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ASSESSMENT OF ACTION TO IMPROVE THE MANAGEMENT OF THE
PROGRAMME AND THE RUNNING OF THE ORGANIZATION

INFORMATION NOTE ON ACTION TO MODERNIZE THE
RUNNING OF THE SECRETARIAT

SUMMARY

This document presents the broad lines of the reforms announced by the Director-General in DG/Note/90/2, DG/Note/90/3 and DG/Note/90/4. It seeks to provide such information as may assist the Executive Board in its discussion of this agenda item.

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1. The need to reform Unesco was clearly expressed at the last session of the General Conference. It lay at the heart of the commitment made by the Director-General who, in his speech upon taking office, outlined a plan to 'modernize' Unesco in terms of its objectives on the one hand, and its methods on the other.

2. The objectives are now clear: they have been defined in the third Medium-Term Plan, the preparation of which - at the centre of our concerns in 1988-1989 - was guided by three principles: concentration, consultation and clarification.

3. That leaves the ways and means - in other words, the reform of the Secretariat, which is to mobilize all our efforts during the present biennium. A first set of measures, the outcome of a series of consultations and reflections, has just been introduced for this purpose. It was based, first and foremost, on the lessons and pointers drawn from the debates of the General Conference. It also takes account of the recommendations made by an International Commission, chaired by Mr Knut Hammarskjöld, which had been appointed to consider ways of improving staff efficiency and management, and the observations of an international group of experts chaired by Mr Wilenski. Consultations were also held within the Secretariat, even before the General Conference.

4. In accordance with the recommendation of the Hammarskjöld Commission, which underscored the pressing need to undertake an overall reorganization of the Secretariat, this reform is to be both radical and comprehensive. It therefore concentrates, at one and at the same time, on:

the structures and general organizational design of the Secretariat;

management, that is to say, working procedures and methods;

staff, in other words, human resources management.

5. A first set of decisions was announced in three 'green notes' (DG/Note/90/2, 3 and 4),¹ which must be taken together. Of the three, the most important is, however, the third (Personnel policy), for the staff is the Organization's prime resource, its most precious asset. The other two, which deal with structures, functioning and methods, seek to improve the context in which the men and women of the Secretariat operate and which can impede or, on the contrary, foster the effectiveness of their action.

6. Green note DG/Note/90/2,² which deals with the organization and structures of the Secretariat, also contains information on appointments or personnel actions. This matter will be taken up under item 6.7 in a private meeting of the Board. It is the subject of another document prepared for the consultations to be held in pursuance of Rule 54 of the Rules of Procedure of the Executive Board regarding the candidates whom the Director-General contemplates appointing to posts at D-1 level or above and will not therefore be dealt with in this document. Procedural aspects must not, however, outweigh

1. These notes have already been brought to the attention of members of the Executive Board. They will be made available once again during the 134th session.

2. A schematic presentation of the organization of the Secretariat at Headquarters, reflecting the provisions of DG/Note/90/2, is appended to this document. The final organizational chart will be established only after consultation with the Executive Board and after approval of the staffing tables.

the substantive issues which constitute the essence of the reform. In that respect, the fundamental principle by which all the other measures are guided is the one set forth in paragraph 12(i) of the note, which seeks to ensure that 'all members of staff, whatever their grade, are genuinely able (...) relying on their professional skill and conscience and making use of the delegated authority which I have introduced (...) to bring to the Organization all the efficiency, vigour, mobilizing drive and strength of conviction at their command'.

7. This reform - being comprehensive and therefore very broad in scope - is, of course, capable of improvement at particular points. The Director-General will, as a matter of course, look into the possibility of adjustments, in the light of the opinions and suggestions of the Board and on the basis of experience.

8. There are certain principles, however, which remain inviolable - those which underlie the Constitution and make Unesco a united multilateral organization, founded on the principle of equality among Member States and the contribution that each can make to the progress of all.

I. ORGANIZATION AND STRUCTURES

9. As stressed by the Hammarskjöld Commission, a prerequisite for any reform of the Secretariat is a clear vision of its role, that is to say of the tasks it has to fulfil and the contribution it is expected to make to the attainment of Unesco's aims.

10. This role was spelled out by the General Conference during the discussions at its last session, especially in the closing speech of its President. What we need, he said, is a place 'where our best minds can meet and hold dialogues ... a working organization - an example of excellence in collective human endeavour - one that goes out to engage with changed circumstances, not an obsolete system'.

11. In pinpointing the need for quality and the ability to innovate as the chief prerequisites for revitalizing the Organization, the President was showing us the way ahead. It is only through the quality of its services that Unesco can establish itself in the system of international co-operation. An asset it can count on in this connection is its very distinctiveness: the fact that it is the only worldwide institution spanning the main branches of intellectual activity - education, natural sciences, social and human sciences, culture and communication. At a time when indisciplinaryity is perceived as a sine qua non for the progress of knowledge and the relevance of action, Unesco is in a position to develop a genuinely interdisciplinary mode of work. At a time when the interdependence of problems is such that only global responses are appropriate to the major challenges facing humanity, Unesco is capable of mobilizing the capacities and resources needed for joint reflection and action on a world scale.

12. But as in most other organizations of the United Nations system, the Secretariat has not kept pace with world change. Its action has remained basically sectoral: its vertical structure has encouraged the formation of closed, mutually isolated compartments, frequently more competitive than complementary, whose staff are often absorbed in management problems rather than being completely free to engage in intellectual and operational work, and with bureaucratic tasks often taking up more time than reflective or creative effort. Conditions such as these generate a tendency towards self-sufficiency: our links with national institutions and with the organizations that give life to the intellectual community are not as close as they should be, and Unesco

is not prominent enough today in its Member States and often not competitive enough compared with the many governmental and non-governmental organizations active in the field.

13. The reforms that have been initiated stem from a different concept of the organization and running of the Secretariat, one that corresponds more closely to Unesco's actual role. Unesco is not a business company or a ministry: it is an institution responsible for intellectual co-operation. Its action is concerned less with output - an area in which others are doubtless more efficient - than with generating ideas and promoting action. Its role is to sell yeast and not bread. Its effectiveness is measured in terms of its ability to trigger a process, to stimulate initiatives, to bring together those who possess intellectual ability and political will, and to assemble resources - human even more than material.

14. In order to do this, the Secretariat must have at its disposal structures, means and individuals capable of:

enhancing its capacity for analysis and the formulation of policy options: developments in the world in the last six months offer powerful evidence of the accelerating rate of change and of the need not only to adjust to it but also - wherever possible - to anticipate its onset; this was the moral drawn by the President of the General Conference, who, in his closing speech, urged Unesco to obtain the means 'to see clearly and select rationally after vigorous thought the most sound, safe and beneficial options';

strengthening its role as a centre for the pooling and exchange of experience by developing a closely meshed network of relations with the intellectual and scientific communities, especially the non-governmental organizations that represent them, and active co-operation with the intergovernmental councils and committees set up on the initiative of the General Conference;

developing its ability to mobilize the most outstanding expertise in each of the Organization's fields of competence: for the Secretariat 'know-who' is just as essential as 'know-how' and implies that it should constantly be capable of identifying the best specialists and persuading them to become involved in international co-operation;

enhancing its capacity to serve the Member States through closer contacts with them and by forging stronger links with local and regional organizations and institutions and with competent IGOs and NGOs with a view to designing policies, programmes and projects in its fields of competence.

15. In this way, the Organization can accumulate the 'critical mass' of all kinds of resources needed to design, launch and co-ordinate major international co-operation programmes, and to provide effective assistance to Member States through action likely to attract regional co-operation and extra-budgetary funding.

16. The restructuring measures contained in DG/Note/90/2 are a first step towards adapting the Secretariat organically for the fulfilment of these tasks. They are designed essentially to achieve the following aims:

increased interdisciplinarity and intersectorality;

concentration of the Secretariat's structures, means and resources;

enhancement of policy- and decision-making capacities;
imparting decisive momentum to the decentralization process.

(i) Interdisciplinarity and intersectorality

17. The third Medium-Term Plan is organized in terms of achievement of objectives - established in the light of the major challenges of the modern world - and accomplishment of tasks calling for collaboration among Unesco's various disciplines and fields of competence. There is an increasingly marked discrepancy between the structure of the programmes, which are supposed to be interdisciplinary in terms of design and intersectoral in terms of execution, and that of the Secretariat, which is very highly sectoral.

18. This discrepancy is not a recent phenomenon; it was already quite evident in the first Medium-Term Plan. It became more pronounced in the second, and the various remedies attempted - such as the establishment of an Intersectoral Co-operation Committee - all virtually ended in failure.

19. The most radical reform would have consisted in organizing the Secretariat around a number of programmes or projects corresponding to interdisciplinary issues (human rights and peace, the environment, cultural development, etc.) and specific tasks to be accomplished. This is the reasoning, described as 'project management', that gave rise - on an experimental basis - to the two 'mobilizing projects'¹ and the three 'intersectoral and inter-agency co-operation projects':² they will each be implemented by an interdisciplinary team composed - in varying proportions - of staff members from different programme sectors and outside experts, working under a co-ordinator who will, to all intents and purposes, be a 'project director' with all the authority and scope for initiative that such an office entails. Experience will tell whether this expedient can and should be applied in the future to larger areas of the programme.

20. It seemed preferable for the time being, and as recommended by the Hammarskjöld Commission, to opt for a mixed or 'matrix' formula, which keeps the programme sectors, and hence the vertical lines of authority, while strengthening functions of horizontal co-ordination.

21. The programme sectors have amassed a capital of knowledge and expertise that must be maintained and developed. Consequently, in the organizational structure devised in DG/Note/90/2, one or more units responsible for promoting the development of professional knowledge and expertise in a particular area are directly affiliated to the ADG for Programme.³

22. However, lines of horizontal co-ordination, interlinked with this vertical structure, have been created with a view to marshalling all available intellectual and operational resources within the Secretariat to attain the major objectives set for Unesco by the General Conference, which are by

1. 'Combating illiteracy', 'Youth shaping the future'.

2. 'The young child and the family environment', 'Environmental education and information', 'Research, education and communication concerning population'.

3. For example, the Educational Policies and Strategies Unit in ED, the Unit for the Institutional Development of the Social and Human Sciences in SHS and the Basic Sciences Division and the Engineering and Technology Division in SC.

definition intersectoral. As their title indicates, the co-ordinators will be responsible for 'ordering' and 'combining'. They will therefore fulfil both a steering and a mobilizing function and operate in complex areas exceeding the competence of a single sector, or indeed of the entire Organization, such as development, human rights and peace, the environment, basic education and the advancement of women.

23. They must first of all assist, in these fields, in developing a coherent conceptual approach and an integrated strategy of action, that is to say combining the input from the different sectors. This synoptic function is necessary for our outside partners, who wish to have a clearly identifiable contact when they talk, for example, about the environment or development; it is also needed for members of the Secretariat who must be kept up to date on changing trends and ideas, and on what our international partners are doing in fields not directly associated with their line of specialization. As such, it should help make for better solutions to a very old problem: the elimination of any duplication of or overlapping with the activities of other intergovernmental bodies, in particular the organizations of the United Nations system.

24. The co-ordinators also have a mobilizing function: they are responsible for gathering from outside sources the intellectual, political and material resources necessary for the implementation of global programmes exerting a significant impact, and for bringing about effective intersectoral and intrasectoral co-operation within the Secretariat among the different units working on a particular theme.

25. For this they must enjoy real authority: intellectual and moral authority which justifies the grade and the profile of the persons proposed, and budgetary authority since they will be co-operating with ADGs concerned in supervising all the programmes encompassed by their field of competence. Needless to say, this system of joint responsibility - the so-called 'double key' system - applies only to decisions of general scope: establishment of the major lines of emphasis in preparing the C/5 document, approving the biennial work plans and corresponding budget provisions, monitoring major intersectoral activities, etc.

26. DG/Note/90/2 creates a number of co-ordinator posts in addition to those for Youth and Women in the old organizational chart. Three of them correspond to the major objectives underlying the whole of the third Medium-Term Plan: peace and human rights; environment; and development. Five others relate to fields (basic education, population, cultural heritage, cultural development, communication) in which the debates of the General Conference and recent experience have revealed the need for far-reaching international action, mobilizing resources on an unprecedented scale, and for closer co-ordination with our partners in the United Nations system to that end.

27. These co-ordinators have been placed, as appropriate, under the authority of the DDG/P or an ADG of a programme sector, depending on the main centre of gravity of the programmes they supervise. In some cases they combine their duties with that of director of division. The choices were made on an ad hoc basis, according to needs and possibilities, but adjustments can be made in the light of experience.

28. In any event, the following diagram illustrates the general idea underlying these decisions:

	ED	SC	SHS	CLT	COM
Peace/human rights					
Development					
Environment					
Basic education					
Population					
Cultural development					
Youth					
Women					
(etc.)	↓	↓	↓	↓	↓

29. It cannot therefore be considered liable to lead to a more cumbersome bureaucracy. Quite the reverse, it may be seen as a first step away from the traditional pyramidal organizational chart and towards a system that draws a more clear-cut distinction between the responsibilities deriving from general policy in each of our fields of competence and those - more directly action-oriented - geared towards achieving optimum synergy in specific fields of action corresponding to major concerns in the world today.

30. By releasing the Assistant Directors-General from the direct monitoring of the multiple facets of programme action, the new structure should enable them to devote themselves more fully to their policy-making responsibilities.

31. It is of great importance to reinstate the pre-eminence of intellectual responsibilities among the functions of the Assistant Directors-General. Under the authority and, as it were, in extension of the Director-General, the Assistant Directors-General must be answerable for the general policy followed by the Organization in each of its fields of competence:

- (a) this implies that they should be tuned in to and in touch with the outside world: tuned in to problems and needs and to the evolution of ideas and knowledge; in contact with decision-makers, intellectuals and professional circles, and with the Organization's partners (especially IGOs and NGOs);
- (b) within the Organization, it is for them to take or suggest any initiative designed to give direction to and adjust sectoral strategies, within the framework of the directives laid down by the General Conference; it also behoves them to see to the application of these strategies, by ensuring that appropriate actions are carried out, verifying the relevance of their results and optimizing the provision of the necessary resources and facilities, at Headquarters and in the field, due account being taken in particular of the different regional and subregional priorities. It is therefore the Assistant Directors-General who, in the last resort, assume responsibility for the action conducted within the framework of their sector.

(ii) Concentration

32. One of the guiding principles used in the preparation of the third Medium-Term Plan was the quest for quality through concentration: 'doing less in order to do better'. This principle must guide not only the design of programmes but their execution, that is to say, the selection of the mechanisms and means to be used to attain the objectives set.

33. Concentration here must be taken to mean not necessarily the reduction but the regrouping of forces and means around a number of key areas in order to increase the impact of actions to which priority is given.

34. The measures set forth in DG/Note/90/2 therefore constitute a first step towards concentrating structures around a small number of divisions, each provided with an adequate 'critical mass': in the programme sectors, the number of divisions has fallen from 26 to 19 (including the General Information Programme, previously attached to a logistical support sector).

35. An attempt has been made, with this same aim in view, to group together units previously dispersed throughout the Secretariat although they were working to achieve common goals: for example, the Co-ordinator for Cultural Development will now have under his supervision a division (Arts, Books and Copyright), a section (Cultural Policies and Cultural Development), a Secretariat (that of the Decade) and various projects (Silk Roads, Five-Hundredth Anniversary, etc.) - which all contribute directly to the implementation of the World Decade for Cultural Development but were previously attached to different hierarchies and structures.

36. The creation of a new Communication and Information Sector is also a response to the attempt to create synergy between complementary programmes. Information, information technology and communication are related fields which are constantly being brought closer together by the association and even the interconnection of their technologies. It therefore seemed advantageous to bring together activities hitherto conducted under different structures in order to contribute to the convergence of their respective approaches and inputs.

37. The concentration of structures must be matched by the concentration of the human and financial resources available to the Secretariat. It should be reflected in terms of: (1) a new balance between posts at Headquarters and in the field; (2) a new balance between posts in programme sectors and in 'administrative' services. The objectives set forth in DG/Note/90/2 are ambitious ones. They indicate a direction; they will be adjusted according to possibilities and circumstances, with a view to the year 1994, which marks the end of the third Medium-Term Plan. But, whatever the route, the course must be maintained - with the overall aim of a reduction of nearly 200 posts at Headquarters by that date.

38. There are several means of achieving this: the large number of vacant posts expected in 1990-1991 and 1992-1993; the possibility of negotiating voluntary separations; the possibility of transfers either internally at Headquarters or primarily to the field, through appropriate redeployment of staff.

39. The preliminary proposals for the Programme and Budget for 1992-1993 (26 C/5), which will be submitted to the Executive Board for consideration at its next session (September 1990), will thus include the abolition of about 100 posts at Headquarters. This figure must be set against the number of posts (146) that are or will become vacant at Headquarters during the present

biennium. Much of the savings thus generated will permit the creation of field posts (see section IV); the remainder will be added to programme allocations, where they may be used, inter alia, to finance short-term contracts for specialists with a high level of expertise in specific fields, for carrying out field activities and projects.

40. The very rapid development of knowledge and technology, like the extremely wide range of specialization required for Unesco's activities, will in the long run require changes in the composition of the Organization's staff. The Hammarskjöld Commission therefore recommended the formation of a stable - but smaller - core of experienced staff members, embodying institutional memory and experience, and increased use of outside specialists, hired for a duration no longer than the duration of the projects themselves. This is a development that will have to be conducted with caution. Document DG/Note/90/3 (Personnel policy) therefore envisages the creation of a new type of contract which would provide for non-renewable recruitment for a period of one to three years, thus ensuring the flexibility required for good programme execution.

41. Lastly, it is important to concentrate resources on the most cost-effective implementation procedures. In addition to the significant progress made in that regard in document 25 C/5 (reduction in the volume of documents, in the number of meetings, etc.), further measures have been taken as regards the reform: the rationalization of missions by Headquarters staff which has just been completed has already led to savings of some \$2,350,000. This policy will be pursued in order to channel as the maximum amount of resources towards the priority fields identified by the General Conference in 25 C/Resolution 46. An additional \$2 million or so has thus just been allocated to the programme on Education for All, mainly for follow-up action on the Jomtien Conference. As a matter of priority no effort must be spared to adapt means to ends. This requires an incessant effort of imagination and rigour so as constantly to take account of changing situations, needs and possibilities. It is this flexibility that permitted the launching of important initiatives in highly promising areas such as the human genome, the annual Joint Statement on the Environment, not to mention, of course, the Conference on Education for All.

(iii) Strengthening of policy- and decision-making capacity

42. This policy implies a broad decentralization of authority and, as a corollary, the strengthening of decision-making capacity, which the Hammarskjöld Commission identified as one of the Secretariat's weak points. To that end, it is necessary to develop capacities for analysis and even anticipation, and for the preparation of policy options and strategies. It is also necessary to improve mechanisms for following up the implementation of decisions and assessing feedback, so that remedial action can be taken wherever necessary.

43. A number of measures had already been taken to that end, such as the appointment of two Deputy Directors-General and the restructuring of the Directorate, designed not only to ensure better technical preparation of dossiers and a broader flow of information on its deliberations and decisions, but also to make it into a united managerial team. The appointment of co-ordinators to follow up major trends in their field of action on an ongoing basis; the strengthening of the intellectual and policy-making duties of the Assistant Directors-General; the strengthening, within the Executive Office, of the policy analysis function on the one hand, and that of following up the implementation of decisions on the other; and the setting up of a Panel of Counsellors composed of eminent intellectuals and scientists, are all measures with the same goal in sight.

44. Incidentally, this panel must not be seen as an assembly whose prerogatives will encroach on those of the governing bodies, but rather as a network of eminent persons who have agreed to give the Director-General - and the Executive Board if it so desires - the benefit of their advice and experience. These eminent persons will be consulted on a very informal basis - not in plenary, but, for example, in small working groups that meet to examine a precise theme, or through written contributions - with no greater budgetary implications than the consultations of experts organized periodically by the sectors as part of normal programme execution. But the idea is to have some of the best brains associated with Unesco and its day-to-day running so as to make it a 'centre of excellence', which was the intention of its founders - the urgent need of which is all too clearly impressed upon us by the present world situation.

45. It is indeed important for the Secretariat to strengthen its partnership with the intellectual and scientific communities by associating more closely with its work national institutions (research centres, universities...), non-governmental organizations and, in particular, intergovernmental commissions, councils and committees which were established on the initiative of the governing bodies of Unesco: in this connection, it would be appropriate to ensure that these commissions, councils and committees enjoy, through specific arrangements, the fullest functional autonomy within the Organization (as set forth, for example, in the Statutes of the International Oceanographic Commission); it will also be necessary for the Secretariat units responsible for preparing and following up their meetings to be given the commensurate delegation of authority in the framing, planning and implementation of activities for which they are responsible.

46. This decentralization, which might be termed 'functional', should be given priority in the years to come, in the same way as geographical decentralization.

(iv) Decentralization

47. The need to bring Unesco closer to its Member States by strengthening its presence in the field is now universally recognized. The assessment of the decentralization policy initiated in 1988, at the request of the Executive Board (130 EX/INF.6), shows how urgent it is for corrective measures to be taken in a field crucial to the Organization's future. This assessment showed, among other things:

that Unesco's presence in Member States is less evident today than that of most other agencies of the United Nations system;

that the field units all too often lack the resources they need in order to respond effectively and rapidly to the countries' requests for advice or technical services;

that they are too seldom involved in the exercise of country programming and needs analysis, with the result that they are not very competitive in the identification, formulation and implementation of operational projects.

48. The reforms must therefore be applied to the structures as well as the functioning of the field units. They call, first and foremost, for clarification of the nature of the action that must be undertaken from the regions themselves, i.e. the type of activities to be decentralized. Some time ago the Executive Board expressed its opinion on this matter (125 EX/Decision 3.3) when it selected:

- '(a) activities which are regional or subregional in scope and those that provide direct support to Member States;
- (b) operational projects involving activities such as advisory services, fellowships and training, including their planning and organization'.

49. The time has come for us to learn from our experience; the time has come to admit that programmes and projects designed to serve Member States' development needs are more likely to be better designed and implemented if those tasks are carried out by units physically close to the countries themselves and, consequently, more aware of those countries' own expectations and capabilities.

50. The optimum global target for decentralization of all programme sectors would seem to be 50 per cent, though this figure can naturally be adjusted to suit the type of missions specific to each sector, while constantly bearing in mind the balance - dictated by the governing bodies - that must be maintained between global and regional activities.

51. Certain programme sectors are already approaching this target while others are still a long way away, as can be seen from the table below, which shows the initial estimates made by the sectors in the Programme Execution Plans for 1990-1991:

Sectors	Decentralized resources	Percentage of 25 C/5 Approved
	\$	
Education	35,478,000	49.2
Natural Sciences	16,660,900	32.4
Social Sciences	2,927,100	17.7
Culture and Communication	9,274,200	24.8
Total	64,340,200	36.2

52. These plans should therefore be revised so as to identify those regular programme activities, as well as operational projects, that ought to be implemented by the field units as from 1990-1991, in the light not only of each sector's situation but of clearly stated regional and subregional priorities for action. In fact, now that the main lines of the Medium-Term Plan have been finalized once and for all, it is important to establish without delay regional action 'charts' that take account of the needs expressed by Member States (General Conference; requests for assistance under the regular programme or the Participation Programme; regional meetings, etc.), of the prospects for operational action and of the strategies applied by the other international organizations. These tasks - which will be conducted under the direction of the Deputy Director-General for Programme so as to ensure an intersectoral approach - should provide, as from next September, a conspectus of the adjustments needed in the structure of the field units and enable the profiles of the posts to be created to be clearly defined.

53. As a result of preliminary studies conducted in 1988-1989, in liaison with BFC, to identify the most pressing needs, it has already been possible to redefine the profile of certain units and to prepare an initial batch of transfers of posts and staff which may be adjusted and updated when the staffing table is being prepared. Admittedly, these measures are still limited in scope.

54. However, the progressive decentralization of the vast majority of the posts that will fall vacant at Headquarters in 1990-1991 and 1992-1993 will yield more conclusive improvements. Most posts at Headquarters will be abolished as they fall vacant and transferred to the field once they have been downgraded - wherever possible - so as to generate more posts and attract more young people.¹ The same policy will be pursued during the 1992-1993 biennium so that the number of field posts which now stands at 472, should approach 650 by the end of 1993, i.e. a growth of approximately 35 per cent in four years.

55. Naturally, this process of transferring activities and staff to the field only makes sense if it goes hand in hand with the appropriate delegation of authority. The field structures must be in a position to assume full responsibility for the management of the decentralized activities and resources. To this end, a set of measures designed to strengthen their administrative and financial capacities has recently been adopted. These measures, which include the establishment of a direct link with the central computer at Headquarters, a training programme for field administrators, the development of subregional telecommunications networks and so on, are set out in detail in document 134 EX/INF.3.

56. However, the decentralization process as such has its constraints and must therefore be handled with circumspection. Its constraints are, first and foremost, financial ones: decentralization is an expensive business, at least in the initial stages. In a context of zero budgetary growth, which means a decline in real terms, these costs can only be covered by corresponding reductions at Headquarters and within the limits established by a 'critical threshold' below which the Secretariat would no longer be in a position to fulfil the tasks of international intellectual co-operation assigned to it by its Constitution. Progress was made in decentralization between 1970 and 1984 because not only budgetary growth but the volume of posts and activities made it possible to achieve economies of scale which are no longer feasible today.

57. Furthermore, decentralization must be carried out while preserving what the Executive Board has described as the Organization's 'unity of conception and action', which is what gives it its specific character - that of an international co-operation agency whose action is based on the combined experience of different sectors and a variety of countries. There must be no question of creating regional 'mini Unescos'.

58. On the contrary, each unit must be regarded no longer as a distant satellite, but as an integral component of the Organization and its Headquarters. It is important that each field unit from now on be equipped to represent Unesco as a whole in the States it serves and be progressively entrusted with intersectoral responsibilities. Building these units up into regional networks served by an intersectoral information system whereby they

1. Field posts thus created should be kept vacant throughout the 1990-1991 biennium in order to satisfy the lapse factor requirements (see section IV). They will therefore only be filled in early 1992.

are linked to one another and to Headquarters should provide them with the support they need if they are to function in a genuinely integrated fashion in the fairly near future. Rapid 'internationalization' of the field units is also important and calls not only for greater diversification of recruitments to the field, but active rotation between Headquarters and field units and among the field units themselves. These two principles, long enshrined in the Organization's texts, must now be reflected in actions and attitudes.

59. At the same time, greater use should be made of local expertise, whether national or regional. The time is now past when Headquarters officials could come and propose models and standard solutions for Member States' development problems. The Member States have now acquired - partly thanks to Unesco, in fact - skills and expertise that often make them better placed to find appropriate solutions to specific problems where - except in particular cases - international expertise would fail. Unesco's role, particularly that of its field units, is to identify, mobilize and enhance these skills, by making them internationally recognized. In this way a constant two-way flow should be established between Headquarters and the field units and between local experience and international thinking.

II. MANAGEMENT

60. The improvement of management is obviously a crucial priority at present. Various measures were already adopted to that end during the 1988-1989 biennium; the most important among them have been described in DG/Note/90/2 (Annex I) and DG/Note/90/4.

61. The basic aims of these measures were to increase the delegation of authority at all levels, to simplify administrative procedures, to redefine the role and functions of field units and to reorganize a number of services associated with important functions such as operational action (BAO), external relations (BRX), decentralization (BFC), organization and methods (IOM) and public information (OPI). The Executive Board was informed of these measures at previous sessions.

62. The Hammarskjöld Commission considered that, unless further qualitative improvements were made in management, Unesco might find itself unable to cope successfully with present and foreseeable changes in the world. For several months now, this question has been one of the chief concerns of the Directorate, within which a working group has been set up under the responsibility of the DDG/M. As far as this matter is concerned, the Secretariat has therefore, as it were, reached a turning-point and is currently laying the basis for more thorough management reform, as recommended by the Hammarskjöld Commission. It was this turning-point that was announced in DG/Note/90/4.

63. The Directorate has drawn up the following guidelines in this respect:

- (i) Establishment for each manager of clear, quantifiable objectives defined in terms of results. Staff members should know not only what is expected of them professionally but also on what criteria the product will be assessed. The objectives to be set for this purpose should be based on programme execution requirements in order to facilitate evaluation in terms not only of the activities implemented but of quantified programme management criteria as well. This raises tricky methodological problems whose implications extend to the actual preparation of the programme and budget. This means that there can be no genuine progress prior to document 26 C/5, but the importance of such progress for ensuring that everyone is really responsible - and held to be responsible - for his or her work must be emphasized.

- (ii) Delegation to those responsible for programme execution of sufficient authority in respect of the budget and staff at their disposal. The idea is to replace the still predominant system of prior authorization in each instance by a system of a posteriori control.
- (iii) Consolidation of the authority already delegated so that managers enjoy real decision-making powers and a margin of flexibility that allows them to modify planned activities when this seems desirable in the interests of achieving programme objectives.
- (iv) Improvement of the quality and the upward, downward and horizontal flow of information on programme execution. This is the necessary corollary of broader delegation of authority, which presupposes that managers at all levels, and particularly members of the Directorate, should be kept informed of the progress of activities under their supervision so that they can take decisions in their sphere of competence and evaluate the performance of their colleagues. A flexible but efficient internal information system must therefore be organized to enable timely corrective action to be taken when necessary, to keep all concerned constantly informed of decisions taken at the highest level and, along horizontal lines, to share all useful information with those involved in the same activity within a single unit or in different units. A system of periodic briefing meetings has already been introduced in the individual units of the Secretariat. Moreover, decisions taken in the Directorate are communicated to all.

64. These various factors are necessary to produce a new management ethos based on accountability and this is the common aim of the measures announced in DG/Note/90/4, which should yield their first results very shortly, in accordance with the timetable established in the note.

65. Furthermore, the action already undertaken to improve management will be continued as a matter of course, particularly by the simplification of administrative procedures which, by definition, calls for a permanent effort. An Advisory Committee on Administrative Policies and Procedures has been set up with that end in view. On its recommendation it was decided to place all administrative units at Headquarters under the responsibility of the Deputy Director-General for Management, as is already the case for field units. A series of recommendations by the same Committee on the organization of administrative units and the careers and training of administrators have also been recently approved.

66. Other initiatives have been taken and will be expanded with a view to modernizing the Secretariat's working methods, chiefly through the use of new technologies: it was this that prompted the proposal to the General Conference at its twenty-fifth session to introduce an informatics and telecommunications development plan; to improve horizontal communication by crossing intersectoral 'boundaries' and cultivating less formal work relations; to train supervisors at various levels in modern management methods; and to enhance the efficiency of Secretariat units by rationalizing their work-load and internal organization (methods and practices).

67. In this context, motivation deserves special attention as a factor with decisive implications for the effectiveness of management. It is for this reason that 'quality circles' are about to be introduced in the Secretariat in order to involve the staff in the improvement of their own work and of their administrative environment. Training courses in staff motivation techniques are also being developed.

68. The essential fact to be borne in mind is that the action undertaken in the field of management is wide-ranging and complex, directed at improving tools and methods on the one hand but also, and more generally, at changing the Secretariat's 'work ethos'. It cannot therefore be reduced to a mere list of administrative and practical measures, however long. What it basically implies is new approaches and new attitudes on the part of everyone at all times.

III. HUMAN RESOURCES

69. The personnel policy presented in DG/Note/90/3 is based on a simple hypothesis: the driving force of the Organization is its staff. This idea is more and more widely recognized, outside the Organization, as the guiding principle of management designed to make the most of human resources. In an organization such as Unesco, whose whole purpose is to promote knowledge and skills, the need for a management style of this kind seems self-evident. It is also, incidentally, the general approach adopted by the Hammarskjöld Commission.

70. This is why the Organization's new personnel policy cannot be confined solely to matters relating to the administrative situation or to the career prospects of officials. In a broader sense, it extends to their working environment, viz. to procedures, methods and structures. Hence DG/Note/90/3 is inseparable from the essential context created around it by the two other notes that appeared at the same time. To realize this, one need only observe that the policy posits working relationships based on trust rather than hierarchical fear, on initiative rather than authority: these objectives underlie the whole set of announced reforms, including the structural measures contained in DG/Note/90/2 as well as the management measures presented in DG/Note/90/4.

71. As far as personnel measures proper are concerned, i.e. DG/Note/90/3, it should be emphasized that they respond in overall design and detail both to the conclusions of the Hammarskjöld Commission and the directives laid down by the Executive Board in 131 EX/Decision 5.1.3, part II ('Comprehensive personnel policy'). As prescribed in paragraph 7 of that decision, the objective of this comprehensive personnel policy is:

- '(a) to provide this important institution with a most competent body of international civil servants,
- (b) to introduce a scientifically based and planned system for the recruitment and renewal of personnel,
- (c) to provide a sounder and more secure employment system for those who work for Unesco,
- (d) to contribute to the improvement of personnel management, and
- (e) to co-ordinate personnel requirements more closely with structural arrangements'.

72. It is a simple matter to verify that most of the provisions contained in DG/Note/90/3, as well as certain features of DG/Note/90/2 and DG/Note/90/4, correspond to the detailed recommendations of the Executive Board and to the conclusions of the Hammarskjöld Commission report. These provisions may be summarized as follows:

Recruitment

Stringent application of the recruitment criteria laid down in the Constitution;

The rebuilding of a stable core of experienced staff members by reactivating the Junior Professional Probationers' Programme and by focusing external recruitment on the lower grade posts within each category;

Recruitment planning;

Priority to women candidates of equal competence;

More dynamic recruitment methods.

Personnel management

Transparency of procedures and scrupulous respect of the Staff Regulations and Staff Rules;

Simplification of procedures, in particular by decentralizing routine personnel administration within the various Secretariat services;

Harmonizing and streamlining texts (Staff Regulations and Staff Rules and the Manual);

Better information for staff members on their rights and obligations.

Working relations

In addition to the provisions contained in DG/Note/90/4 (Management style and effectiveness):

upgrading the working conditions and role of staff members in the lower grades, in particular General Service staff;

promotion of practical measures to achieve greater equality between men and women.

Careers

Rationalization of the types of existing contracts (fixed-term and indeterminate);

Creation of a new type of contract for specialists assigned to specific projects of limited duration;

Career planning, rationalization of promotions and reclassifications;

Reliable performance assessment;

Intensification and co-ordination of training activities;

Intensification and planning of staff rotation between Headquarters and field units;

A comprehensive review of the classification of established posts and of the match between staff members' qualifications and the requirements of their posts.

Consultation and co-ordination with staff

Reform of existing joint machinery.

73. In its report, the Hammarskjöld Commission laid particular stress on the need to devise a reliable system of assessing the performance of staff members. In so doing, it reinforced the Director-General's conviction, which he has held since taking up his appointment, that this issue is the keystone of the personnel policy to be applied: it is crucial to justice and efficiency. That is why new methods and procedures have just been introduced; their success, however, will clearly depend on how they are put into effect. It is therefore planned to modify the Staff Regulations to make reporting one of the major professional obligations of every supervisor. In addition, constant efforts will, of course, be made to stimulate awareness of the need to change attitudes and habits, beginning with the Directorate.

74. It will be noted, on the other hand, that in some instances the recommendations of the Hammarskjöld Commission and the Executive Board have not been fully applied: a number of limitations and constraints have had to be taken into account.

75. A limitation which should be mentioned concerns the rules that Unesco has to apply under the regulations of the international civil service. In this context it did not seem possible to go as far as the Hammarskjöld Commission recommended and replace the traditional 'post system' with a 'job system'. Consequently the post system has been maintained, although a new kind of appointment is contemplated that would make it easier to call upon constantly replenished expertise in specific programme areas on a temporary basis.

76. A major constraint is obviously linked to budgetary resources, particularly with regard to training. While recognizing the validity of the Executive Board's recommendations, it should be noted in this respect that it will be difficult to respond fully to all training needs while the Organization continues to labour under the budgetary austerity it has been experiencing for several years. Furthermore, it may be anticipated that Unesco, like other United Nations agencies incidentally, will find recruitment increasingly difficult if priority is to be given to quality, as a result of the erosion of the salaries of international civil servants, also observable for some years now. Finally, it should be pointed out that the modernization of the Secretariat must be regarded as one of the facets of a comprehensive personnel policy. Yet here again, the resources available to the Organization by no means match its needs.

77. In these circumstances, it was imperative to lay down precise guidelines which will be put into effect sooner or later according to available resources. In addition, the new personnel policy is not confined to purely administrative measures: it also, and perhaps most importantly, proposes a radical change in working methods and attitudes. Furthermore, some of the chosen innovations, particularly with regard to career planning, can only be introduced gradually for technical reasons.

78. It is on these grounds that a time-frame of three years has been envisaged in which 'to establish ... the conditions, methods and procedures required to improve and develop the human resources of the Organization, at Headquarters and in the decentralized units'.¹ This period will, of course, see the completion of the process: the various actions to be taken must begin at once, and in many instances they have already been introduced, for example in regard to performance assessment, management and informatics training, staff participation (facilities accorded to the staff associations in

1. DG/Note/90/3, para. 2.

proportion to their respective representativity, current review of joint machinery), encouragement of mobility between Headquarters and field units, and the upgrading of the work of the Secretariat.

79. As stated in DG/Note/90/3, the forthcoming establishment of a new Office of Human Resources¹ is an urgent and essential step. In any event, the Executive Board will be regularly informed of progress in the development and implementation of the personnel policy.

IV. BUDGETARY ASPECTS OF THE REFORMS

80. It may be useful to recall the budgetary context in which these reforms are being made: a Secretariat in which nearly 800 posts were cut back between 1984 and 1988; an organization which lost some 30 per cent of its budget following the withdrawal of three Member States. Successive budgets adopted with a budgetary shortfall of the order of \$10 million in 1987 and 1989. The need, as a result, to 'absorb' within staff costs under the regular programme some 30 posts initially financed from extra-budgetary funds (the COCA Account - Funds-in-Trust Overhead Costs Account - showed a net deficit); the need, at the same time, to rectify certain morally unacceptable situations by regularizing the position of 22 supernumeraries who had virtually become 'permanents' and by taking on to the staff 39 security guards so that they would have better working conditions.

81. Lastly, financial rules that removed almost every element of flexibility in regard to staff provisions: for example, some 60 posts are funded from support costs met by UNDP, but these amounts - although they are paid by UNDP - are deducted from the contributions of Member States when the budget is approved. It would surely be more appropriate, in the long run, to pay these funds into a special account, so that they could be used with greater flexibility, according to the delivery rate of UNDP projects.

82. And special mention should be made of the constraints arising from the 'lapse factor' - i.e. adjustment for staff turnover and delays - which 'adjusts', in other words reduces, the staff provisions corresponding to the number of posts approved by the General Conference by 5 per cent. Under present circumstances, the application of the 'lapse factor' makes a pure formality of the authorization given to the Director-General to create some new posts within the limit of 4 per cent of the total number of approved posts (i.e. 83 in 1990-1991) and subject, of course, to finding funding for them within the total staff allocation. The possibility of creating posts during the biennium is essential to securing a better match between professional profiles and programme requirements. But as the total number of vacant posts declines towards the minimum set by the lapse factor (which tends to be the case at present), so the possibility of creating posts dwindles, unless artificial vacancies are created (for example, by extending recruitment delays), which runs counter to the requirements of rational and efficient programme execution, recalled time and again by the governing bodies. In these circumstances, it would be preferable to do away with both the lapse factor and the 4 per cent margin - especially as the improvements expected in human resources planning should shortly make it possible to reduce recruitment delays to a point at which the lapse factor (except in the case of unexpected vacancies) will lose its purpose: instructions have been given to initiate recruitment procedures a year in advance, whenever vacancies can be planned, so that there is no delay between the departure of a staff member and the arrival of the new incumbent.

1. DG/Note/90/3, para. 45.

83. It is in this context that the reform decisions referred to above were taken and should be appraised.

(i) Current budgetary situation

84. The Organization's budget for 1990-1991, all funding sources taken together, is \$345,600,000 in respect of programme allocations and \$235,101,700 in respect of staff allocations. 2,341 posts are funded under the regular programme (\$219,496,700) and 193 posts from extra-budgetary resources (\$15,605,000) - in all, 2,534 posts broken down as follows:

	Headquarters		Field		Total	
	Number	Budget	Number	Budget	Number	Budget
		\$		\$		\$
<u>Professional category and above:</u>						
Programme*	459.5	66,619,200	179	28,722,500	638.5	95,341,700
Administration*	260	36,488,300	9	480,000	269	36,968,300
<u>General Service category:</u>						
Programme*	588.5	42,034,300	227	8,241,000	815.5	50,275,300
Administration*	539	38,351,400	4	176,500	543	38,527,900
Maintenance*	210	13,020,700	58	967,800	268	13,988,500
Total	2,057	196,513,900	477**	38,587,800	2,534	235,101,700

* Based on the criteria of document 25 C/5 Approved. It will be noted that 62.1 per cent of the staff allocations (\$146,097,000) finance posts linked to programme execution.

** The number of field posts financed under the regular programme is 472 (local posts included). This table does not include posts linked to operational field projects, the duration of which depends on that of the project and which therefore vary in number throughout the biennium; this number is at present approximately 480 - which means that field posts represent 37.1 per cent of the total number of posts.

85. The total number of posts now vacant at Headquarters or which will become so in 1990-1991 will generate savings (at least \$12,400,000) in excess of the 5 per cent lapse factor decided upon by the General Conference, which amounts to \$9,800,000.

<u>Headquarters*</u>	<u>Number</u>	<u>Estimated savings</u> \$
Budgetarily vacant posts at 31 March 1990	72	7,600,000
Posts falling vacant in 1990-1991 when the incumbents retire (74), i.e. on average	37	3,800,000
Unexpected vacancies** (average for 24 months)	10	1,000,000
	119	12,400,000

* The field staff lapse factor will be covered by field posts which will fall vacant on the incumbents' retirement.

** Minimum hypothesis. Such separations average roughly 10 to 15 per biennium; but owing to a change in the pension system, many more early separations may be expected before the end of 1990.

(ii) Financial implications of the reforms

86. As the great majority of the appointments announced as part of the reforms are to posts for which funding had already been provided in document 25 C/5 Approved, the only decisions that have budgetary implications are the creation of 18 new posts (including three field posts), the reclassification of 36 existing posts, and the hiring of three consultants to carry out special urgent but temporary activities. The total cost of these decisions is \$2,600,000 for 1990-1991.

	<u>Estimated cost</u> \$
<u>New posts: 1 ADG, 7 Director posts (4 D-2, 3 D-1) and 10 Professional posts (4 P-5, 2 P-4, 2 P-3, 2 P-1/P-2)</u>	1,600,000
<u>Consultants for special urgent activities</u>	400,000
<u>Reclassification of posts according to new duties assigned and increased responsibilities</u>	600,000
Total	2,600,000

87. It must be pointed out that the accompanying staff (secretaries, etc.) that might be required as a result of the creation of certain new structures will be taken from the existing staff by transferring posts with their incumbents. Similarly, costs linked to decentralization (transfer of Headquarters staff to the field) which would not be covered by resources provided for in the budget will be absorbed by internal austerity or

readjustment measures. The overheads of the new structures, or 'indirect costs' (official missions, communications, other services, etc.) will be financed from available funds (\$6,973,000 for 1990-1991, including \$6,110,000 for the field units, are provided for this purpose in document 25 C/5 Approved).

(iii) Financing

88. As stated above, the number of posts currently vacant or due to fall vacant in 1990-1991 will release a sum of at least \$12,400,000. This sum, exceeding by \$2,600,000 the savings calculated in respect of the lapse factor, will be sufficient to cover the cost of the decisions associated with the reform. In other words, these decisions will be financed by freezing or abolishing vacant posts.

89. Of course there is no question of systematically freezing or abolishing every post currently vacant or due to fall vacant during the biennium. The staffing tables prepared by the sectors will be used as the basis for deciding which posts can be immediately frozen or abolished, which qualify for deferred recruitment and which can be freed through internal transfer, creating new vacancies in the process. A case-by-case study will therefore be undertaken. As soon as it is completed (by June 1990 according to schedule), the new organizational charts and staffing tables will be drawn up and distributed, taking into account, of course, the Executive Board's instructions and decisions thereon.

90. It should be noted that the 18 new posts created as part of the reform will replace abolished posts, so that no use will be made of the 4 per cent margin. It should also be noted that all the reform-related costs will be financed from approved staff appropriations, so that programme appropriations will not be used for that purpose, in conformity with 25 C/Resolution 46. As a matter of fact, the final figures for the 1988-1989 biennium showed a net transfer to programme activities of funds (about \$1 million) earmarked for administrative costs.

(iv) Medium-term prospects

91. Any reform process evolves in time and therefore requires time for the attainment of its objectives and appraisal of the results. This is particularly true in the case of posts and, hence, individuals.

92. The aim is, as already stated, to shift the existing balance between Headquarters and the field on the one hand, and between the programme sectors and administrative services on the other. This should eventually lead to a reduction in the number of posts at Headquarters, which will be proportionately greater in services without direct programme responsibility.

93. The strategy adopted will consist chiefly, but not exclusively, in abolishing vacant posts at Headquarters to create others in the field:

		Creation or abolition of posts		
		Headquarters	Field	Net total
	New posts	15	3	18
	<u>Vacant posts</u>			<u>72</u>
	maintenance at Headquarters	10*		
	transfer to field	52	(52)	
1990	abolition	10	(10)	(10)
	<u>Posts due to fall vacant</u>			<u>74</u>
	maintenance at Headquarters	20*		
	transfer to field	44	(44)	
	abolition	10	(10)	(10)
		(101)	99	(2)
	<u>Vacant posts</u>			<u>107</u>
	maintenance at Headquarters	22		
1992	transfer to field	65	(65)	
-	abolition	20	(20)	(20)
1993				
		(85)	65	(20)
Total		(186)	164	(22)

* To remain 'frozen' in 1990-1991 in order to meet lapse factor requirements; these posts will be 'unfrozen' on 1 January 1992.

94. It should be noted that after being abolished posts will be down-graded wherever possible (e.g. from P-5 to P-4), so that more posts can be created in the field than have been abolished at Headquarters.

95. It should also be noted that these figures include only vacancies resulting from the retirement of the incumbents. They do not take account of vacancies that might occur as a result of:

negotiated separations (the cost of a negotiated separation can generally be recouped by freezing the post for 12 to 14 months);

unforeseen separations (resignations, early retirements, etc.).

96. The number of such vacancies is, by definition, difficult to estimate, but it provides a margin of flexibility that should make it possible to reach the above-mentioned targets.

97. To sum up, by the end of the next biennium (1993), the total number of posts at Headquarters should have been reduced by 186, or 10 per cent, 22 posts having been abolished (representing savings of about \$2 million) and 164 posts having been created in the field, an increase of 35 per cent in decentralized posts.

98. These figures have been established on the basis of very cautious assumptions, since, as already mentioned, they do not take into account vacancies resulting from all kinds of unforeseen departures and they extrapolate from current budgetary conditions, in particular zero growth.

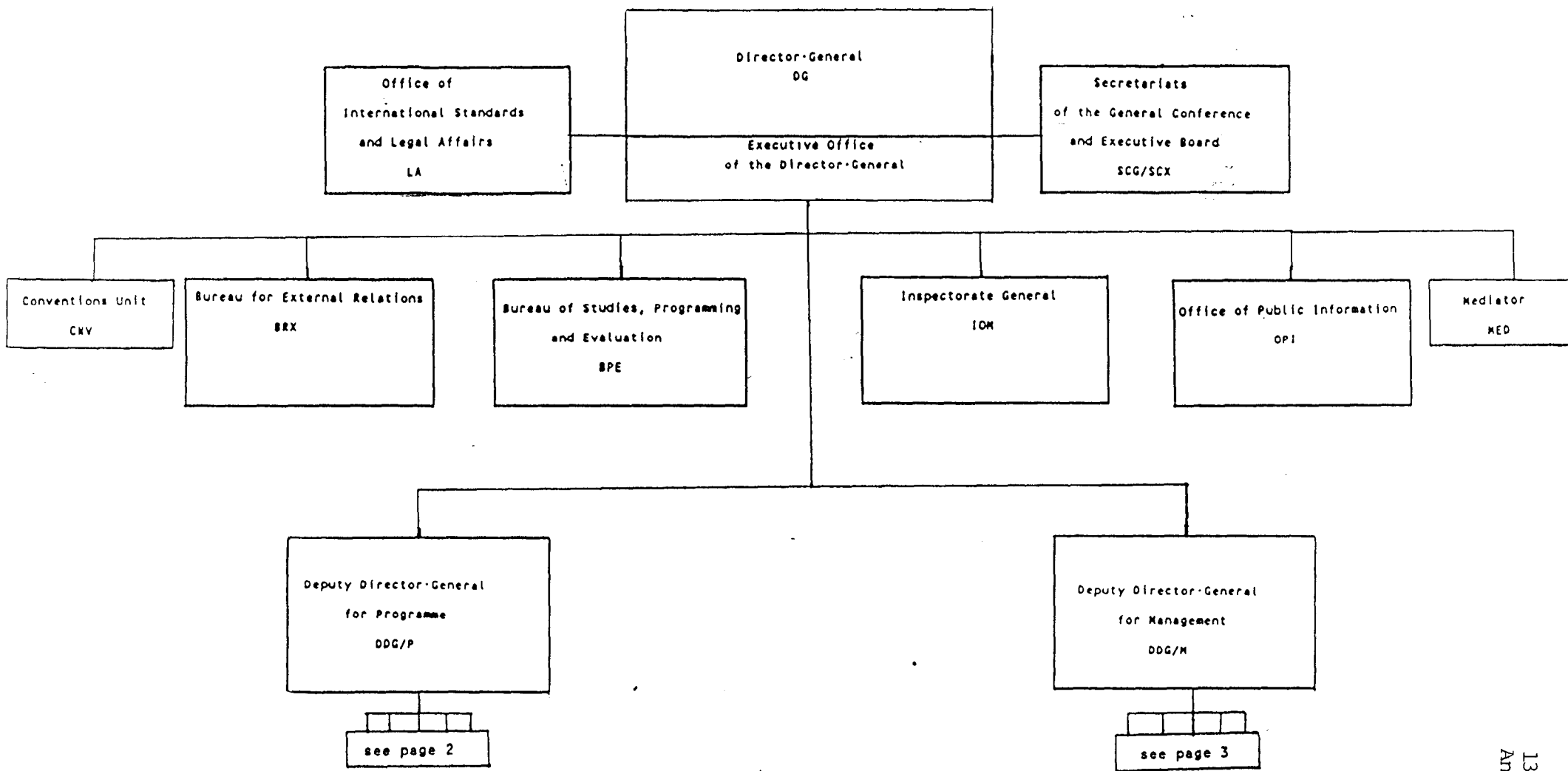
99. Any reform is a constantly changing process and so must be periodically evaluated and adjusted. It must, however, have a framework, a point of departure and a direction.

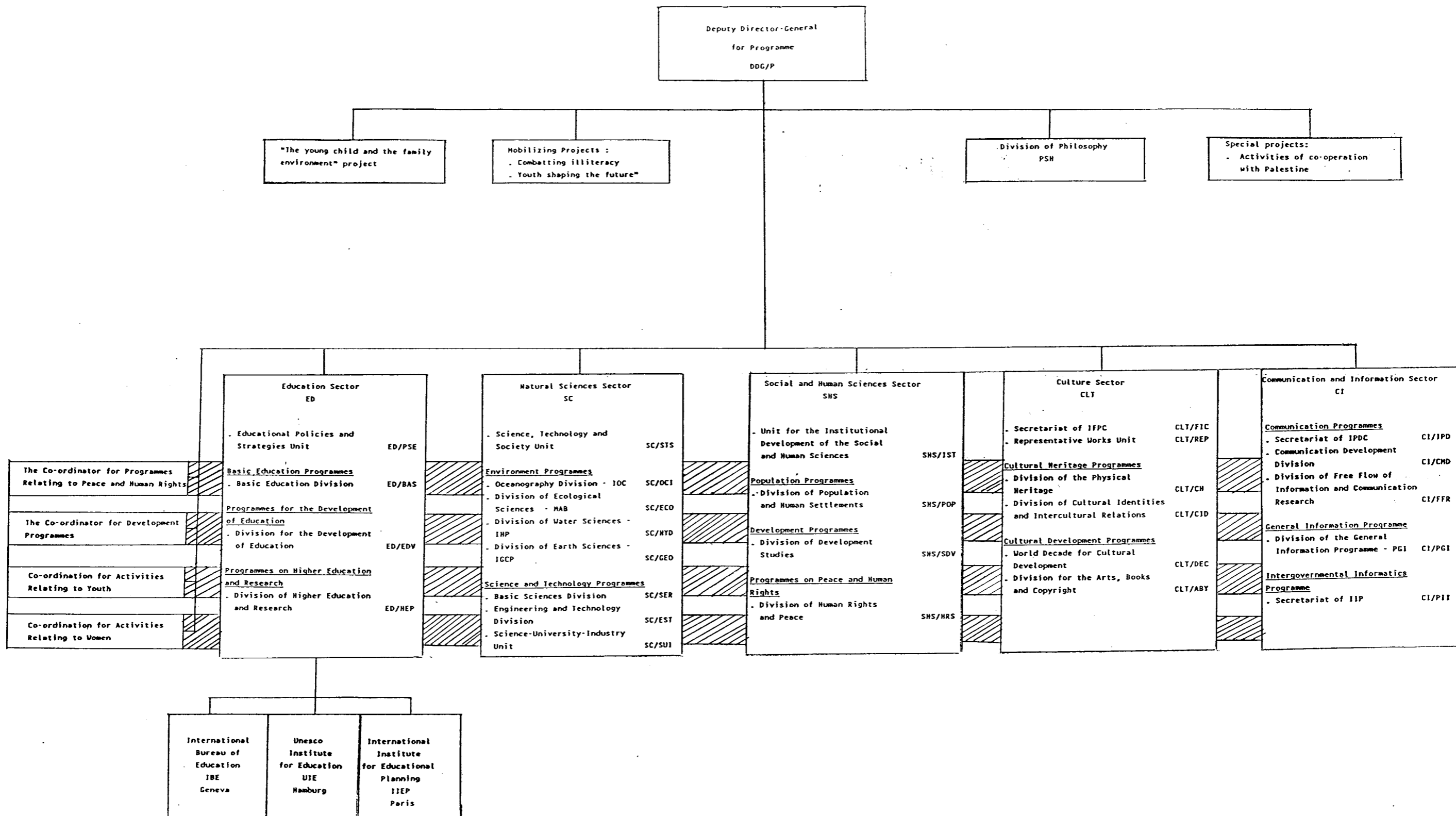
100. The framework is established by the principles enshrined in the Constitution and the resolutions of the General Conference. The point of departure is awareness of the need for far-reaching changes in the organization, running and methods of the Secretariat, as well as in attitudes. The General Conference underscored this fact as did the Hammarskjöld Commission when it stated that 'the contributions which Unesco could make in our rapidly developing and changing world will be lost unless critical reforms to the Secretariat are instituted as a matter of urgency'. The decisions - aimed at meeting the criterion of urgency - which have just been taken constitute an important first step on a long road ahead.

101. The direction in other words the objective, is to create a more dynamic, high-performance organization, better adapted to its new functions, in which initiative would prevail over repetition and creativity over routine.

102. Since this is a reform less of structures than of processes and attitudes, it constitutes a break with the past and, as such, causes temporary destabilization: nothing could be more normal. The point is that the change it involves is a change for all those who work in the Organization: it therefore requires as much individual adaptation as collective change. But everything possible will be done to ensure that these changes do not disturb the normal working of the Secretariat.

103. The programme reform was guided essentially by the concern for a more coherent international commitment on our part, as evinced by the setting of a number of objectives for which the Organization could expect to make significant progress and win the support of all its Member States. Concentration therefore went hand in hand with consultation and clarification of what Unesco's task in certain fields of action should be. Consultation and clarification are still of the essence; so too is coherence. It is important today to ensure that coherence exists not only in words but in deeds.





Note: The intergovernmental commissions and committees will enjoy functional autonomy within the structure.

