



THE PRESIDENT
OF THE
GENERAL ASSEMBLY

16 May 2008

Excellency,

I have the pleasure to enclose herewith the informal summary of the thematic debate entitled "Toward a Common Understanding on Management Reform", which was held on 8 and 9 April 2008.

I would like to take this opportunity to thank all Member States, the Secretary-General and other Secretariat officials, and also the Chairman of the Joint Inspection Unit, for their support and active participation. I am encouraged by the expressions of renewed commitment on management reform and call on Member States to achieve concrete progress in the near future.

I hope that the dialogue that took place during the thematic debate has contributed toward a common understanding on management reform and to stimulate further discussions and possible action on this important issue.

Please accept, Excellency, the assurances of my highest esteem and consideration.

A handwritten signature in black ink, appearing to read 'Srgjan Kerim', written in a cursive style.

Srgjan Kerim

All Permanent Representatives and
Permanent Observers to the United Nations
New York

**Informal Thematic Debate of the General Assembly
“Toward a Common Understanding on Management Reform”
8-9 April 2008**

INFORMAL CHAIR’S SUMMARY

1. Introduction

An informal thematic debate on the theme “*Toward a Common Understanding on Management Reform*” was organized on 8 and 9 April by the President of the 62nd General Assembly, H.E. Srgjan Kerim. The goal of the debate was to provide Member States with the opportunity to discuss, in an informal setting, central concepts of management reform and to relate them to a strategic vision of the future of the United Nations.

The President of the General Assembly invited Member States to present their views on relevant issues related to management reform, and, in particular, on three areas of crucial importance to the process of transforming decisions into delivered activities: *the way mandates are formulated, implemented and evaluated; the planning and budgetary process of the Organization; and, the management of human resources.*

The thematic debate was divided in two parts. On the first day, 8 April, the session was opened by the President of the General Assembly and the Secretary-General. Thirty-three delegations participated in the informal debate that followed: on behalf of groups were Antigua and Barbuda (G-77/China), Slovenia (EU), Mexico (Rio Group), New Zealand (CANZ), Iceland (Nordic Countries), Chile (Four Nations Initiative) and Argentina (MERCOSUR); and speaking in their national capacity were Cuba, Japan, United States, Egypt, Philippines, Belarus, China, Algeria, Pakistan, Singapore, United Kingdom, Switzerland, Republic of Korea, Kazakhstan, Liechtenstein, Sudan, Israel, Malaysia, Bangladesh, Indonesia, Russian Federation, India, Morocco, France, Iran and Brazil.

In the afternoon of the second day, 9 April, an interactive dialogue took place between the Secretariat and Member States. The Deputy Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Internal Oversight Services, and the Officer-in-Charge of the Department of Field Support presented initial remarks and answered to Member States’ questions. The Chairman of the Joint Inspection Unit also participated in the dialogue as a special guest.

2. Opening Session

The President of the General Assembly highlighted the crucial importance of management reform as a way to renew and retool the Organization in the face of evolving challenges. He reiterated the need for the Organization to become more effective, transparent and accountable to Member States. He said that for more than a decade the membership has discussed and agreed on many management reform initiatives. He listed decisions that have been made since the 2005 World Summit and stressed that much still needed to be done, including on the implementation side by the Secretariat. He emphasized the responsibility of every Member State to ensure

progress in the reform agenda, and called for greater coherence to past reform initiatives and for a common understanding of the future role of the Organization. He mentioned the work of the Four Nations Initiative as an example of Member States demonstrating leadership on the issue.

The Secretary-General said that management reform was essential to enable the United Nations to keep pace with growing demands. He mentioned that sound management was crucial to accomplish all the activities tasked, and warned about the growing gap between the number of mandated activities and the amount of resources available. He recalled that his reform proposals rested on three pillars: transparency, efficiency, and accountability. He emphasized the need for an integrated, multi-skilled and mobile global workforce, and regretted that the membership did not reach agreement on crucial items related to human resources in March 2008. He highlighted that information and communication systems have to be more integrated to respond to the needs of a global Organization. He referred to recent developments on accountability, such as the compact process and the new system of administration of justice. He stressed that Member States should also be accountable to the Organization by providing political, financial and human resources, and by ensuring the security of United Nations personnel.

3. Informal Discussions

Member States expressed their views on management reform in the informal debate of 8 April and in the interactive dialogue of 9 April. These included views on the three topics suggested by the President of the General Assembly. The key messages emerging from the two-day discussion were the following:

a. The way mandates are formulated, implemented and evaluated

Different views were expressed on the responsibilities of Member States and of the Secretariat in improving the mandate cycle.

As responsibilities of the membership, the formulation of clearer mandates was suggested as a way to improve accountability by defining more precisely the results that are expected from the Organization. Proposals were also made to include timeframes and criteria for completion of mandates; although some recognized that precision with regards to mandate formulation is not always possible. Some delegations also highlighted that the membership should exercise discipline in regards to mandate formation, bearing in mind the quantity of mandates adopted, the number of reports requested, and possible duplication and overlaps.

As responsibilities of the Secretariat, many delegations considered it essential that better quality information on the implementation of mandates be provided. Proper monitoring and evaluation mechanisms should be in place to ensure implementation and performance. It was also suggested that responsibility for implementation should be clearly assigned, and that information on the implementation of related mandates should be provided in order to avoid overlap and duplication.

A clearer link between mandates and resources was also pointed out as a way to enable the membership to make more informed decisions.

The efforts of the Co-Chairs on Mandate Review was recognized by many delegations. Some reiterated the need for the Secretariat to provide more information on resources. A suggestion was made to use the mandate registry as a tool to improve the mandate cycle.

b. The planning and budgetary process of the Organization

While some delegations felt that the budget process could be improved, others stressed that more could be done by the Secretariat to implement existing budget rules and regulations.

Some delegations stressed that the complicated budget rules and regulations undermine the main objectives of the budgetary process. They highlighted that the budget process should be simple, understandable and coherent, and that dialogue with the Secretariat should be improved. Although it was considered the responsibility of the Secretariat to ensure the efficient allocation of resources, it was recognized that the imbalance between resources and mandates have a negative effect on the budget process.

Other delegations emphasized the need for the Secretariat to implement existing budget rules and regulation. Ensuring full implementation of results-based budgeting, including through increased training of staff and delegates, was considered a priority. More information from the Secretariat on resources and results would assist the membership to decide on the adequate level of resources to implement mandates. The submission of documentation in time and translated in all languages was also considered critical.

Zero nominal growth in the budget was also criticized, as many considered that the Organization required increased resources to implement mandates agreed by intergovernmental organs, including on reforms.

The need for budget discipline and concern over the piecemeal approach to the budget was mentioned by some delegations. They also highlighted the importance of keeping the integrity of the budgetary process by anticipating resource needs, although others recognized the need for adjustments due to unexpected events. A suggestion was made that the Secretariat should find offsets to cover expanded activities on areas not related to peace and security.

Concerns were also raised that the recent increase in the regular budget did not give due priority to development activities. Some noted that a substantial part of the increase in the budget level resulted from decisions of the Security Council, in particular on Special Political Missions. A suggestion was made for the creation of a support account for these missions.

Many delegations reiterated the role of the General Assembly and other relevant subsidiary organs in the review and approval of all aspects related to the resources provided to the Organization. Some delegations suggested that the planning and budgetary process should focus more on strategic objectives and that Member States should acknowledge the different roles of the membership and the Secretariat in the process.

Delegations also noted that funding for core activities currently rely on extra-budgetary resources and should be made more predictable. Suggestions were made to further discuss the rules governing such resources, in order to increase transparency and trust. In this regard, it was felt that extra-budgetary resources should be used to support and not reorient priorities agreed by intergovernmental bodies.

Delegations also emphasized that the timely payment of the assessed dues by the Member States would contribute to improving the budget process.

c. The management of human resources

Many delegations consider it a high priority to improve the management of the human resources of the Organization, because of its direct impact on the delivery of mandates.

The need to provide adequate conditions for attracting and retaining high quality staff was stressed by many. In this regard, a decision by the General Assembly to streamline contractual arrangements and harmonize conditions of service was considered a pressing issue.

The membership also stressed the need to improve the gender balance and geographical representation of staff. Some proposals were made on: reforming the Galaxy system; increasing the number of National Competitive Examinations; reviewing the system of desirable ranges; subjecting extra-budgetary funded posts to geographical distribution; and applying the principle of equitable geographical representation to each department.

It was pointed out that a sound human resources policy requires an effective incentive system related to performance. Some also considered it important that the high level management be actively involved in human resources decisions and that the role of programme managers should be limited.

Many delegations highlighted the importance of ensuring greater transparency in the selection process of senior management, as this would improve trust and accountability. Suggestions were made to increase the involvement of the General Assembly in their appointment.

d. Other issues

Many delegations pointed out that questions of **trust and credibility** are at the core of current management shortcomings. While many emphasized the problems stemming from the mistrust between the Secretariat and Member States, citing recent decisions taken without sufficient consultation, others stressed the negative impact of divisions within the membership.

Many delegations considered it to be of utmost importance to enhance the **accountability and transparency** of the Organization as means to improve trust and credibility between the Secretariat and the membership. Clear lines of responsibility must be established, particularly with respect to high level officials, and information should be made available to Member States. The ability of the Organization to prevent corruption and mismanagement must also be improved.

Many delegations underlined that the **procurement** process should be more efficient, transparent and cost-effective and should include more opportunities for vendors from developing countries and economies in transition.

The need to strengthen the Organization's **development pillar** and its capacity on **preventive diplomacy** was also mentioned by delegations.

Advancements in **information and communication technology**, in particular the new Enterprise Resource Planning system, are expected to increase staff productivity and also to enhance accountability, by improving the quality of information provided to Member States.

Many delegations agreed that **management reform** is an important aspect of the overall reform, and that reform should lead to a more democratic, effective and representative United Nations. Reform was understood to be an on-going and long term process; and the need to find ways to fund it and to monitor its implementation was underlined. Delegations called for a holistic and strategic approach to management reform, although some pointed out that implementation could be incremental.

The membership clearly demonstrated a renewed commitment to move forward on management reform. Many mentioned the contribution of the "**Four Nations Initiative**" for stimulating the debate on the issue, although some reservations to their specific recommendations were also pointed out.

Some delegations expressed their willingness for a **follow-up**, and different ideas were presented in this regard, including having informal high-level meetings or continuing discussions in the 5th Committee. Part of the membership stressed its unwillingness to engage in parallel tracks to negotiate issues that are in the agenda of the 5th Committee. The role of the 5th Committee as the Main Committee of the General Assembly entrusted with the responsibilities on administrative and budgetary matters was highlighted by many.

4. Remarks by the Secretariat and Special Guest

The Deputy Secretary-General stressed the importance of holding senior management accountable for achieving management objectives through the compact process, and suggested its extension to other levels. She mentioned other initiatives taken under the purview of the Secretary-General such as the Human Resources Management Task Force. She requested support for the report on accountability framework, and, in particular, for the proposal of dedicated monitoring capacity. She deemed decisions in the near future on the new system of administration of justice and on the proposals for one contract and harmonized conditions of service to be crucial. She noted the concern of the membership with the senior management selection process, and mentioned that a manual on this issue will be published in September. She emphasized the importance of the new Enterprise Resource Planning system for increasing overall efficiency. She urged Member States to address the mismatch between mandates and resources in the development area.

The Chairman of the JIU, speaking in his personal capacity, highlighted that the management reform process started in 1986, with the report of the "Group of 18". He criticized the fragmented approach to reform and affirmed that the debate has not evolved much since then. He found fault with the lack of transparency and accountability and stated that new reform proposals must be analyzed in light of implementation of other initiatives in the same area. He also pointed out that reform is not necessarily costly, and that results-based management could lead to savings to be used on priority areas. In that regard, the JIU published three reports in 2005 that together could be considered to be a manual on how to implement results-based management. In his opinion, the recent report on accountability framework does not present new proposals. He emphasized that mandates must be precise, action oriented, and have a commensurate budgetary basis. Ambiguous language has led to the selective implementation of mandates by the Secretariat.

The Under-Secretary-General for Internal Oversight Services (OIOS) emphasized the importance of improving the budget dialogue between the Secretariat and the General Assembly. Budget is the key process in any organization and should be a vehicle to prioritize activities. She considered the current budget dialogue highly dysfunctional. Budget documents are based on old information, the focus is at an irrelevant level in substance, there is no strategic discussion, and there is no time to consider documents. The current system is well devised in theory and has all the necessary aspects (planning, budgeting, monitoring and evaluation), but its parts are disconnected. The budget is being used only for compliance, with resources being allocated before results are reported. She suggested that a project group should draw up a project on improved budget dialogue to ensure its relevance, efficiency and effectiveness and to monitor its implementation.

The Under-Secretary-General for Management underlined the close link between mandate cycle, accountability, and results-based management. The disconnect between mandates and the output-based budget has resulted in a proliferation of mandates without corresponding resources. She also thought that excess reporting is a problem because reports are often requested when Member States fail to reach an agreement. She noted the dissatisfaction with the piecemeal approach to the budget, but considered that budgetary discipline starts with mandate formation. She stressed that the add-ons are the result of decisions taken by the membership, including in the Security Council. Member States should decide on a budget level and prioritize activities in order to maintain it. She mentioned initiatives of the Secretariat on human resources management and on procurement activities. She also referred to the strengthening of internal controls, enhanced ethical procedures, measures to increase participation of developing countries and countries in transition, and the forthcoming report on procurement governance.

The Officer-in-Charge of the Department of Field Support stressed that management reform must improve the ability of the Organization to effectively run field operations. She underlined the challenge to recruit and maintain qualified personal on the ground, and the importance of streamlining contractual arrangements and harmonizing conditions of service. She also stressed that the increase in the size and number of missions placed a premium on strategic planning capacity. The Secretariat must be able to assemble missions and to fulfill budgetary and accountability requirements, accurately reflecting needs on the ground. It must be borne in mind, however, that planning should not prejudge political decisions. She also pointed out that the

Secretariat is responsible for rapidly deploying material and equipment, and observed that current rules and regulations are not well suited for this. She noted the dissatisfaction with the special measures and flexibility used by the Secretariat, and called for a special set of rules and regulations for mission start up.

5. Concluding remarks

The President of the General Assembly stated that the constructive engagement of Member States in the debate confirmed the crucial importance of management reform for the overall reform of the United Nations. He highlighted that this was the first thematic debate on the topic of management reform, and that he was encouraged to see that Member States were willing to engage the Secretariat to move the process forward. The President noted from the discussions the need for greater transparency and enhanced accountability as a means to promote trust and greater credibility; the importance to continue discussions on the areas of mandate cycle, budgetary process and human resources, as appropriate; and the need for a more strategic debate on how to set the overall policy objectives of the Organization. He emphasized that only through further open and transparent dialogue would Member States be able to reach a common understanding on how to improve the effectiveness of the Organization.

6. Proposals by Member States

A list containing some of the specific proposals presented by Member States during the informal discussions follows below. This list is for reference purposes and it does not reflect the level of support that each of the proposals received.

- Member States should attempt to formulate clearer mandates by defining more precisely expected results, and also by including information on timeframes and criteria for completion of mandates.
- Member States should also exercise discipline in regard to mandate formation, bearing in mind the quantity of mandates adopted, the number of reports requested, and possible duplication and overlaps.
- The Secretariat should provide better quality information on the implementation of mandates by improving monitoring and evaluation mechanisms, clearly assigning responsibility for implementation, providing information on related mandates, and establishing a clearer link between mandates and resources.
- Member States could use the mandate registry as a tool to improve the mandate cycle.
- The planning and budget process should be made simple, understandable and coherent, and should focus more on strategic objectives.
- The Secretariat must ensure the implementation of existing budget rules and regulations.

- The role of the General Assembly to review and approve all aspects related to the resources provided to the Organization must be respected.
- The budget documentation must be submitted on time and in all official languages.
- The Secretariat must fully implement results-based budgeting and training should be provided to staff and delegates involved in the budget process.
- The Secretariat should anticipate, to the extent possible, resource needs in order to ensure the integrity of the budgetary process.
- The timely payment of assessed contributions by Member States is a fundamental part of the budget process.
- Member States should provide resources commensurate to the mandates approved, as zero nominal growth in the budget has led to an imbalance between resource and mandates with a negative effect on the budget process.
- The amount of resources from regular budget to development activities should be augmented, so as to maintain the balance between the three pillars of the Organization.
- Management reform must be adequately funded and its implementation must be monitored.
- The Secretariat should find offsets to cover expanded activities in areas not related to peace and security.
- A support account for Special Political Missions could be created.
- Core activities of the Organization should not rely on extra-budgetary resources.
- Member States should further discuss the rules and regulations governing trust funds, in order to increase their transparency and to ensure that extra-budgetary resources are used to support, and not reorient, priorities agreed by intergovernmental bodies.
- Member States should reach an early agreement on the streamlining of contractual arrangements and the harmonization of conditions of service so as to ensure that high quality staff is attracted and retained.
- Gender balance and geographical representation of staff must be improved, and suggested measures included:
 - reforming the Galaxy system;
 - increasing the number of National Competitive Examinations;
 - reviewing the system of desirable ranges;
 - subjecting extra-budgetary funded posts to geographical distribution;
 - applying the principle of equitable geographical representation to each department.

- An effective incentive system related to performance should be part of the human resources policies of the Organization.
- The high level management of the Organization should be actively involved in human resources decisions and the role of programme managers should be limited.
- The selection of senior management should be more transparent and the General Assembly should increase its involvement in the process.
- The procurement process should be more efficient, transparent and cost-effective, and should include more opportunities for vendors from developing countries and economies in transition.
- The Organization needs to strengthen its development pillar and to improve its capacity on preventive diplomacy.
- Advancements in information and communication technology should focus on improving staff productivity and the quality of information available to Member States.