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REPORT BY THE DIRECTOR-GENERAL
ON THE REFORM PROCESS

SUMMARY

The Director-General reports on the progress of reforms launched in November 1999 and presents the main lines of his reform agenda for the current biennium and beyond. The document includes items on which specific reports were requested by the Executive Board and the General Conference, i.e. personnel policy, internal oversight and the rational implementation of decentralization.

INTRODUCTION

1.   Upon taking office in November 1999, the Director-General immediately launched a comprehensive programme of reforms, aimed at rethinking UNESCO's priorities and refocusing its action, streamlining its structures and management procedures, remotivating its staff and rationalizing its decentralization policy.

2.   To implement his announced policies, he decided not to bring in an outside team of reformers but rather to rely on UNESCO's own expertise, while taking due account of the experience of other agencies. At the same time, the United Nations Joint Inspection Unit was invited to review management and administration in UNESCO, while external auditors, as recommended by the General Conference, began to examine all aspects of post reclassifications and promotions of staff at ADG, D-1 and D-2 levels which occurred during the 1998-1999 biennium. The results of these reviews, to be reported to the Executive Board at its 160th session, will provide the necessary reference points against which the internal vision of problems and solutions will be tested and fine-tuned.

3.   The Director-General did not have the benefit of a preparatory or transition period: he had to address at the same time urgent management issues and long-term reform objectives, covering all aspects of programme, management and administration.

4.   In order to advise him on the different dimensions of the reform concept and implementation, the Director-General established three internal task forces, working in close contact with one another, on:

- programme and priorities of UNESCO,
- Secretariat structure, staffing and management systems, and
- decentralization.

5.   This document is a progress report. It focuses on early reform measures and plans pertaining to staff, management and management-related aspects of decentralization and programme execution, which are areas that fall under the direct responsibility of the Director-General.

6.   As for substantive reforms, aimed at refocusing UNESCO's programme on priority areas, these require prior dialogue and consultations with the Member States and governing bodies and thus necessarily obey a different time frame. In this context, the Director-General is closely following the work of the Task Force on "UNESCO in the Twenty-First Century" established by the Executive Board, and is providing it with full information on the internal reform efforts. He is also organizing consultations with National Commissions so as to take fully into account the views and interests of the different parts of UNESCO's constituency. Main proposals on programme reforms will be submitted to the Executive Board at its 160th session in October 2000. However, initial efforts in this respect have already been made in the process of adjusting the Programme and Budget for 2000-2001, as required by the General Conference (159 EX/6).

7.   As announced in November 1999, management reform was to be focused on four priority lines of action:

- revitalizing the Secretariat,
- developing the spirit and the practice of responsibility,

- simplifying and rationalizing the Secretariat structure, and
- restoring respect for rules and procedures.

8.   After an in-depth analysis of the situation, these objectives have been developed and refined. However, it should be noted that, as a matter of urgency, the Director-General has had to concentrate his attention on the correction of the most obvious distortions in the organizational chart and management practices. These measures are reported on in the first section of this document. The subsequent sections are then devoted to information on steps taken and envisaged to address the issues of revitalizing the Organization's human assets, creating a new management style, and enhancing the effectiveness of decentralization. The final section presents a new vision of UNESCO as an introduction to the more fundamental reforms to be considered over the medium term.

I.   URGENT MEASURES TO CORRECT THE MOST OBVIOUS DISTORTIONS

I.1   Return to rules and procedures

9.   Further to the serious concerns expressed by the Executive Board and the General Conference about "too many exceptions in the application of personnel policy and the personnel management system", the Director-General felt obliged to take the exceptional decision, on 26 November 1999, to suspend the appointments, reclassifications and promotions decided between 1 October and 14 November 1999. Having reviewed all the cases in question, the Director-General has decided that no promotion, reclassification or appointment may be implemented unless the existing rules and procedures are respected and the proposed measures can be accommodated within the staff establishment and the staff costs for 2000-2001. The preliminary results of this exercise (which involves desk audits for all reclassifications and promotions between 1 October and 14 November 1999) will be presented in an addendum to the present document together with the preliminary results of the review requested by the General Conference of all promotions, reclassifications and appointments made during the 1998-1999 biennium. A more comprehensive analysis will be provided to the Board at its 160th session in conjunction with the External Auditor's report regarding posts at D-1 level and above.

10.   Over recent years, systematic and prolonged recourse to temporary appointments has become a usual practice, based on exceptions rather than rules. Since November 1999, 95 temporary posts and appointments as well as other contractual arrangements have been reviewed in order to ensure compliance with the established rules and procedures, it being understood that no temporary post financed from the staff costs budget should be renewed unless the services rendered are specifically linked to a vacant established post and are indispensable for programme or project execution. Further to the review, the temporary contracts were either brought into conformity with the existing rules and regulations or terminated. In the latter case, an exceptional indemnity of two months' remuneration was granted to staff who had worked on temporary contracts for more than two years (one month remuneration for those who worked more than one year but less than two). As at 1 March 2000, the Organization had 52 temporary staff financed from the regular programme.

11.   The principles of competitiveness and openness in recruitment are henceforth being strictly respected with regard to all posts, including those of Assistant Directors-General. Three programme ADG posts (CLT, CII and SC) and those of the directors of some key central services (Human Resources Management, Strategic Planning and Legal Adviser) have

already been advertised and others will follow, with the aim of renewing the top management team by the end of the year.

12.   In this context, it would be opportune to reconsider some of the amendments to the Staff Regulations and Staff Rules introduced by 30 C/Resolutions 70 and 72. Thus, the requirement of a competitive process with regard to renewal of appointments (Regulation 4.2) could be replaced by the requirement of proven satisfactory performance. Likewise, it does not seem practical to apply to posts of the General Service or of the National Professional Officers (NPO) categories the requirement of 90-days advertising, which could be reduced to 30 days.

13.   Respect for normal lines of authority has also been restored. As a matter of priority, the Director-General dealt with the problem of "parallel structures". Thus, the network of "Senior Special Advisers" to the Director-General has been dismantled. In the same vein, the management of the Participation Programme has returned under the responsibility of the Assistant Director-General for External Relations, it being understood that the Director-General deals with requests at the final stage of approval in the light of recommendations from respective sectors. A number of proposals have been developed in order to render the system for the evaluation and approval of requests more straightforward and transparent (159 EX/27).

I.2   Return to budgetary stability

14.   The problem of the staff costs deficit had become a chronic one, having negative impact on programme delivery, owing to the freezing of posts and delays in recruitment. A comprehensive review of the current staff establishment compared to that foreseen in document 30 C/5 Approved (Appendix VI), revealed that the potential staff costs deficit, initially estimated at some US $11 million, would be even greater - some US $17 million - if the actual requests of the sectors and services were to be taken into account. Thanks to efforts made throughout the Secretariat, the figure has been reduced to US $2.5 million. Additional measures, such as an agreed separation scheme (see below), have been initiated in order to ensure, *inter alia*, that the overall staff costs ceiling is not exceeded.

15.   However, balancing the budget cannot be an objective in itself. ***The real challenge is to correct the serious discrepancies between the post structure, staff profiles and programme needs.*** This is and will be an extremely difficult exercise, as the Director-General has practically no margin to manage the staff costs budget inasmuch as a great number of vacant posts or posts to fall vacant during the biennium have already been frozen or abolished. Moreover, certain provisions of 30 C/Resolution 70 impose on the Director-General very rigid constraints in the management of the post structure and hence the proper management of staff and staff costs.

16.   In response to this, an Agreed Separation Scheme has recently been launched, targeting primarily staff members at P-5 level and above and those within close reach of retirement, with three objectives: reduction of top-heaviness, rejuvenation of staff, and renewal of skills and expertise. Other possibilities for skills renewal are expected through "natural" staff turnover, which will peak over the coming five years as a result of the retirement of 34% of Professional staff and above (of whom 70% at director level) and of 30% of the General Service staff.

17.   The past practice of retaining at the central level considerable parts of the budget for "unplanned" activities was jeopardizing budgetary stability and the effective implementation of the programmes approved by the General Conference. The Director-General has put an end

to such arrangements. From now on, the management of all available funds is the responsibility of the respective sectors and services. There is no more central reserve with unclear objectives and modalities.

I.3   Rationalize the Secretariat structure

18.   The current structure of the Secretariat is complex, heavy and fragmented, with a large number of disparate and isolated elements that are often redundant or overlapping. In many cases, it appears to be person-based rather than function-based. A related problem is the existing top-heaviness of the pyramid of grades, with a great number of staff at director level with no "director function". If all the suspended decisions relating to promotions and reclassifications were to be implemented, the Organization would have almost 200 staff at director level and above, resulting in a post structure that would defy any management logic.

19.   A real and decisive restructuring of the Secretariat must obviously follow the redesign of UNESCO's programmes and priorities, which is still to be worked out and approved by UNESCO's governing bodies. However, a number of structural changes, based on the current programme, good management principles and simple common sense, must and will be implemented as soon as possible in order to render the Secretariat less top-heavy, more functional and better prepared to implement effectively both the current and future programmes.

20.   As a matter of priority, and as early as November 1999, various coordination units and services attached directly to the Director-General were reintegrated into the programme sectors or attached to the appropriate bureaux.

21.   Since then, a review of the Headquarters structure has been conducted in consultation with ADGs and a number of directors, with a view to flattening the hierarchical structure and harmonizing its different elements. The existing multitude of structural entities (sectors, departments, divisions, bureaux, offices, sections and units) will be replaced by a three-tier structure: Sector, Division and Section in the programme sectors, and Sector, Office and Unit for the programme support and administration services.

22.   The five programme sectors will be maintained. However, the number of divisions and separate units in the sectors (currently about 50) could be reduced by half. In principle, each division would be headed by a director (D-1). One of the division directors would also act as a deputy to the ADG and would have a D-2 grade. Each sector will also have an executive office attached to the ADG, pooling programme coordination and evaluation, administration and information services (see para. 48).

23.   The non-programme sectors will also be streamlined. The Sector for Management and Administration will have five key services: finance and accounting; conferences, languages and documents; Headquarters maintenance and security; procurement; and information and telecommunication systems. The Sector for External Relations will comprise relations with Member States, cooperation with National Commissions and new partners, relations with intergovernmental and non-governmental organizations, and cooperation with extrabudgetary funding sources (the latter could alternatively be linked to field coordination).

24.   There is an obvious need to ensure coherence and synergy among the different information and dissemination services, such as public information, written and audiovisual publishing and website development. While it is obvious that these services have to be moved closer together, their exact role and place will be determined in the context of the new

comprehensive communication and public information strategy which is being developed, in line with the recent decisions of the Executive Board and the General Conference (157 EX/Decision 10.4 and 30 C/Resolution 51).

25.   The central services will be organized around several key functions, including strategic planning, budgeting, human resources management and field coordination. They will be attached to the Director-General via his Office and the Deputy Director-General. The new oversight service that is currently being developed (see paras. 58 to 64) will report directly to the Director-General.

26.   The Director-General will provide the Executive Board with additional information on structural changes and their possible consequences in private meeting, in accordance with Rule 29 of the Rules of Procedure of the Executive Board. It is clear, however, that this restructuring will reduce considerably the number of director posts. Considering that there are currently 106 directors at Headquarters and that the new Headquarters structure will have between 40 and 50 director posts (according to different structural options), a certain number of directors will be left without "directing" functions. This problem could be partly solved through natural attrition (35 directors at Headquarters will retire in 2000-2001, and another 14 in 2002-2003), together with the effects of the recently launched Agreed Separation Scheme (73 directors at Headquarters are aged 55 or above). Other appropriate arrangements are also being considered.

II.   REVITALIZING THE ORGANIZATION'S HUMAN ASSETS

27.   The General Conference in 30 C/Resolution 72 stressed the urgent need for a revised personnel policy, focusing on priority objectives such as a *balanced structure for different categories of staff, a more equitable geographical distribution and the rejuvenation of staff*, and taking fully into account the criteria of *competitiveness, expertise, efficiency and universality*.

28.   The Director-General, convinced of the invaluable contribution of a staff matching more precisely the requirements of the Organization, has decided to launch a new **human resources policy**. Its key elements are: proactive quality recruitment; results-based performance appraisal; career development and staff mobility; and updating of skills.

29.   As a first practical step, the former Bureau of Personnel is to be transformed into an Office of Human Resources Management, focusing on strategic human resources planning and management rather than day-to-day staff administration, which will in the main be decentralized to the respective sectors and bureaux. The Director of the Office, to be recruited shortly, will play a key role in developing a rational modern approach to the management of human resources within the Organization. The Office will be reinforced with skilled professionals having the up-to-date knowledge and expertise required of a modern personnel service.

II.1   Proactive, quality recruitment

30.   A proactive recruitment policy is being devised in order to ensure that the Organization benefits from the best expertise available in the world, while achieving a more equitable geographical distribution of staff in the Secretariat and an appropriate gender balance. This policy will draw upon all available methodologies and techniques, with priority attention to non- and under-represented Member States.

31.   In order to maximize outreach, UNESCO field offices, other United Nations agencies and civil society partners will be called upon systematically, including those keeping databases on professional women's associations. A special Internet website, already developed by the Office of Human Resources Management, is ensuring a wider dissemination of vacancy notices both inside the Organization and throughout the world, and is relayed by appropriate press announcements. National Commissions for UNESCO will be encouraged to play a more active role in disseminating information about employment opportunities at UNESCO and in identifying suitable candidates, with training available to Secretaries-General of the National Commissions specifically to this end.

32.   Particular efforts have to be made to redress the geographical imbalance in the Secretariat. The Young Professionals Programme, which has a great, but not yet fully used potential for bringing in young qualified specialists particularly from non-represented but also from under-represented Member States, will be reinforced, with particular attention paid to its better coordination with the sectors' recruitment plans.

33.   The recruitment of senior managerial staff has to be particularly rigorous. Following the recommendation of the General Conference to develop new tools and procedures for recruitment in line with best practices in the field of human resources management, an "Assessment Centre" technique is going to be introduced for the recruitment of staff at D-1 level and above. Based on the experience of UNDP in recruiting Resident Coordinators, but adapted to UNESCO's needs, the technique will provide, through simulation exercises and practical tests, further information on the behaviour of candidates in particular situations. This technique will first be tested in selecting candidates for director of UNESCO field office posts, and gradually extended to other senior posts within the Organization.

II.2   Setting clear individual objectives and results-based performance appraisal

34.   A clear link between individual objectives and results achieved must be ensured, as well as between the performance appraisal procedures and the programme implementation cycle. To that end, each staff member will have clear individual objectives linked with those of the sector, bureau and, ultimately, the Organization as a whole. In line with best practices within the United Nations system, core competencies, including key skills, knowledge and behaviours, will be defined for all UNESCO staff and assessed accordingly as part of the appraisal process. Furthermore, specific competencies will be identified for managers, including performance management and appraisal skills.

35.   A 360°-appraisal scheme focusing on the development of managerial competencies will also be introduced, with the intention to help managers identify their strengths and weaknesses, so that a tailor-made management development plan can be formulated and implemented. The scheme will initially be tested at ADG and D-2 levels but later extended to all managers at D-1 and P-5 levels.

II.3   Monitoring career development and staff mobility

36.   Career development opportunities in UNESCO have long been perceived as inadequate. The post system is indeed a major obstacle to a career scheme. As the number of suitable vacant posts at any given time is limited, other means have been used to this end, including reclassification, merit-based promotion and end-of-career promotion. These practices have been widely perceived by staff as unequal and unfair.

37.   Assignment to a higher grade post should be the primary avenue for promotion. In accordance with the staff rules, internal candidates with equal competence are to be given preference over external candidates in the selection process. A demonstrated ability to perform functions at a higher level has to be taken into account as well as experience in the field for professional staff members.

38.   Opportunities for promotion within the General Service category are going to be developed, with the top three grades recommended for internal progression. Further opportunities for General Service candidates to enter the Professional category will be offered, subject to an examination in line with United Nations practices.

39.   With regard to reclassifications, a Standing Committee will be established with the active participation of the Office of Human Resources Management. Any reclassification will be subject to a desk audit, which will verify not only an increase in responsibilities but also how the reclassification in question fits into the organizational unit structure.

40.   Since possibilities for vertical moves in any hierarchical structure are limited, UNESCO must develop a culture whereby promotion is not regarded as the only form of career progression. A career-support function will be set up to provide professional career counselling and career development tools to staff. Rotation of staff between Headquarters and the field will be a rule, and alternative types of reward and recognition schemes will be actively explored both for individual and team performance.

II.4   Updating skills

41.   New staffing patterns will be actively explored to meet the Organization's rapidly evolving needs. The use of posts with limited duration in the Professional category (the "Specialists" category) will be resumed on a large scale so as to ensure the necessary influx of fresh expertise. In the same context, sectors and bureaux will be given, subject to the necessary amendments in the existing rules, greater flexibility in the use of consultants on renewable contracts for up to two years. Whenever possible, temporary contracts will be replaced by fee contracts, thus improving results monitoring and avoiding any ungrounded expectations.

42.   In-service training of staff is central to both individual career development and the interests of the Organization. Alongside the traditional internal training courses, an external study scheme will be developed in order to maintain the highest professional standards of UNESCO staff. Modalities within such a scheme will vary from special leave with full pay to the reimbursement of tuition fees. Furthermore, special exchange and study agreements with universities and other institutions will be actively developed in specific areas where UNESCO needs to update its expertise.

43.   In the context of the move towards results-based programming and budgeting, all programme specialists' competencies in programme design and results assessment will be reinforced through a "state-of-the-art" training programme in this field. A comprehensive results-oriented management programme tailored to the needs of heads of field offices will be developed, focusing on communication, team-building, financial management and evaluation. Furthermore, senior management competencies will be developed and updated as described in paragraph 52 below.

44.   To finance such a "continuous reskilling" scheme, it would be reasonable to move towards a budget of 2% to 3% of UNESCO's staff costs for staff training and development.

III.   CREATING A NEW MANAGEMENT STYLE

45.   The current management system in UNESCO is felt to be rigid, overly hierarchical and compartmentalized, lacking coherence and discouraging initiative. Delegation of authority remains, to a large extent, a theory. This has a negative impact on the morale and motivation of staff and often results in poor team performance.

46.   It is therefore essential to foster a **new managerial style** that is based on management by leadership and delegation of authority, favouring participation and communication, and encouraging innovative thinking and action.

III.1 Delegate authority and ensure accountability

47.   The Director-General has put an end to the practice of excessively centralized decision-making. While decisions on policies and strategies, within the mandate given to him by the General Conference and UNESCO's Constitution, remain the primary responsibility of the Director-General, delegation of authority for implementing those policies and strategies will be the key management principle. The ADGs of the various sectors and services have already been given effective responsibility for their programme budgets and related staff costs and are fully accountable for their use and the attainment of programme objectives. With a view to further enhancing their human resources management capacity, the Director-General is considering the possibility of delegating to them the authority to appoint staff up to P-4 level, subject to appropriate monitoring and control by central services. In order to ensure coherence in the overall management of the Organization's human resources, all sectors and bureaux will prepare recruitment plans for each biennium, in cooperation with the Office of Human Resources Management, using generic competency profiles.

48.   Thus, a number of administrative and managerial functions will be progressively delegated to the "executive offices" to be created and attached to the ADG of each sector. These executive offices will be composed of multi-skilled staff providing integrated management services to the sector, including general and personnel administration, and sectoral budget and finance, in cooperation with central services.

49.   Delegation of authority will be applied at all levels. Sectors will be provided with their share of the approved budget for all costs and objects of expenditure (programme, staff, posts, travel, etc.) in their respective areas. In turn, they will delegate authority for portions of their budget to divisions or intersectoral project teams. The overall responsibility for results and resources management for major programmes will lie with the Assistant Director-General.

50.   The "central services" (Bureau for Strategic Planning, Bureau of the Budget, Office of Human Resources Management) will concentrate on upstream (elaboration of policies) and downstream (monitoring, coordination and control) functions, hence their attachment to the Director-General.

III.2 Develop managerial skills

51.   A strategic priority to make this new approach effective is the creation of a "managerial corps" that can successfully manage and effectively lead the Secretariat. This implies a critical mass of staff with adequate managerial skills. Such skills will be integrated as a requirement in the assessment of candidates for recruitment or promotion to a post with managerial responsibilities and in the performance appraisal of a manager.

52.   In order to ensure that staff in management positions maintain and develop their managerial competencies, including strategic planning, leadership, people management and evaluation, senior management symposia will be organized on a regular basis and a Management Development Programme will be elaborated. Participation in this programme will be an essential requirement for progression to and within managerial levels.

III.3 Introduce modern management, monitoring and communication tools

53.   Full-scale delegation of authority implies a significant change in UNESCO's organizational culture that should be supported by adequate management and monitoring tools and "first line" control systems. This implies that managers have timely and correct information to manage the resources put at their disposal and to reduce the risk of misappropriation of funds. Ongoing efforts to modernize computerized management systems are essential to enable this change.

54.   In line with the Information Technology Master Plan developed in 1997, the Organization is moving towards an integrated information system to support its results-based management policy. The system will include three interrelated components: programme and budgeting, finance and accounting, and human resources management. The first component was implemented in 1998-1999 by developing and introducing the *System of Information on Strategies, Tasks and Evaluation of Results (SISTER),* which offers an integrated tool for planning, budgeting, monitoring and reporting.

55.   As the next stage, to be implemented during the current biennium, a new finance and accounting system is being put in place. The structure of financial reporting will be adapted to the future three-tier organizational structure of the Secretariat. The present chart of accounts of the Organization will be totally revised to enable full advantage to be gained from the various structural possibilities of the new finance system. A monthly financial report will be prepared for each sector in a standardized format. A project accounting module will be used to monitor the financial performance of projects against budget. When fully interfaced with the SISTER system, the module will provide sectors with an efficient tool for programme/project management, particularly helpful for intersectoral activities. The new finance system will be gradually extended to all UNESCO Offices to allow for real-time financial operations. The overall modernization of the Organization's management and monitoring system will be completed next biennium with a human resources component.

56.   It should be noted that the cost of the finance and accounting component alone is estimated at some US $11 million, while only US $5 million are budgeted under the regular programme. In this context, the success of the project relies heavily on voluntary contributions by Member States, as requested by the General Conference in 30 C/Resolution 84.

57.   Appropriate modern communication and information tools will also be used to set up an integrative communication scheme in order to keep all staff fully informed of the Organization's policy and current priorities.

III.4 Reinforce oversight

58.   Oversight and accountability are complementary. Accountability is a culture of management based upon delegated responsibilities and resources, which requires responsible feedback from the managers regarding the use of those resources. Strengthening internal oversight is, therefore, necessary to ensure transparent accountability and proper evaluation of management performance.

59.   Effective oversight begins with adequate "first line" control, whereby managers monitor the proper use of resources and implementation of activities. The role of an internal oversight mechanism, operating as a second level of control, is to ensure that management practices and internal control systems are working well. This is done through a systematic review of the Organization's entire operations.

60.   The primary functions of oversight, as broadly understood within the United Nations common system and the professional community, relate to the following:

   (a)   **Internal audit**: expanded in recent years from purely financial and compliance questions to cover the functioning of management systems "value-for-money" issues, operational performance, efficiency and effectiveness;

   (b)   **Management improvement**, **inspection** and **investigation**: these three functions aim mainly to "trouble-shoot" problems to assist managers, improve management methods and processes and assess staff requirements and workloads;

   (c)   **Evaluation**: concerned with assessing relevance of implementation and effectiveness of programmes.

61.   These second-level oversight functions are currently exercised in UNESCO by the Inspectorate General (IOM) and the Central Evaluation Unit (CEU). Modern developments show that internal audit and internal evaluation, though different disciplines, overlap to a great extent. In particular, evaluators are incorporating more cost and efficiency considerations into their work, while auditors increasingly review management implementation processes and performance and results relative to objectives.

62.   The main thrust of the Director-General's proposed reform in this field is to set up a single oversight service whose mandate will encompass all functions of oversight: audits, inspections, investigations, management improvement and evaluation. The Director-General considers that such a consolidated and professionalized service would result in a greater synergy between internal audit and evaluation, and economies of scale as well as improved transparency and accountability.

63.   Members of the Board will find in document 159 EX/INF.7 a more detailed analysis on the background to this issue, including reference to current internal controls and oversight mechanisms in UNESCO as well as in other organizations of the United Nations system. The document also presents the Director-General's preliminary ideas on the role, organization and functioning of a single internal oversight service.

64.   The Institute of Internal Auditors has undertaken, at the request of the Director-General, an assessment of the current internal oversight situation in UNESCO, taking into account JIU comments and recommendations on this matter. In the light of the advice of this professional body and the observations of the Board at its 159th session, the Director-General will submit detailed proposals to the Executive Board at its 160th session on the structure and conduct of internal oversight at UNESCO which would take account of modern developments and best practices in this field.

IV. ENHANCING THE GLOBAL OUTREACH: TOWARDS EFFECTIVE DECENTRALIZATION

65.   One of the major tasks of the Organization for the coming years will be to design optimal procedures and structures to ensure rational implementation of UNESCO's decentralization policy, as defined by its governing bodies.

66.   Large-scale decentralization is a rather recent practice at UNESCO. Thus, during the first 30 years of UNESCO's existence, only 15 field offices were created, while in the last 12 years 45 such offices have been set up, bringing the Organization's current presence in its Member States to a total of 70 field offices, four liaison offices, six institutes and a number of centres that vary in their status and relationship to UNESCO.

67.   Another, and a unique, element of UNESCO's decentralized system are the National Commissions, whose number and involvement in the activities of the Organization have been constantly increasing. Thus, in 1998-1999, some 140 National Commissions implemented about 800 programme activities for a total amount of US $8 million and administered some US $24 million of the Participation Programme funds, making them UNESCO's most visible partners within the Member States.

68.   If clear decentralization policy guidelines exist, as defined in particular in 136 EX/Decision 3.3, based on the 1991 in-depth study by the Executive Board, the strategy of implementation has been unclear, yielding uneven results. There has been:

   (a)   a recent and rapid transition from a regional and sector-oriented strategy implemented through a relatively small number of offices to a mix of regional, subregional and national structures, some of them sectoral and other intersectoral, resulting in overlaps in programme and representation responsibilities;

   (b)   a lack of a rational global strategy in decisions on new office location; and

   (c)   a growth in the number of small offices, which, though spreading UNESCO's representation at Member State level, have limited programme implementation capabilities. Thus, the cost of maintaining ten offices with one professional staff member is almost US $2,483,100 to implement US $109,986 of regular programme activities, yielding an expenditure to cost ratio of 4.4%.

69.   The governing bodies of UNESCO have recognized and debated these concerns on many occasions. However, while attention has been paid to constraining the opening of new offices, no guidelines on the "closing" of existing ones have been discussed.

70.   Decentralization is a tool and not an end. It should be seen as a means to ensure that UNESCO designs and implements programmes that, although global in scope, are adapted to the needs and specific circumstances of Member States, with particular attention to developing countries and their local socio-economic, geographical, cultural and political contexts. Hence, any decentralization strategy should be based on the fundamental twofold premise that UNESCO is <u>one</u> organization, with one overall mission, and that the central criterion for the Organization's performance is its impact on and relevance to its Member States.

Programming, monitoring and evaluation

71.   In order to strengthen such relevance and impact, UNESCO has to be closer to its "stakeholders": in other words, it has to be made more "demand driven". To that end, field offices have to play a much more active role in the consultation and programming processes, and should be given full authority for implementing programmes and activities of a regional, subregional and national scope.

72.   *Consultation and programming*. Field offices will be given full responsibility for consulting Member States, their National Commissions and inter-agency partners, so as to provide the Directorate, at the very beginning of the programming process, with inputs presenting regional and subregional strategies, expected results and programme/project proposals. Such an approach, whereby field-generated proposals would precede any consultation by Headquarters and any decision on the overall programme and budget framework, will certainly reinforce the regional and subregional components of the programme and ensure that UNESCO's action is better articulated with existing inter-agency frameworks and partnerships and more widely supported by extrabudgetary funding. Although, as a matter of principle, UNESCO should focus its efforts on inter-country collaboration, it could be envisaged, in carefully selected cases, to design "national UNESCO programmes" (in the case of the E-9, or in countries experiencing transition or a post-conflict situation), to be included in the C/5 document. Funding of such national programmes could be partly supported by the Participation Programme.

73.   *Implementation and monitoring*. Once approved by the General Conference, the implementation of regional, subregional and country level activities will, as a matter of principle, be decentralized to the corresponding field offices which will be fully responsible and accountable for achieving the expected results. A clear reporting and monitoring system will be set up allowing the Director-General and senior management to be informed in real time of the progress made and take, if necessary, corrective measures. Evaluation of the results achieved will be a collective responsibility of the programme sectors at Headquarters, so as to ensure adequate evaluation of intersectoral initiatives.

Structure and status of field offices

74.   UNESCO's field resources are spread too thinly across too many offices. It is not financially viable to envisage expanding country-oriented offices into more Member States or to develop a "critical mass" of programme specialists in the current number of this type of office. Meanwhile, however, there is an increasing demand for UNESCO to be involved at national levels in the UNDAF process and other inter-agency frameworks, to cooperate directly with National Commissions, and to have concrete participation in development "issues" that are likely to require intersectoral intervention. A balance needs to be found.

75.   The proposed strategy, based on the twin principles of pragmatism and flexibility, is to **strengthen offices responsible for a "cluster" of countries** and to progressively phase out country-oriented offices.

76.   *Cluster strategy*. The main benefit of the "cluster" strategy is that each office has a manageable number of countries and not an unrealistically large number (e.g. 44 countries in the case of Asia and the Pacific). Poles of sectoral expertise would persist from current Regional Offices or could be encouraged to develop, but these would be seen as "resource centres" or "centres of excellence" located in offices having subregional responsibility. Although each subregional office would be expected to have at its core an intersectoral team

composed of at least one programme specialist in each of UNESCO's fields of competence, emphasis would be placed on networking and team-building among offices within a region. Regional "administrative" functions - such as coordination of subregional inputs for the C/5 document and promotion of networking among subregional offices - would be located in one of the subregional offices.

77.   *Country offices as project teams*. Where country offices are liable to remain, these would, as a rule, no longer be "established offices" as such, but rather project teams without "representative" functions, linked to specific national activities and funding, placed under the authority of a subregional or "cluster" office, and subject to "sunset clauses" (i.e. the office would be closed upon completion of the project). Exceptions would be made for countries whose size and complexity warrant special attention (e.g. China or Brazil). Furthermore, countries and territories experiencing a post-conflict situation (e.g. Cambodia or Palestine) or being the subject or focus of United Nations priority action (e.g. Haiti) could have longer term office structures, still conditional upon regular review of their continued necessity. The strategy for phasing out country-oriented offices, although based on general criteria, would be flexible and pragmatic, based on prior negotiation at regional and Member State levels and with due consideration given to alternative arrangements for UNESCO's involvement at the country level.

78.   *Revise the "parent sector" approach*. The existing "parent sector" approach leads to contradictions in programming, budgeting, resourcing and reporting functions of field offices. The proposed strategy is to give field offices full managerial autonomy, with the sectors providing the necessary technical or methodological support or "selling" their services to the field offices. A central structure at Headquarters, with clearly defined functions and appropriate resources, will serve as a focal point for all field offices.

79.   Other issues related to decentralization - such as the roles, tasks and interrelations of UNESCO Institutes, established Intergovernmental Councils and Committees and UNESCO Centres and Associate Institutions; or the ways and means to enhance UNESCO Secretariat/National Commissions partnerships, based on a survey of current best practices - are still under review and will be reported to the Board at its next session. The report will also contain an operational plan to implement the new decentralization strategy, in the light of the comments made by the Executive Board at its current session and on the basis of the criteria set out in 30 C/Resolution 83. Factual information on the current situation of the field units and other UNESCO decentralized bodies is presented in document 159 EX/INF.8.

V.   TOWARDS A NEW VISION FOR UNESCO

80.   The difficulties referred to during the debate on decentralization illustrate two of the major challenges facing UNESCO today, namely:

> how to link up objectives that are global in scope with action adjusted to local conditions (or how to apply the well-known precept: "Think globally, act locally");

> how to ensure the effective convergence of specialist skills and knowledge in dealing with specific situations requiring integrated solutions (or how to develop interdisciplinarity without undermining the disciplines).

81.   This dual challenge is at the root of the increasingly obvious dichotomy between a Headquarters organized vertically (in sectors), and pursuing global strategies, and a field that

thinks and acts in a more integrated (intersectoral) and local way. If this dichotomy has sometimes looked more like a rift (with the risk of ending up with "several" UNESCOs existing side by side), it is probably because reasoning hitherto has been in terms more of structure than of functions.

82.   As a specialized agency of the United Nations system, by its nature and its mandate, UNESCO has a dual function: firstly, to operate as what could be described as a world intellectual, strategic and normative watch centre, by helping to "maintain, increase and diffuse knowledge" in its fields of competence with a view to (and this is probably what distinguishes it from all the other specialized agencies) "furthering universal respect for justice, for the rule of law, and for the human rights and fundamental freedoms which are affirmed for all the peoples of the world, without distinction of race, sex, language or religion".

83.   The second aspect of UNESCO's function involves encouraging the application of knowledge and the mobilization of skills to solve problems recognized by the international community to be of the utmost priority. This second sense of UNESCO's function was confirmed only subsequently with the arrival en masse on the international scene of developing countries and the inclusion of new themes on the international agenda, such as environment and development, population, the advancement of women, governance and so on, which themes were of course not specified as such in the Constitution.

84.   This twofold responsibility of UNESCO, embryonic at first but which has developed over the years, has perhaps not been examined with all due attention since it presupposes systems for organizing action (in terms of programme, budget, skills profiles and working methods) that are very different.

85.   If UNESCO wants to restore its authority and credibility in the exercise of its intellectual, strategic and ethical watch function, it must organize itself as a centre for identifying, gathering, processing and disseminating the best knowledge and experience from all over the world in its various fields of competence. This function, which could be called "permanent", involves activities related to anticipation, acting as an intellectual forum, monitoring of standards, policy and strategy formulation, international clearing house, which do not lend themselves to sunset clauses and whose success hinges on the quality and reputation of the people implementing them.

86.   This implies that alongside established staff members, being the guarantors of institutional continuity and possessing experience of administrative and governmental practices, UNESCO will have recourse to outside experts, regularly renewed and for a fixed period contributing expertise acquired at the very places where knowledge and experience are generated (hence proposals to introduce more flexible contractual arrangements).

87.   This also implies that such experts should be concentrated in "substantive divisions", enjoying a relatively stable budget from biennium to biennium and capable of maintaining a sustained working relationship and exchanges with the appropriate scientific and professional communities, moral authorities and best centres of expertise in the world.

88.   Nevertheless, in order to optimize the comparative advantage that UNESCO's broad mandate provides and to develop the creative connections between disciplines that are essential for innovation, it appears vital to build up internal knowledge-oriented networks that would concentrate on deepening and broadening knowledge in new areas requiring an interdisciplinary approach. Based on individual motivation, these "bottom-up" networks

would act as "think-tanks" aimed at enlightening new trends and issues relevant to policy-making in UNESCO's fields of competence. The experience gained by other organizations (such as the World Bank) in building such internal knowledge networks is currently being examined.

89.   UNESCO's other major task is to facilitate the application of knowledge and the mobilization of skills for the solution (or prevention) of problems facing Member States. This role of "service to Member States" is chiefly embodied in capacity-building activities, technical advice, policy-making assistance and what are commonly referred to as "cooperation for development" activities. It is in the performance of this duty that the question of the Organization's comparative advantage is posed most acutely. Whether UNESCO is directing the activities by itself or acting in a consortium of partners, its value added is measured essentially by its ability to coordinate multidisciplinary skills, mobilize and combine the best local or international expertise, transfer innovative approaches or practices tested in other contexts and bring together in a working relationship partners (multilateral and bilateral, public and private) that it alone has the authority to assemble.

90.   On the ground, UNESCO's comparative advantage undoubtedly stems from its particular function as a "networker", meaning its capacity to ensure the convergence of highly varied approaches, disciplines and skills. However, this interdisciplinary and intersectoral function has so far been considerably hampered by traditional habits of hierarchical authority and watertight sectoral barriers. Now that highlighting the comparative advantage of each organization in the United Nations system has become virtually a question of survival, it is time to think in a radically different way about how UNESCO organizes its work and thus its programme and Secretariat.

91.   It would no doubt be appropriate to reflect, in the very structure of UNESCO's programme and in the organizational chart of the Secretariat, the distinction between the two major types of function assumed by the Organization, calling as they do for very different operational procedures.

92.   The **sectoral programmes**, covering activities of a recurrent type that go to make up the Organization's function of intellectual, strategic and ethical watch (developing expert networks, supporting disciplines, producing surveys, disseminating specialist information in its various fields of competence, and so on), would continue to be implemented in the sectors' substantive divisions, which would have a relatively stable operating budget from one biennium to the next and bring together programme specialists by "families" of disciplines.

93.   The C/5 document would also contain a few **interdisciplinary projects** related to one, two or three transverse issues (such as poverty eradication, the use of new technologies to develop education and knowledge, water management, etc.) which would be identified and renewed for the purposes of each medium-term strategy. These interdisciplinary projects would seek practical solutions to development or conflict-prevention problems of a mainly regional or subregional nature, with well-defined objectives and results to be attained and a limited time frame. Evaluation parameters would be incorporated at the planning stage.

94.   The projects would be designed and implemented by intersectoral teams made up of staff members belonging to different units at and away from Headquarters and who, while remaining in their structure of origin, would be seconded on a part-time basis for the duration of the project to work under the authority of a team leader chosen from a specific division at

or away from Headquarters with administrative and budgetary responsibility for executing the project.

95.   The interdisciplinary projects, the funding available to them and the teams that implement them, would have a limited life-span. The Directorate would select the projects and in a collegial way set the aims, strategies and results to be pursued in the framework of these transverse themes and be responsible for selecting, monitoring and evaluating them. Selection would be on the basis of a bidding process whereby intersectoral teams at Headquarters and away from Headquarters, or combining field and Headquarters, would be invited to submit proposals. The contributions emerging from regional and subregional consultations of Member States carried out by field units would receive special attention here. Upstream of any programming, an overall appropriation would be set aside to fund the projects. This appropriation, which would not therefore be "pre-allocated" to a specific sector, should suffice to bring about a real change of attitude and encourage a genuine removal of barriers between sectors.

96.   This new approach to programming - based on the notion of co-sectoral management - should substantially enhance the relevance of the Organization's work in relation to the actual needs of Member States, and should also strengthen inter-agency collaboration in the field. It would probably also result in a transfer of resources to the regions.

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97.   These new programming procedures, in common with the measures proposed regarding decentralization, management system reform and renewal of staff policy, aim to set in place a structure that is based on the **principle of responsibility harmoniously shared**. These four changes call for a fifth: that the entire structure thus proposed be organized around shared communication and information tools. As a global organization, UNESCO must be able to draw on information everywhere and produce effects everywhere, which presupposes investing the necessary resources in its working tool, which is information processing, and in training its staff to put it to the best use. It should be possible to set up a UNESCO team anywhere, at very short notice, which would draw on the most diverse divisions and be capable of functioning effectively on the basis of a shared working culture, constantly updated expertise and flawless logistics. This dimension of a shared working culture hardly exists today. It is all-important to create one, just as genuinely global major businesses have been able to do, using this internal revolution as a path to the opportunities of globalization.

98.   Such changes, which lead to efficiency gains, are quite costly at first. Their funding must therefore be ensured, either by obtaining extraordinary resources from Member States or by reducing the Organization's expenses through a temporary reduction in its scope of work, not just for austerity's sake but in order to invest audaciously as the underpinning for a revival on another scale.

99.   The more timid we are in shortening sail, the more delayed and fragmentary will be the creation of the means for a fresh start commensurate with the needs of today and of tomorrow.

Hundred and fifty-ninth Session

Item 3.1.2 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PERSONNEL POLICY

ADDENDUM

SUMMARY

This Addendum to document 159 EX/5 contains a preliminary analysis of all promotions, reclassifications and appointments made during the 1998-1999 biennium including their financial impact on the staff establishment and staff costs budget for 2000-2001. Information is also provided concerning the handling of appointments, reclassifications and promotions decided upon between 1 October and 14 November 1999, the implementation of which was suspended. Finally, the Addendum briefly reports on the measures taken to redress the deficitary situation in the staff costs budget and includes a revised version of Appendix VI of document 30 C/5 reflecting the current staff establishment.

Decision required: paragraph 18.

I.   Reclassifications, promotions and appointments 1998-1999

1.   In 30 C/Resolution 72 the General Conference invited the Director-General *inter alia* to review all reclassifications, promotions and appointments in 1998-1999 with the aim of ensuring that the financial impact had been taken into account and that the criteria of competitiveness, expertise, efficiency and universality had been satisfied.

2.   In order to provide as comprehensive a picture as possible and an opportunity for more detailed analysis, appointments and promotions were divided into the following categories:

- External Appointments (including conversions from temporary to fixed-term appointments)
- Internal Recruitment
- Promotion by Reclassification
- Merit-based Promotions
- Personal Promotions
- End-of-career Promotions.

For each category, a further distinction was made between Headquarters and field appointments/promotions.

Appointments

3.   In accordance with established policy, the recruitment procedure should be competitive, requiring the advertisement of vacant posts, the assessment of candidates against requirements, analysis and interviews of short-listed candidates, recommendation to and review by the Personnel Advisory Board and approval by the Director-General. In following this procedure, the requirements for competitiveness, expertise, efficiency and universality are normally taken into account.

4.   Table 1 provides a breakdown of all appointments (including conversion from temporary to fixed-term appointments) implemented in the 1998-1999 biennium and indicates whether the above recruitment procedure was observed or not. While 63% of all appointments followed the established procedure, differences were noted between appointments at the Professional and General Service levels, where 72% in the latter category followed the procedure compared with 58% in the Professional category. Moreover, of the 54 internal Professional appointments to higher level posts, only 14 (26%) followed the procedure.

TABLE 1 - APPOINTMENTS

	Total	Procedure observed	Procedure not observed
External Headquarters	166	110 (66%)	56 (34%)
External field	73	49 (67%)	24 (33%)
Internal Headquarters	66	46 (70%)	20 (30%)
Internal field	46	16 (35%)	30 (65%)
TOTAL	**351**	**221 (63%)**	**130 (37%)**

Promotions

5.   The procedures and criteria governing promotion to a higher category can be summarized as follows:

(i)   <u>Promotion through reclassification</u> requires in the first place that a job description be submitted to the Classification Section of HRM for the higher grade to be confirmed in accordance with the applicable classification standards and secondly, that a six-month waiting period elapses prior to the staff member's promotion to the higher level.

(ii)   <u>Merit-based promotion</u>. In accordance with the provisions of Administrative Circular 1917 of 31 March 1994 a staff member whose name appears twice on the list of meritorious staff may be promoted to the higher grade while his/her post remains at its former grade.

(iii)   <u>Personal promotions in mid-career</u>. In accordance with Administrative Circular 1883 of 6 July 1993, this type of promotion should have ceased as of 31 December 1994 as it has been superseded by the merit-based promotion system.

(iv)   <u>End-of-career promotions</u> require 25 years' service (15 in the case of local staff away from Headquarters), specific age limits, the absence of an earlier personal promotion, an overall 'A' or 'B' rating in the last two performance reports and the absence of a promotion during the five years preceding the date of retirement.

6.   Table 2 provides a breakdown of all promotions implemented in the 1998-1999 biennium, with an indication as to whether or not the above-mentioned criteria and procedures were observed.

TABLE 2 – PROMOTIONS

	Total	Procedure/Criteria observed	Procedure/Criteria not observed
Reclassification Headquarters	261	142 (54%)	119 (46%)
Reclassification field	54	39 (72%)	15 (28%)
Merit-Based Headquarters	79	79 (100%)	-
Merit-Based field	33	33 (100%)	-
Personal Headquarters	71	-	71 (100%)
Personal field	11	-	11(100 %)
End-of-Career Headquarters	74	33 (45%)	41 (55%)
End-of-Career field	9	5 (56%)	4 (44%)
TOTAL	**592**	**331 (56%)**	**261 (44%)**

7.   While over half of all promotions followed the established procedures, differences emerged between the manner in which the promotions were implemented and between General Service and Professional staff. For example, in the case of promotions through reclassification 75% of General Service promotions observed the procedures compared with 46% of Professional staff. Of the personal promotions granted, 58% were awarded to General Service staff. As far as end-of-career promotions are concerned, criteria were observed in 50% of General Service cases and in 41% of Professional cases.

Financial Impact

8.   A post-by-post/grade-by-grade analysis of the financial implications of these actions on the staff costs budget foreseen in document 29 C/5 Approved has revealed that the total additional costs amounted to $10,976,800 as shown in Table 3 hereunder. This amount had to be absorbed within the overall staff costs ceiling for 1998-1999 and, therefore, extreme cost containment measures had to be employed including the abolition of vacant posts or keeping them vacant for long periods. While the cost of appointments and promotions for the second year of the biennium amounted to only $2.7 million, most of these measures, which were implemented after the completion and publication in March 1999 of document 30 C/5, were not included in the budget provision for staff costs for 2000-2001. Their real additional costs in the budget for 2000-2001 would therefore be practically fourfold.

TABLE 3 - APPOINTMENTS AND PROMOTIONS

Additional costs by category

Category	Nº of Cases	Additional Costs		
		1988	1999	Total 1998-1999
		$	$	$
1. External Appointment* (all levels)				
Headquarters	166	2 261 100	596 600	2 857 700
Field	73	749 800	104 700	854 500
Total	**239**	3 010 900	701 300	**3 712 200**
2. Internal Recruitment (all levels)				
Headquarters	66	601 800	(1 200)	600 600
Field	46	301 600	6 200	307 800
Total	**112**	903 400	5 000	**908 400**
3. Promotion by Reclassification (all levels)				
Headquarters	261	1 253 000	1 307 200	2 560 200
Field	54	285 000	154 600	439 600
Total	**315**	1 538 000	1 461 800	**2 999 800**
4. Merit-based Promotion (GS-1 to P-5 levels)				
Headquarters	79	1 168 500	72 200	1 240 700
Field	33	346 300	21 400	367 700
Total	**112**	1 514 800	93 600	**1 608 400**
5. Personal Promotion (all levels)				
Headquarters	71	790 900	145 800	936 700
Field	11	65 400	47 400	112 800
Total	**82**	856 300	193 200	**1 049 500**
6. End-of-Career Promotion (all levels)				
Headquarters	74	415 100	249 900	665 000
Field	9	14 000	19 500	33 500
Total	**83**	429 100	269 400	**698 500**
Grand Total	**943**	**8 252 500**	**2 724 300**	**10 976 800**

*   Including conversions from temporary to fixed-term appointments.

II.   Appointments, reclassifications and promotions decided upon between 1 October and 14 November 1999 - Suspended

9.   In view of the heavy in-built deficit in staff costs as reported above and mindful of the need to remain within the staff costs ceiling which had been approved by the General Conference, the Director-General announced on 26 November 1999 the temporary suspension of the implementation of decisions taken between 1 October and 14 November 1999 in relation to appointments, reclassifications and promotions.

10.   The Task Force on Secretariat Structure, Staffing and Management Systems, which was established on 29 November 1999, was entrusted with the task of reviewing these personnel actions and of submitting appropriate recommendations to the Director-General. The Task Force requested all programme sectors and central services to review the relevant decisions concerning their staff, in particular from the point of view of their conformity with the Staff Regulations and Staff Rules, and to make appropriate proposals to the Task Force. The Task Force met with the ADGs, Directors and Administrative Officers of all sectors and services concerned to review and discuss their proposals. Discussions were also held with staff representatives.

11.   The review, which covered 96 decisions (71 promotions and 25 appointments), revealed *inter alia* that:

- Out of the 32 reclassifications, 21 were not supported by a new job description.

- The highest number of proposed promotions was at the level of D-1 and above (33), while the lowest was in the General Service category (16).

- None of the 25 proposed appointments were made in accordance with the Staff Regulations and Staff Rules: 17 related to posts that were not foreseen in document 29 C/5 Approved and 8 to posts that had not been advertised for the required period.

- Most of the appointments and reclassifications were not supported by the supervisors as they were not warranted by programme requirements.

- Only one of the 15 end-of-career promotions was in conformity with the eligibility requirements for this type of promotion.

With regard to the budgetary implications of these promotions and appointments, it was estimated that an additional amount of $5 million would be required in 2000-2001, if all the decisions were to be implemented.

12.   In the light of the recommendations submitted to him by the Task Force, the Director-General decided as follows:

With regard to reclassifications and "personal" promotions:

(1)   Since the category of "personal promotions" was discontinued in 1994, such promotions should be treated as reclassifications.

(2)   Sectors/bureaux should submit, for each request, a revised job description reflecting the responsibilities of the post in question.

(3) PER/CLA should conduct a desk audit for each reclassification and promotion request with a view to assessing whether there is an increase in job responsibilities justifying the upgrading of the post. In order to ensure that these desk audits are carried out in an independent and objective manner, they will be entrusted to external consultants.

(4) If the desk audit confirms the reclassified post level, every effort should be made to accommodate the reclassification or promotion within the approved staff cost ceiling and post structure of the sector/bureau. If and when both these conditions are met, the reclassification/promotion in question should be implemented immediately and retroactively. If a reclassification/promotion can be accommodated within the staff cost ceiling but not within the post structure, I will request the Executive Board to authorize the necessary adjustment in the post structure (Appendix VI of document 30 C/5), so that the measure in question can be implemented.

(5) If the desk audit does not confirm the validity of the reclassification, it should not be implemented. This will not prejudice the right of appeal of each staff member concerned, which he/she may choose to exercise in accordance with the existing procedures for legal recourse.

With regard to appointments:

(1) If a post is provided for in Appendix VI of document 30 C/5, and if the sector/bureau confirms the need for such an appointment, normal recruitment procedures should be followed: the post should be advertised and the selection process should be completed.

(2) If there is no provision for a post in Appendix VI of document 30 C/5, but the sector/bureau confirms the need for such an appointment and can accommodate it, through compensatory measures, in the 30 C/5 Approved post structure within its staff cost ceiling, the appointment should be made in accordance with the established procedures. If some appointments can be accommodated within the staff cost ceiling but not within the post structure, I will request the Executive Board to authorize the necessary adjustments in the latter (Appendix VI of document 30 C/5). Thereafter, normal recruitment procedures should apply.

(3) If there is no provision for a post in Appendix VI of document 30 C/5, and if the sector/bureau does not confirm the need for it, no such appointment should be made.

With regard to end-of-career promotions:

End-of-career promotions should be implemented if and when they meet the eligibility criteria laid down in Administrative Circular N° 1883.

(Ref. DG/Note/00/3 of 22 February 2000*)*

13. The Office of Human Resources Management has been requested to implement these measures in cooperation with the sectors and services concerned. In the case of reclassifications (including personal promotions), this requires that some 55 job descriptions are subject to a detailed desk audit to verify whether there has been an increase in job

responsibilities which would justify the upgrading of the post. At the time of writing, 38 new job descriptions had been received and 22 desk audits conducted. It is expected that all desk audits will be completed by June 2000.

14. Updated information on the follow-up of suspended cases will be provided to the Board in Private Session and a more complete report will be submitted to the 160th session of the Board.

III. Staff establishment and staff costs budget (30 C/5)

15. The detailed review of the staff establishment for 2000-2001 compared to that foreseen in document 30 C/5, confirmed a serious imbalance in terms of both the post structure, particularly senior posts, and the overall staff costs ceiling of $312,368,200 approved by the General Conference in the Appropriation Resolution for 2000-2001. The potential deficit in staff costs, including a great number of temporary posts, was estimated to be in the range of $17 million. Through a number of measures taken such as the abolition or freezing of vacant posts or delaying recruitment, this potential deficit was reduced to some $2.5 million. Also, all possible efforts were made to align the post structure with that foreseen in document 30 C/5 Approved. **The Executive Board is invited to take note of the revised Appendix VI of document 30 C/5 (Appendix II in document 30 C/5 Approved (provisional version)) which reflects the current staff establishment as proposed by the Director-General, Annex to the present document**. A revised version of this Appendix taking account of the results of the examination of suspended cases and staff movements following the agreed separation scheme, will be submitted to the Executive Board at its 160th session.

16. The Director-General will of course continue to take whatever measures are necessary to ensure that the staff costs ceiling for 2000-2001 will not be exceeded. Such measures include: strict control over the recruitment to vacant posts, or posts to become vacant during the biennium (unfortunately the flexibility in this respect is rather limited); delay in the creation of new posts foreseen in document 30 C/5; review and streamlining of the Secretariat's structures to identify staff and posts for redeployment.

17. In order to obtain some flexibility in this respect but also as a means for aligning the staff pattern of the Secretariat to changing programme requirements, the Director-General has introduced an agreed separation scheme to which reference is made in document 159 EX/5. The Director-General will be in a position to give fuller information to the Board on this subject, as well as on the question of putting into place a more balanced post structure, particularly at the senior level, when he gives more detailed information on his plans for restructuration of the Secretariat to the Private Session of the Board.

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

The Executive Board,

1. Having examined document 159 EX/5 Add,

2. Takes note of the preliminary analysis and information contained therein regarding reclassifications, promotions and appointments in 1998-1999 as well as their budgetary impact for the staff costs budget of that biennium;

3. Expresses concern that in a great number of cases the procedures and criteria for such appointments and promotions had not been followed;

4. <u>Decides</u> to review again this question in the light of a more comprehensive analysis to be submitted by the Director-General to the 160th session of the Board in conjunction with the External Auditor's own report and findings on all aspects of reclassifications and promotions of staff at ADG, D-2 and D-1 levels which occurred during the 1998-1999 biennium;

5. <u>Expresses</u> its support to the measures taken by the Director-General to suspend a number of staff decisions taken between 1 October and 14 November 1999, in line with the requirements expressed by the General Conference at its 30th session (30 C/Resolution 70 and 30 C/Resolution 72);

6. <u>Notes</u> with satisfaction the efforts made to contain the staff costs deficit for 2000-2001 and <u>recalls</u> the terms of the Appropriation Resolution that the budget ceiling approved for staff costs shall not be exceeded;

7. <u>Further notes</u> the revised Appendix VI of document 30 C/5 (Appendix II in 30 C/5 Approved - provisional version) which reflects the current staff establishment and <u>urges</u> the Director-General to continue his efforts for a more balanced post structure, particularly at the senior level, and to report thereon to the Executive Board at its 160th session.

REVISED SUMMARY OF ESTABLISHED POSTS BY SECTOR/BUREAU AND BY GRADE
AT HEADQUARTERS AND IN THE FIELD
(Comparison with Appendix VI* of Draft 30 C/5)

Sector/Unit		Posts in the Professional Category and Above										Posts in the General Service category	Field posts (local recruitment)	TOTAL
		DG	DDG	ADG	D-2	D-1	P-5	P-4	P-3	P-1/P-2	Total			
PART I - GENERAL POLICY AND DIRECTION														
General Conference	30 C/5 - Appendix VI					1		1		1	3			3
	30 C/5 - Appendix VI Rev.				1			1	1		3			3
Executive Board	30 C/5 - Appendix VI					1		1			2		5	7
	30 C/5 - Appendix VI Rev.				1		1				2		5	7
Directorate	30 C/5 - Appendix VI	1	1					1	1		4			4
	30 C/5 - Appendix VI Rev.	1	1						1		3			3
Services of the Directorate	30 C/5 - Appendix VI			1	4	5	19	12	9	14	64	47		111
	30 C/5 - Appendix VI Rev.			1	3	7	18	10	7	11	57	42		99
TOTAL, PART I	30 C/5 - Appendix VI	1	1	1	4	7	19	15	10	15	73	52		125
	30 C/5 - Appendix VI Rev.	1	1	1	5	7	19	11	9	11	65	47		112
PART II - PROGRAMME EXECUTION AND SERVICES														
Education Sector	30 C/5 - Appendix VI			1	7	19	59	44	45	25	200	98	144	442
	30 C/5 - Appendix VI Rev.			1	8	20	54	46	44	25	198	96	161	455
Natural Sciences Sector (including IOC)	30 C/5 - Appendix VI			2	2	10	25	30	22	15	106	80	77	263
	30 C/5 - Appendix VI Rev.			2	1	12	28	27	20	16	106	80	75	261
Social and Human Sciences Sector	30 C/5 - Appendix VI			1	2	7	11	22	7	12	62	33	8	103
	30 C/5 - Appendix VI Rev.			1	4	7	15	19	11	11	68	40	8	116
Culture Sector	30 C/5 - Appendix VI			1	3	11	29	17	18	23	102	59	43	204
	30 C/5 - Appendix VI Rev.			1	4	12	30	18	28	24	117	58	44	219
Communication, Information and Informatics Sector	30 C/5 - Appendix VI			1	2	3	17	20	10	7	60	33	18	111
	30 C/5 - Appendix VI Rev.			2	2	3	17	19	12	5	60	33	21	114
Towards a culture of peace	30 C/5 - Appendix VI					1			1		2	2		4
	30 C/5 - Appendix VI Rev.					1			2		3	1		4
Anticipation and future-oriented studies	30 C/5 - Appendix VI					1			1	1	3	1		4
	Posts transferred to SHS													

Sector/Unit		Posts in the Professional Category and Above										Posts in the General Service category	Field posts (local recruitment)	TOTAL
		DG	DDG	ADG	D-2	D-1	P-5	P-4	P-3	P-1/P-2	Total			
Fellowships and Procurement Services and Related Programme Support	30 C/5 - Appendix VI					1	1	2	1	1	6	15	1	22
	30 C/5 - Appendix VI Rev.					1	1	2	2		6	15	1	22
Co-ordination of activities concerning Africa	30 C/5 - Appendix VI			1	1	1	1	2	4		10	6		16
	30 C/5 - Appendix VI Rev.			1		1	1				3	4		7
Co-ordination of activities concerning Women	30 C/5 - Appendix VI					1		1		1	3	1		4
	30 C/5 - Appendix VI Rev.					1		1		1	3	1		4
Co-ordination of activities concerning Youth	30 C/5 - Appendix VI						1	1	1	1	4	2		6
	30 C/5 - Appendix VI Rev.						1	1	1	1	4	2		6
Clearing House	30 C/5 - Appendix VI						1	1	4	3	9	20		29
	30 C/5 - Appendix VI Rev.						1	2	2	3	8	20		28
UNESCO Publishing Office	30 C/5 - Appendix VI						2	4	6	5	17	23		40
	30 C/5 - Appendix VI Rev.					2		4	7	6	19	23	1	43
Office of Monthly Periodicals	30 C/5 - Appendix VI					1	1	2	2	2	8	7		15
	30 C/5 - Appendix VI Rev.					1	1	2	2	2	8	7		15
Office of Public Information	30 C/5 - Appendix VI					1	1	3	4	1	10	9	3	22
	30 C/5 - Appendix VI Rev.					1	2	3	3	3	12	8	3	23
TOTAL, PART II	30 C/5 - Appendix VI	0	0	7	18	56	149	150	126	96	602	389	294	1,285
	30 C/5 - Appendix VI Rev.	0	0	8	19	62	151	144	134	97	615	388	314	1,317

PART III - SUPPORT FOR PROGRAMME EXECUTION

Sector/Unit		DG	DDG	ADG	D-2	D-1	P-5	P-4	P-3	P-1/P-2	Total	General Service category	Field posts	TOTAL
Bureau for External Relations	30 C/5 - Appendix VI			1	2	5	15	8	11	13	55	40	8	103
	30 C/5 - Appendix VI Rev.			1	4	5	14	13	14	15	66	40	8	114
Bureau for Relations with Extrabudgetary Funding Sources	30 C/5 - Appendix VI					1	2	1	2	3	9	9	1	19
	30 C/5 - Appendix VI Rev.					1	3	2	2	2	10	9	1	20
Bureau of Conferences, Languages and Documents	30 C/5 - Appendix VI				1	1	9	23	30	8	72	114		186
	30 C/5 - Appendix VI Rev.					2	10	23	30	6	71	114		185
TOTAL, PART III	30 C/5 - Appendix VI	0	0	1	3	7	26	32	43	24	136	163	9	308
	30 C/5 - Appendix VI Rev.	0	0	1	4	8	27	38	46	23	147	163	9	319

PART IV - MANAGEMENT AND ADMINISTRATIVE SERVICES

Sector/Unit		Posts in the Professional Category and Above										Posts in the General Service category	Field posts (local recruitment)	TOTAL
		DG	DDG	ADG	D-2	D-1	P-5	P-4	P-3	P-1/P-2	Total			
Office of the ADG/MA	30 C/5 - Appendix VI			1		1	1	2	1		6	7		13
	30 C/5 - Appendix VI Rev.			1		1	1	1	3		7	7		14
Bureau of the Comptroller	30 C/5 - Appendix VI					1	4	4	3	4	16	34		50
	30 C/5 - Appendix VI Rev.					1	4	3	3	7	18	33		51
Office of Human Resources Management	30 C/5 - Appendix VI				1		3	9	7	4	24	63		87
	30 C/5 - Appendix VI Rev.				1		3	10	7	3	24	63		87
Bureau of Documentation, Informatics Services and Telecom.	30 C/5 - Appendix VI					1	1	3	7	2	14	30		44
	30 C/5 - Appendix VI Rev.					1	2	4	8	1	16	30		46
Bureau for Support and Services	30 C/5 - Appendix VI						4	1	5	4	14	43		57
	30 C/5 - Appendix VI Rev.						4	1	5	3	13	44		57
TOTAL, PART IV	30 C/5 - Appendix VI	0	0	1	1	3	13	19	23	14	74	177	0	251
	30 C/5 - Appendix VI Rev.	0	0	1	1	3	14	19	26	14	78	177	0	255
PART V - COMMON SERVICES; Maintenance and Security														
Common Services	30 C/5 - Appendix VI								2		2	83		88
	30 C/5 - Appendix VI Rev.								2		2	81		83
Security	30 C/5 - Appendix VI							1			1	63		64
	30 C/5 - Appendix VI Rev.							1			1	61		62
TOTAL, PART V	30 C/5 - Appendix VI	0	0	0	0	0	0	1	2	0	3	146	0	149
	30 C/5 - Appendix VI Rev.	0	0	0	0	0	0	1	2	0	3	142	0	145
GRAND TOTAL PARTS I - V	30 C/5 - Appendix VI	1	1	10	26	73	207	217	204	149	888	927	303	2,118
	30 C/5 - Appendix VI Rev.	1	1	11	29	80	211	213	217	145	908	917	323	2,148

*   Appendix II in 30 C/5 Approved (Provisional Version)

**   Taking into account the conversion of 43 established posts to financial allocations under the UNESCO Institute of Statistics, IESALC and UIE.