

STATUS OF UN MANAGEMENT REFORMS AS AT 18 July 2005

Management Reform Measures to Strengthen Accountability, Ethical Conduct and Management Performance

The importance of effective multilateralism and the unique role of the United Nations in development, security and human rights are reaffirmed in the Secretary-General's "In Larger Freedom" report submitted to the General Assembly in March. That report includes broad proposals to accelerate management reform of the Secretariat to make it more flexible, transparent, accountable and equipped to deal with the needs and challenges of the 21st Century. These measures are part of a longer-term series of reforms launched in 1997 and reinforced in particular with three packages of change initiatives since then: namely, the Brahimi report on UN peace operations, the 2002 Agenda for Further Change and last year's overhaul of the staff security system.

The current phase of reform comes at a particularly crucial time for the UN. The Secretariat has faced an unprecedented series of organizational challenges which have exposed flaws in the way it conducts its business. As a result, the UN must take real action now where it is in the Secretary-General's authority to do so directly, particularly in the critical areas of management, oversight and accountability. The reform initiatives summarized below are already underway and most will be fully implemented within the next few months, with the exception of those that require Member States approval. While the preparation for many of the steps predates the problems revealed over the past year, the initiatives also explicitly seek to address both the serious concerns expressed by UN staff in last year's Integrity Perception Survey, and the recommendations of the Independent Inquiry Committee led by Paul Volcker into the Oil-for-Food Programme.

I. Improving the Performance of Senior Management

A series of steps are being taken to streamline and improve the decision-making processes of the Secretariat, open up the recruitment process and enhance training and development of senior officials.

- **Introduction of executive-level decision-making committees**

The existing Senior Management Group, established in 1997, and comprising all Heads of Secretariat Departments and UN Offices, Funds and Programmes, has improved coordination and coherence within the UN family. In practice, however, while having real utility as an information-sharing body, it has proved too large for effective and timely decision-making. As a result, two new, senior committees chaired by the Secretary-General – one dealing with Policy issues and the other on Management –

have been created to enhance the quality and speed of top-level decision-making. The *modus operandi* of these committees will ensure clear, action-oriented outcomes with better definition of responsibility areas and timelines for implementation.

Status: The Policy Committee has met six times since its creation in early May 2005. It has presented the Secretary-General with policy options on a wide range of issues. The Management Committee held its first meeting on 20 May to review progress on several of the ongoing management reforms. It met again on 12 July to endorse a number of reform proposals.

▪ Selection system for senior officials

Historically, the selection process for senior UN officials has been opaque and not sufficiently focused on the growing needs for management as well as political expertise in candidates. To address this, a transparent new selection system has been introduced to ensure a much wider search for qualified candidates and a rigorous, open selection process against pre-determined criteria for all new heads of UN Funds and Programmes. This will help build a new generation of UN senior leaders, recruited on the basis of merit, and a proven combination of substantive, political, managerial and leadership skills. The Department of Peacekeeping Operations (DPKO) is also developing new criteria for the appointments of its senior-level field managers.

Status: Several high-level appointments have been made in the last six months using the new selection system – including that of the UNDP Administrator Programme, Kemal Dervis, the Under-Secretary-General for Internal Oversight Services, Inga-Britt Ahlenius and the new UN High Commissioner for Refugees, António Gutierrez.

▪ Induction of senior officials

Given the findings of the Volcker Inquiry and other instances of alleged misconduct, it is clear that a more robust approach is needed to ensure that once senior officials are appointed, they are properly briefed on the broader system of UN rules, regulations, codes of conduct and managerial systems.

Status:

DPKO piloted its first Senior Leadership Induction Programme from 20-25 June for a group of newly appointed leaders in a number of field missions. The Programme included sessions on conduct and requirements for management performance. It is intended that this will take place twice a year. At the same time, OHRM is developing a broader induction programme for senior-level recruits in the rest of the UN Secretariat. It is expected that this will be launched in the fall of 2005.

II. Enhancing Oversight and Accountability

Perhaps the most obvious shortcomings identified by the Volcker Inquiry and other crises are in the area of oversight and accountability. The current “control” systems for monitoring management performance and preventing fraud and corruption are insufficient and must be significantly enhanced.

- **The Management Performance Board**

In order to ensure a rigorous monitoring of individual offices and managers, a Management Performance Board (MPB) has been created. It will systematically assess the performance of senior managers, bring to the Secretary-General’s attention instances which require his attention, and advise him on suggested corrective action, where necessary.

Status: The Deputy Secretary-General chaired the first organizational meeting of the MPB on July 6th. A review of existing sources of managerial performance data was conducted and gaps were identified. The Department of Management will review strategic reporting models used in other comparable organizations, with a view to establishing a set of qualitative and quantitative benchmarks for the Board’s periodic review. A new system of reporting will be considered at the next meeting of the Board in the fall of 2005.

- **The Oversight Committee for the UN Secretariat**

To address shortcomings identified by both the General Assembly and the Volcker Inquiry and to increase the effectiveness of the oversight function, a new Oversight Committee is also being established. The Committee, which will have three internal and two external members, will ensure that appropriate management action is taken to implement the recommendations of the Office of Internal Oversight Services, the Board of Audit and the Joint Inspection Unit. A new tracking system is being piloted for better follow-up of the 500-plus important audit recommendations issued each year.

Status: The Terms of Reference for the Committee have been finalized and are ready for issuance. The three internal participants have been identified. Selection of the two external participants is being finalized. The Committee will convene its first meeting later this summer and meet quarterly thereafter.

- **Comprehensive review of OIOS**

In November 2004, the Secretary-General recommended to the General Assembly that the Office of Internal Oversight Services (OIOS) undergo a

comprehensive external review to strengthen its independence and authority while ensuring it is fully equipped in terms of resources, expertise and capacity to carry out all aspects of its work. That recommendation was reiterated in the Secretary-General's "In Larger Freedom" report. In addition, the General Assembly has asked the Secretary-General to report on how to guarantee the full operational independence of OIOS in the upcoming session this fall.

Status: The Secretary-General's recommendation is currently before the General Assembly. It is also anticipated that the outcome document for the September Summit will contain measures to strengthen the independence of OIOS. In addition, the new Under-Secretary-General for Oversight Services took up her duties on 15 July 2005. She has a one-term, non-renewable term of five years.

- **Enhanced Anti-Fraud and Corruption Policy**

The UN already has in place various rules and policies designed to prevent fraud and corruption. However, following a recommendation of the UN's external auditors, it is now consolidating them into a stand-alone, comprehensive anti-fraud and corruption policy. The policy will draw on existing best practices, including the model recently developed by the World Bank.

Status: A working group is currently developing a draft policy under the leadership of the UN Comptroller, with input from the UN Funds and Programmes. A final policy is scheduled for completion in September.

III. Ensuring Ethical Conduct

In direct response to the concerns about fairness and integrity raised in last year's Integrity Survey among UN staff, and to prevent the reoccurrence of such damaging incidents as the exploitation reported in certain peacekeeping missions, misconduct of senior officials and harassment in the workplace, the UN is implementing concrete steps.

- **Whistleblower protection**

The results of the Integrity Survey indicated that staff had little confidence in the Organization's ability to provide sufficient protection for whistleblowers. A review of best practice was conducted, using the expertise of a consultant recommended by Transparency International. The Secretary-General has now issued a robust new whistleblower policy and is seeking the views of staff before formally promulgating it. The policy is designed to reassure staff that they will be protected against retribution when reporting on misconduct. The release of the draft policy

was accompanied by a circular (ST/IC/2005/19) outlining to staff all existing avenues for the reporting of misconduct.

Status: A formal consultation has been held with Staff Representatives around the world. In addition, a number of other staff have provided useful comments on the first draft of the policy. A new draft, addressing key policy concerns and comments, is currently being finalized, after which a final round of staff consultations will be undertaken.

▪ Incorporating Ethics into staff training programmes

A new training module in the form of a CD-ROM on integrity and ethics provisions has been developed. The intention is that all levels of Secretariat staff would be required to complete the module. In addition, ethics modules have been added to all existing training programmes for UN staff and managers.

In addition, a UN-wide ethics training and certification programme entitled “Harassment, Sexual Harassment, & Abuse of Authority” has also been developed, in collaboration with the UN Development Group. It is intended to reinforce the UN’s zero tolerance policy.

Status: The CD-ROM will be ready for launch at the end of July. The launch of the UN-wide ethics training and certification programme will be rolled out over the summer with versions ready in six languages by the fall.

▪ Responses to allegations of sexual misconduct by field personnel

The Organization is taking systematic disciplinary action where individual cases of sexual exploitation and/or abuse have been identified. Across all missions, 186 peacekeepers have been investigated over the past 20 months; seven UN civilian staff have been fired and 80 “blue helmets” have been expelled from missions. Investigations are ongoing in several missions including Burundi, Cote d’Ivoire, the Democratic Republic of Congo, Liberia and Haiti. In addition, a number of short, medium and longer-term initiatives are underway:

- The introduction of a unified standard of conduct across all categories of peacekeeping personnel. Training has been integrated into all mission induction programmes.
- Credible complaints mechanisms have been established in all missions, including telephone hotlines and confidential email accounts.
- A global review on the state of discipline in peacekeeping missions was undertaken by OIOS in April 2005 and the resulting report is currently being finalized.

- Missions are ensuring that victims of sexual abuse are referred to existing emergency assistance in the mission area (medical, psycho-social, legal).
- DPKO has established a conduct and discipline unit at UN Headquarters, which is expected to be fully operational by September 2005.
- Over the coming months, similar units will be established in eight DPKO missions. They will focus on preventing misconduct through various means including training, monitoring and providing improved welfare and recreation facilities. Missions will continue to work with in-country networks developed to better coordinate and share information.
- In the longer term, the Secretary-General will undertake a comprehensive review of the welfare and recreation needs for all peacekeeping personnel as well as the development of a comprehensive strategy for victim assistance. New agreements with troop-contributing countries and UN partners will be developed and promulgated. In addition, a group of legal experts will be examining ways to ensure that UN staff and experts on mission are held responsible for the consequences of criminal acts committed in countries where no functioning judicial system exists.

Status: In June 2005, the General Assembly approved the creation of 19 new OIOS investigator positions as well as additional investigative resources for following up allegations of misconduct in peace missions. Resources were also earmarked to enhance the Department of Peacekeeping Operation's capacity for supporting and advising staff on conduct-related issues. A multidisciplinary workshop on victim assistance, drawing on the experience of Member States and civil society groups, was held on 16-17 June 2005.

Financial Disclosure Policy for Senior Officials

The UN Department of Management has conducted a review of disclosure practices in comparable organizations with a view to expanding the scope of financial disclosure currently required of senior officials, including those employed on a short-term basis or under special conditions. The appropriate mechanisms for monitoring these disclosures are also under review for immediate strengthening.

Status: The proposed new elements of the policy will be submitted to the Management Committee on 12 July. A new Administrative Instruction containing the new requirements for financial disclosure will be issued shortly thereafter.

- Enhancement of Codes of Conduct/Conflict of Interest rules

While the UN has in place a detailed Code of Conduct, it has not been disseminated to staff in an effective manner. The Office of Human Resources Management (OHRM) is reviewing the practices of other organizations in disseminating such information in more accessible and easy-to-read forms (web pages, handbooks, orientation guides, etc). Special additional rules are also being developed for staff engaged in procurement activities. A UN Supplier Code of Conduct is also being formulated.

Status: Materials should be produced and ready for dissemination in the fall.

- Protection against harassment in the workplace

While the UN has a strict sexual harassment policy in place, OHRM is now finalizing a new, broader policy to encompass wider forms of harassment for consultation with the Staff Representative bodies. It is also assessing more effective ways of disseminating the provisions of this new policy.

Status: This policy will be discussed with staff representatives at the next Staff Management Coordination Committee later this year.

IV. Increasing Transparency

- Access to Information

Currently, there is no established policy for determining which UN documents should be accessible outside the Secretariat. While a large number of documents are currently accessible, the UN needs a clear and consistent policy that increases transparency while ensuring confidentiality where needed. The Office of Legal Affairs has carried out an assessment of best practices in public administrations around the world. The Management Committee is monitoring this work and will provide recommendations.

Status: Various access to information models in different countries have now been reviewed. The Management Committee has requested Office of Legal Affairs to develop a comprehensive assessment and make recommendations. A new policy will be formulated during the course of the fall for possible consideration by the concerned intergovernmental bodies..

- External validation of the UN procurement system

The Volcker Inquiry was critical of various UN procurement cases in the early years of the Oil-for-Food Programme. Since the mid-1990s, a major overhaul of the UN's procurement process has been undertaken, making it more transparent and addressing many shortcomings identified in a

number of different reviews. In the light of issues raised by the Volcker Inquiry, the UN Department of Management commissioned a new review to benchmark the current system against the outside practice to ensure that the improvements meet the highest global standards.

Status: A competitively-selected external consultancy completed its review in June 2005. The Management Committee will consider the consultant's recommendations at its next meeting.

- Policy guidance on pro-bono contracts

A working group led by the Office of Legal Affairs has drafted a new policy on the provision of pro-bono goods and services offered to the UN, building on a body of disparate existing practice and precedent.

Status: A draft policy is now before the Management Committee for approval. A circular containing the final guidance will be issued to all Secretariat offices in August 2005.