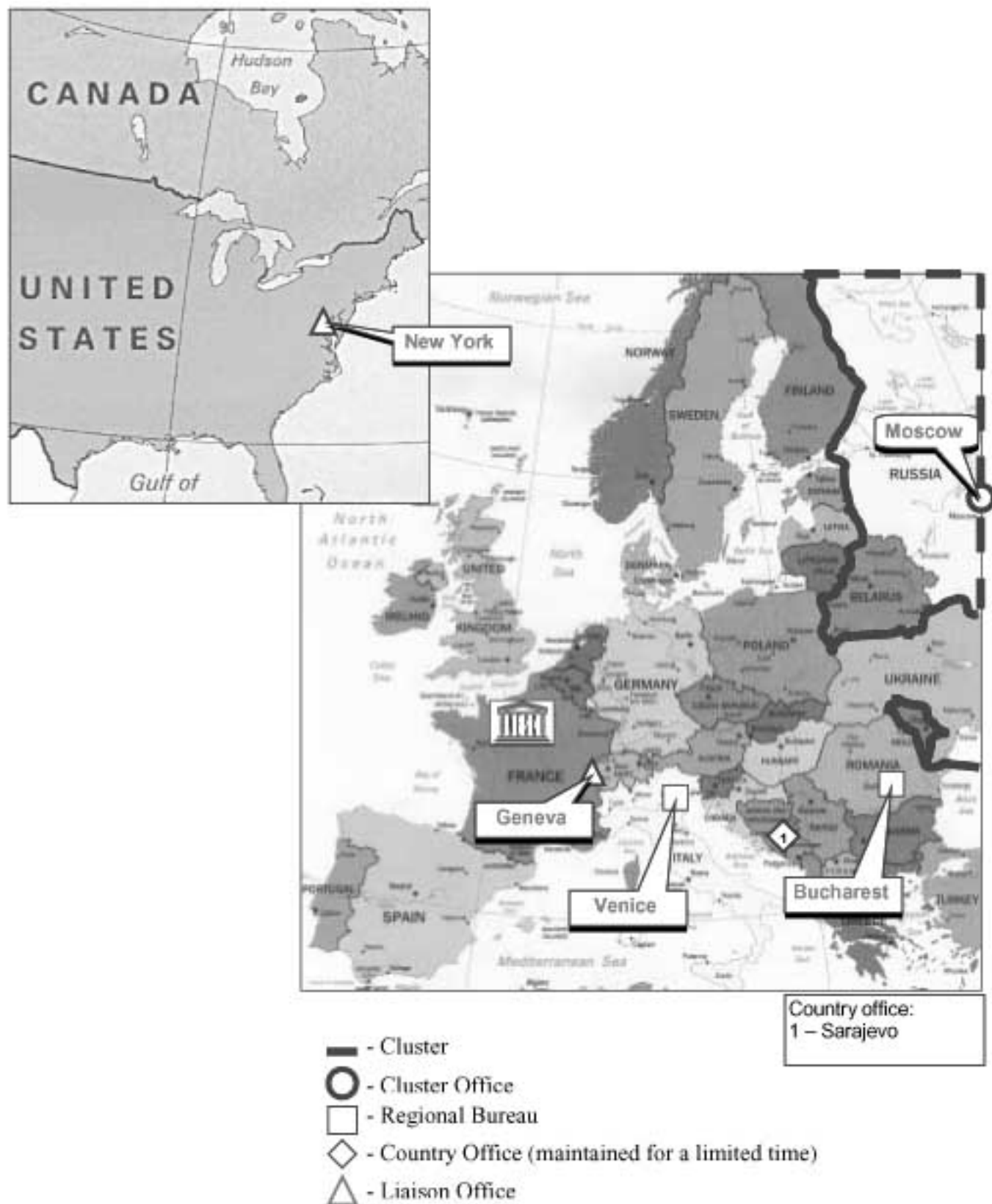
UNESCO Offices in Latin America and the Caribbean



- - Cluster
- - Cluster Office
- ◻ - Cluster Office and Regional Bureau
- ◻ - Regional Bureau
- ◇ - Country Office (maintained for a limited time)

Geographical location of UNESCO Offices

UNESCO Offices in Europe and North America



ANNEX 2
UNESCO's New Field Network

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
AFRICA			
<i>Southern Africa</i>			
<i>Windhoek</i>	Angola Lesotho Namibia South Africa Swaziland	Office closing Cluster Office Office closing	2001 2001
	Botswana Malawi Mozambique Zambia Zimbabwe	Office maintained, then subject to review Office closing Cluster Office	Review 2005 2001
<i>Eastern Africa</i>			
<i>Nairobi</i>	Burundi Kenya Rwanda Uganda	Office maintained, then closing Cluster Office , Regional Bureau (SC) Office maintained, then closing	By end 2004 By end 2004
	Comoros Madagascar Mauritius Seychelles United Republic of Tanzania	Cluster Office	
<i>Addis Ababa</i>	Djibouti Eritrea Ethiopia Somalia	Cluster Office	
<i>Central and Western Africa</i>			
<i>Yaounde</i>	Cameroon Central African Republic Chad	Cluster Office Office closing	2001

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
<i>Libreville</i>	Congo Democratic Republic of Congo Equatorial Guinea Gabon Sao Tome and Principe	Office maintained, then closing Office maintained, then subject to review Cluster Office	By end 2004 Review 2005
<i>Accra</i>	Benin Côte d'Ivoire Ghana Togo Nigeria	Office closing Office closing Cluster Office Office maintained, then subject to review (E-9)	2001 2001 Review 2009
<i>Dakar</i>	Cape Verde Gambia Guinea Guinea-Bissau Liberia Senegal Sierra Leone	 Cluster Office, Regional Bureau (ED)	 By end 2002
<i>Bamako</i>	Burkina Faso Mali Niger	Office maintained, then closing Cluster Office	By end 2002
ARAB STATES			
<i>Maghreb</i>			
<i>Rabat</i>	Algeria Libya Mauritania Morocco Tunisia	 Cluster Office Office closing	 2001

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
Red Sea			
Cairo	Egypt Sudan Yemen	Cluster Office , Regional Bureau (SC), E-9	
Gulf			
Doha	Bahrain Kuwait Oman Qatar Saudi Arabia United Arab Emirates	Cluster Office	
Middle East			
Beirut	Iraq Jordan Lebanon Syria	Office maintained, then subject to review* Cluster Office , Regional Bureau (ED)	Review 2005
	Autonomous Palestinian Territories (Observer)	Office maintained, then subject to review	Review 2005
ASIA AND PACIFIC			
Central and South-West Asia			
Teheran	Afghanistan Islamic Republic of Iran Turkmenistan	Cluster Office	
	Pakistan	Office maintained, then subject to review (E-9)	Review 2009
Almaty	Kazakhstan Kyrgyzstan Tajikistan Uzbekistan	Cluster Office Office maintained, then subject to review	 Review 2005

* Will also initially cover Iraq

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
South Asia			
New Delhi	Bhutan India Maldives Nepal Sri Lanka Bangladesh	Cluster Office , Regional Bureau (CI), E-9 Office maintained, then closing Office maintained, then subject to review (E-9)	 By end 2004 Review 2009
East and South-East Asia			
Beijing	China Democratic People's Republic of Korea Japan Mongolia Republic of Korea	Cluster Office , E-9	
Bangkok	Cambodia Lao People's Democratic Republic Myanmar Thailand Viet Nam	Office maintained, then subject to review Cluster Office , Regional Bureau (ED) Office maintained, then subject to review	Review 2005 Review 2005
Jakarta	Indonesia Malaysia Philippines	Cluster Office , Regional Bureau (SC), E-9 Office closing	2001

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
Pacific Community			
Apia	Australia Cook Islands Fiji Kiribati Marshall Islands Federated States of Micronesia Nauru New Zealand Niue Palau Papua New Guinea Samoa Solomon Islands Tonga Tuvalu Vanuatu	Cluster Office	
LATIN AMERICA AND CARIBBEAN			
Central America			
San José	Costa Rica El Salvador Guatemala Honduras Nicaragua Panama Mexico	Cluster Office Office closing Office maintained, then closing Office closing Office maintained, then subject to review (E-9)	2001 By end 2002 2001 Review 2009

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
<i>Andean countries</i>			
<i>Quito</i>	Bolivia	Office maintained, then subject to review	Review 2005
	Colombia	Cluster Office , Regional Bureau (CI)	By end 2003
	Ecuador		
	Peru	Office maintained, then closing	2001
Venezuela	Office closing		
<i>MERCOSUR + Chile</i>			
<i>Montevideo</i>	Argentina	Office closing	2001
	Chile	Regional Bureau (ED)	2001
	Paraguay	Office closing	
	Uruguay	Cluster Office , Regional Bureau (SC)	Review 2009
	Brazil	Office maintained, then subject to review (E-9)	
<i>Caribbean</i>			
<i>Kingston</i>	Antigua and Barbuda	Office closing	2001
	Bahamas		
	Barbados		
	Belize	Cluster Office	
	Dominica		
	Grenada		
	Guyana		
	Jamaica		
	Saints Kitts and Nevis		
	Saint Lucia		
	Saint Vincent and the Grenadines		
	Suriname		
	Trinidad and Tobago		

<i>Cluster</i>	<i>Member States</i>	<i>Arrangement</i>	<i>Effective Date</i>
<i>Havana</i>	Cuba Dominican Republic Haiti	Cluster Office , Regional Bureau (CLT) Office maintained, then closing Office maintained, then subject to review	By end 2003 Review 2005
EUROPE AND NORTH AMERICA			
<i>Europe</i>			
<i>Moscow</i>	Armenia Azerbaijan Belarus Georgia Moldova Russian Federation	Cluster Office	
	Bosnia and Herzegovina Italy Romania	Office maintained, then subject to review Regional Bureau (SC) CEPES, Regional Bureau (higher education)	Review 2005
<i>North America</i>			
	Canada	Office closing	2001
LIAISON OFFICES TO THE UNITED NATIONS			
<i>Europe</i>			
	Vienna (Austria) Geneva (Switzerland)	Office closed Liaison Office maintained	2001
<i>North America</i>			
	New York (United States) Washington (United States)	Liaison Office maintained Office closed	2001

ANNEX 3

UNESCO'S DECENTRALIZATION REFORM PROCESS

Quantitative summary

Region	2000 - 2001 BIENNIUM			BREAKDOWN TOTAL OFFICES - 31/12/2001			SUBSEQUENT BIENNIA				
	Total No. offices (01/01/00)	Closing/Closed offices (by end 2001)	Total No. offices (31/12/2001)	Cluster Offices	Regional Bureaux*	National Offices	Offices to close in 2002-2004	Total No. offices 31/12/2004	Review and possible closure in 2005	Number offices 31/12/2005	Eight-year review of E9 offices (2009)
Africa	24	6	18	10	2	8	5	13	2	11 ~13	1
Arab States	7	1	6	4	2	2	0	6	2	4 ~6	0
Asia and the Pacific	14	1	13	7	3	6	1	12	3	9 ~12	2
Latin America and the Caribbean	20	7	13	5	4	7	3	10	2	8 ~ 10	2
Europe	5	1	4	1	2	1	0	4	1	3 ~ 4	0
Liaison Offices	4	2	2			2**	0	2	0	2	0
TOTAL	74	18	56	27	13	26***	9	47	10	37 ~ 47	5

* All Regional Bureaux, except those in Santiago and Venice, as well as CEPES, also serve as Cluster Offices

** These offices are Liaison Offices

*** This figure includes the 24 National Offices and the two Liaison Offices

ANNEX 4

Offices expected to close by December 2001

Africa

Angola
Benin
Central African Republic
Côte d'Ivoire
South Africa
Zambia

Arab States

Tunisia

Asia and the Pacific

Malaysia

Latin America and the Caribbean

Argentina
Barbados
El Salvador
Panama
Paraguay
Trinidad and Tobago
Venezuela

Europe and North America

Vienna
Washington
Quebec

ANNEX 5

Closing offices cost estimates

	2000-2001	2002-2003	2004	Total
	\$	\$	\$	\$
Transfer cost of international staff to be redeployed:				
Africa	494 000	114 000	114 000	722 000
Arab States	76 000			76 000
Asia and the Pacific	38 000		38 000	76 000
Latin America and the Caribbean	266 400	76 000		342 400
Europe and North America	76 000			76 000
	950 400	190 000	152 000	1 292 400
UNESCO Liaison Offices	30 500			30 500
Subtotal	980 900	190 000	152 000	1 322 900
Separation cost:				
1 - Local staff under established posts and NPO's				
Africa	52 500	19 500	44 000	116 000
Arab States	10 500			10 500
Asia and the Pacific	18 500		10 500	29 000
Latin America and the Caribbean	52 500	10 500		63 000
Europe and North America	10 500			10 500
	144 500	30 000	54 500	229 000
2 - Local staff hired under SSA contracts				
Africa	247 000	65 000	52 000	364 000
Arab States				
Asia and the Pacific			10 500	10 500
Latin America and the Caribbean	221 000	45 000		266 000
Europe and North America				
	468 000	110 000	62 500	640 500
3 - Cost estimates related to accumulated annual leave				
	102 000	25 000	9 000	136 000
Subtotal	714 500	165 000	126 000	1 005 500
Transportation and freight costs (vehicles, computers)	27 000	5 000	4 500	36 500
Missions cost (undertaken by the DG's representatives)	105 000	12 000	10 000	127 000
Headquarters missions to supervise offices closure	32 500	8 000	7 500	48 000
Other costs (events that may occur after closing offices)	55 000	35 000	25 000	115 000
Installation and strengthening cost for Cluster Offices	526 100			526 100
Transfer costs of operational responsibilities to cluster offices	1 329 000			1 329 000
Subtotal	2 074 600	60 000	47 000	2 181 600
Total cost estimates to close offices	3 770 000	415 000	325 000	4 510 000

ANNEX 6

Clustering: Expected financial and budget savings to be invested in delivery capacity

	Financial savings from sales and other			Investment in delivery capacity		
	Vehicles (1)	Other (2)	Total (3)	Budget savings (4)	31 C/5 (5)	32 C/5 (6)
Africa	76 000	87 800	163 800	1 340 700	805 350	535 350
Arab States	5 000	2 500	7 500	69 400	69 400	
Asia and the Pacific		5 900	5 900	231 500	92 600	138 900
Latin America and the Caribbean	44 000	57 200	101 200	981 500	703 700	277 800
Europe and North America				176 200	176 200	
Total	125 000	153 400	278 400	2 799 300	1 847 250	952 050

Detailed by region and year of closure as follows:

AFRICA						
2001						
Angola (Luanda)	15 000	8 000	23 000	148 100	148 100	
Benin (Porto Novo)	14 000	3 000	17 000	92 600	92 600	
Central African Republic (Bangui)	20 000	10 000	30 000	111 100	111 100	
Côte d'Ivoire (Abidjan)	5 000	3 000	8 000	101 800	101 800	
South Africa (Pretoria)	12 000	7 000	19 000	148 100	148 100	
Zambia (Lusaka)	10 000	5 000	15 000	83 300	83 300	
	76 000	36 000	112 000	685 000	685 000	
2002						
Burkina Faso (Ougadougou)		7 800	7 800	101 800	50 900	50 900
Guinea (Conakry)		11 500	11 500	138 900	69 450	69 450
		19 300	19 300	240 700	120 350	120 350
2004						
Burundi (Bujumbura)		12 000	12 000	128 000		128 000
Congo (Brazzaville)		5 500	5 500	120 000		120 000
Rwanda (Kigali)		15 000	15 000	167 000		167 000
		32 500	32 500	415 000		415 000
Total, Africa	76 000	87 800	163 800	1 340 700	805 350	535 350

	Financial savings from sales and other			Investment in delivery capacity		
	Vehicles (1)	Other (2)	Total (3)	Budget savings (4)	31 C/5 (5)	32 C/5 (6)
ARAB STATES						
2001						
Tunisia (Tunis)	5 000	2 500	7 500	69 400	69 400	
Total, Arab States	5 000	2 500	7 500	69 400	69 400	
ASIA AND THE PACIFIC						
2001						
Malaysia (Kuala Lumpur)		3 400	3 400	92 600	92 600	
		3 400	3 400	92 600	92 600	
2004						
Nepal (Kathmandu)		2 500	2 500	138 900		138 900
		2 500	2 500	138 900		138 900
Total, Asia and the Pacific		5 900	5 900	231 500	92 600	138 900
LATIN AMERICA AND CARIBBEAN						
2001						
Argentina (Bueno Aires)	9 000	9 000	18 000	138 900	138 900	
Barbados (Bridgetown)	10 000	10 500	20 500	92 600	92 600	
El Salvador (San Salvador)	6 000		6 000	138 900	138 900	
Panama (Panama City)	10 000	5 000	15 000	111 100	111 100	
Paraguay (Asuncion)		4 000	4 000	111 100	111 100	
Trinidad and Tobago (Port of Spain)	9 000	3 500	12 500	64 800	64 800	
Venezuela (Caracas)						
	44 000	49 700	93 700	657 400	657 400	
2002						
Guatemala (Guatemala City)		7 500	7 500	92 600	46 300	46 300
		7 500	7 500	92 600	46 300	46 300
2003						
Peru (Lima)				92 600		92 600
Dominican Republic (Santo Domingo)				138 900		138 900
				231 500		231 500
Total, Latin America and the Caribbean	44 000	57 200	101 200	981 500	703 700	277 800

	Financial savings from sales and other			Investment in delivery capacity		
	Vehicles (1)	Other (2)	Total (3)	Budget savings (4)	31 C/5 (5)	32 C/5 (6)
EUROPE AND NORTH AMERICA						
2001						
Canada (Quebec City)				55 500	55 500	
LIAISON OFFICES						
2001						
Austria (Vienna)				60 300	60 300	
United States (Washington)				60 400	60 400	
Total, Europe and North America				176 200	176 200	
Total expected savings at the end of closing offices operation	125 000	153 400	278 400	2 799 300	1 847 250	952 050

Notes: (Estimates made on basis of indirect costs only)

1. Expected proceeds from sales of vehicles of closing offices at the end of 2001.
2. Include estimated proceeds from data processing and other equipment of US \$80,000 at the end of 2001. and cost savings on staff security of \$70,000 to be shown in documents 31 C/5 and 32 C/5.
3. Include a total of expected savings of \$205,000 from sales at the end of 2001.
4. 30 C/5 budget basis: "zero nominal growth" for documents 31 C/5 and 32 C/5.
5. Investment in networking and mentoring of the new field office system.
6. Expected budget savings on closing offices at the end 2004 to be added as an investment to cross-office networking.

Hundred and sixty-first Session

161 EX/5 Corr.
Part II
PARIS, 29 May 2001
Original: English

Item 3.1.2 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART II

DECENTRALIZATION

CORRIGENDUM

Delete paragraph 26 and renumber all ensuing paragraphs accordingly.

Insert before (old) paragraph 35 “III – IMPLEMENTATION TIMETABLE” and delete previous section heading.

Paragraph 35 (old): Delete “The following outcomes and milestones can be identified:” and replace with “The following timetable has been established”.

Before (old) paragraph 36 – Section heading to read “IV – CONCLUSION”.