



United Nations Management Reform

A Perspective

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Introduction

In September 2005, the General Assembly of the United Nations held an exceptional session attended by a large number of heads of States and governments to evaluate the work of the organization in the past 60 years and agree on a strategic vision to guide it in the future. Many were skeptical about this Summit as being "just another high profile meeting," but in essence, the World Summit of 2005 was an opportunity for Member States to reflect on the current state of affairs at the UN and initiate a reform roadmap to take the organization into the 21st century.

While the resolution adopted at the World Summit¹ addressed a multitude of subjects, there was a nagging need to devote special attention to the areas of management and administration. Management reform was seen by many as the most important element in the overall UN reform equation. Not only because it is directly linked to financial resources but also because the overall future success of the organization may very well depend on its ability to adopt genuine and sustainable managerial and administrative reforms. In this context, one can firmly argue that failure to take progressive measures in the areas of management and administration would undermine other reforms in the organization and put to question the credibility of the UN and its future role as the World's supreme multilateral body.

As one attempts to understand the dilemma of UN management reform, one must keep in mind that the recent commitment of the world leaders as contained in the World Summit Outcome document is only one episode in the reform efforts that started almost a decade ago. Secretary General Kofi Annan launched

¹ The views in this paper reflect the personal views of the author.

an enthusiastic campaign to address issues related to management and financing reforms as early as 1997 and submitted a series of reports² for the consideration of the General Assembly. In the Millennium Declaration the GA resolved "to ensure that the organization is provided on a timely and predictable basis with the resources it needs to carry out its mandates"³ and urged "the Secretariat to make the best use of those resources."⁴ Since then, the issue of management reform started taking center stage and reform efforts were reported to the Assembly regularly as part of the reporting on various agenda items.⁵

As this "management reform fever" swept the United Nations, it was constantly accompanied by endless debates and discussions regarding the division of labor between the Secretariat and Member States. On the one hand, Member States felt that their position as the "ultimate decision makers" in the organization was being compromised by some of the proposed changes and thus argued against them. On the other hand, the Secretariat constantly accused Member States of "micro management" and argued that it was deprived of the tools to carry out its management responsibilities efficiently and effectively. Interestingly enough both arguments were valid to an extent and the reciprocal feelings of unease evolved into a general sentiment of distrust.

In this context, it must be acknowledged that introducing organizational change of any kind is always uncomfortable. Change entails uncertainty for the stakeholders with regard to future rights, responsibilities, privileges and roles and because of this very reason, reform efforts must be transparent and participatory in nature. As we embark on an effort to reform management at the UN, we must be fully cognizant of the magnitude of the challenge the UN is up against. Anything short of a full understanding of such challenge would hinder our ability to reach sustainable solutions and render our efforts obsolete.

The essence of the problem

It is no secret that the United Nations today is a much different organization than the one established in 1945. The UN's agenda expanded tremendously in recent years and its focus is no longer strictly political or economic. Member States have mandated the United Nations to deal with a multitude of issues and find solutions to problems ranging from preservation of international peace and security to promoting sustainable economic development to poverty and disease eradication as well as peace building and the promotion of human rights. One would only need to consider the exponential expansion in the UN's financing requirements to realize the extent of the vast responsibilities that Member States entrusted the UN with. The United Nations regular budget increased from \$2.6 billion in the biennial 1996-1997 to \$3.6 billion in the biennial 2004-2005. Peace keeping operations budgets expanded at a faster pace from \$2.2 billion to over \$9.4 billion for the same period as the number of mission increased. All in all, the total resources available to the organization including extra budgetary⁶ (6) funds

doubled between the biennia 1996-1997 and 2004-2005 to reach \$18.5 billion.⁷ (7)

This vast expansion in mandates and responsibilities necessitated an increase in staff at all levels both for substantive and support activities. The UN also underwent changes in management structures, human resource policies, information technology, procurement and security requirements, to name a few. In many ways, the UN could not afford to be a static organization any more and needed to evolve into an agile body with rapid deployment capabilities and a multidisciplinary expert staff that is capable of handling the wide range of issues on its agenda. However, this rapid pace of change in responsibilities as mandated by Member States far exceeded the ability of the organization keep up. The Secretariat exerted tremendous efforts to handle the new reality but found that its efforts were no match to the continuous increase in the workload. One could even argue that the rapid rate of change in the organization made long term strategic planning difficult especially with the old management tools the UN had at its disposal. The Secretariat's mode of operation was reactionary in nature and while that mode may have served a short term requirement or fulfilled an immediate need, it led the organization into becoming a classic bureaucracy with multiple layers of management, parallel lines of reporting, overlapping responsibilities and structures as well as a complete absence of effective responsibility and accountability mechanisms. In its attempt to keep up, the Secretariat submitted proposal after proposal on financial and management issues for the consideration of and decision by the General Assembly but such proposals were often unclear, incomplete and lacked proper justification. Naturally, they did not enjoy the support of the Assembly especially if they entailed additional financial appropriations.

As much as one is tempted to think that the United Nations could have done better in managing its added responsibilities within the resources it had, it is difficult to ignore the financial constraint imposed on the organization and assume that added efficiency could have replaced the need for more resources. It remains disturbing that Member States were quite generous when it came to entrusting the United Nations to implement new mandates yet, allowed very little growth in its regular budget. The expansion of the agenda of some of the UN's main organs could have never been financed from the "existing resources" of the organization. This cliché which plagued many GA resolutions on budgeting and management was the way member states naively thought they could impose fiscal discipline on the organization. Clearly, fiscal discipline was not realized as the organization drifted into higher levels of inefficiency.

It is of no surprise therefore that "lack of resources" was sighted repeatedly in the report of the Secretary General "investing in the United Nations: for a stronger Organization worldwide" as the reason why the organization could not

have done better in different areas. The organization grew to rely on extra budgetary resources as a mechanism to help it keep up with new demands despite the fact that such resources were meant to compliment regular budgetary allocations rather than replace them. Member States chose to be in denial of the need to increase the resources available to the organization and a couple of decades later realized that the status quo cannot be maintained. The stakeholders are now convinced that management reform at this stage is a must but it will be costly, time consuming and politically more difficult.

In essence, the current management state of affairs in the United Nations is a natural outcome of an interaction process between the Secretariat and Member States that can at best be characterized by relative unease, lack of cooperation and deep distrust. The Secretariat failed to provide Member States with the full and necessary information for proper decision making. Lack of clarity of the Secretariat's proposals and weak justifications reinforced the General Assembly's fear of losing control and glorified its suspicion of "hidden agendas." In the eyes of many Member States, the secretariat disregarded their directives and was selective in implementing their mandates. Having said that, Member States also contributed to the deteriorating situation since their discussions shifted from substance to political posturing and score settling. The consultations the GA held on management and budgetary matters were reduced to endless debates over the allocation of posts and more often reciprocating of blames. It is even more disturbing that the outcome of such endless debates reflected the lowest common denominator of positions which rendered the resolutions vague and difficult to implement. On a slightly different but certainly relevant note, some Member States could not make up their mind regarding the independence of the Secretariat and the preservation of article 100 of the charter. Despite the repeated pronouncements to the contrary, major financial contributors could not resist the temptation of intervention and the exertion of influence on the Secretariat whenever possible.

The end result was the subordination of the interest of the United Nations to that of individual Member States or regional groups. The membership of this organization failed to realize the fact that the supreme interest of the United Nations is above and beyond the narrow mathematical sum of the so called interest of membership. For management reforms to succeed, reform effort must focus on this fact. Reforming management at the United Nations is a collective responsibility and as such, no one party can claim credit for it. Equally so, failure to achieve management reform is a collective failure and no regional group can be singled out and blamed for it.

A closer look at the current reform efforts

The United Nations has been the subject of a great deal of criticism and attacks in the last few years. The organization was plagued by many scandals that

touched the very core of the organization's reputation and credibility. The Oil for Food scandal and the multiple reports of sexual or financial misconduct on the part of UN personnel in Peace Keeping Operations and at headquarters put the UN in a very peculiar position. These scandals raised concerns not only about the ability of the UN to sustain and deliver but also put to question its role in the future. While the need to take swift action against those who were responsible for the scandals was never greater, many felt that the UN's handling of such scandals did not match their gravity. Launching independent investigative efforts or suspending the service of some personnel was considered by many as nothing more than a slap on the wrist. While the political will to take swift action was not really put to question, many questions were raised about the reasons behind the continuation of such violations and more so about the ability of the UN to prevent them or handle them if they occur. As the UN navigated through the rough waters of media campaigns and membership's calls for accountability and better management, the UN had to launch a counter offensive. This counter offensive aimed at restoring its credibility and role and thus, had to address all aspects of the organization's work including issues such as accountability, responsibility, oversight, internal controls, and delegation of authority. There is no doubt that the World Summit of 2005 was part of this counter offensive to restore the credibility and reputation of the United Nations. The Outcome document of 2005 served to reiterate the consensus of the world leaders that the UN not only should be maintained and strengthened but also that specific steps will be taken to achieve this end. Unfortunately, the credibility of the organization could not be restored by the mere adoption of a document. Delegations realized that their linguistic exercise to reach an agreement on the elements contained in the Outcome document was only the tip of the iceberg since the serious work would only start when the vision of the document would be implemented. As far as management issues and related topics, the Outcome document was limited to general principles that may have appeared previously in past resolutions or other UN documents. Even the specific section that dealt with management reforms was nothing but a statement of good intentions and not one that was detailed enough to provide a clear road map. The stance of the document weakened as events unfolded in the last few months of 2005 especially with the results of the 2006-2007 biennial budget negotiations along with the inability or unwillingness of Member States to reach a solid agreement on the specifics of the process ahead. But then it would have been politically impossible for any party to even question the Outcome document since it became the scripture of the UN and other UN terms of reference including past resolutions were virtually subordinated to it. This rendered the process of management reform more vulnerable to the all too familiar deficient interaction process between the Secretariat and Member States.

In a way, this was not surprising since for change to succeed in any organization let alone one as complex and controversial as the United Nations, it must be gradual, methodically applied, inclusive and collaborative. Unfortunately, the process that led to the adoption of the Outcome document was neither. It was motivated by political pressures by some of the major players, it set artificial deadlines and the negotiations that led to it were less than inclusive in the eyes of many. The nagging question that accompanied this process was whether Member States' end goal was to accomplish genuine reforms in the ways the organization is managed or simply to adopt a document to take back to their capitals claiming that the organization has been reformed. In other words, were the advocates of management reform more interested in the process or the outcome as such distinctly different goals would require distinctly different courses of action.

The predominantly political motivations behind the efforts to reform the UN's management and the deficient process through which some thought management reform could be introduced are the very reasons why the efforts underway in their current format are bound to fail. The political differences and the positions presented at the multiple briefings and side discussions preceding the release of the Secretary General's report "Investing in the United Nations: for a stronger Organization Worldwide," was indicative of the wide gap in the positions of the stakeholders. This gap not only reflected a difference in the assessment of the state of affairs in the organization but also a difference in visions and modalities to achieve the proposed reforms. As one would expect, the issue of financial resources was essentially at the heart of the management reform discussions. Despite the fact that the increase in the financial requirements of the United Nations and the "rising cost of running the organization" was seldom referred to by major contributors like the United States, Japan and the EU, such major contributors were constantly uneasy about it.

In the case of the United States, US representative Henry Hyde of Illinois introduced the "UN reform Legislation" which links US payment of its dues to achieving measurable reforms. In the words of Mr. Hyde, "we are opposed to legendary bureaucratization, to political grandstanding, to billions of dollars spent on multitude of programs with meager results, to the outright misappropriation of funds represented by the emerging scandal regarding the Oil for Food program." This kind of pressure from national governments prompted representatives of the major contributors to scrutinize every expense and every activity to a point where describing the debates of the General Assembly on budgetary and management matters as Micromanagement would have been an understatement. Clearly, there was a great deal of confusion about the real goal to be achieved since the focus was on reducing budgetary requests by different departments to lower the overall budget level and by extension reduce the

burden on member states. Yet this came at the expense of the ability of the organization to deliver in different areas. In essence, lowering the cost of running the organization was constantly confused with realizing higher rates of efficiency even though the two concepts are obviously different. Long term economies of scale and lower cost of operation are an outcome and a direct result of realizing higher rates of efficiency, not the other way around.

Unfortunately, the substance of the issue at hand was virtually lost in the endless discussions on the elements contained in the SG's report, its forum of discussion and decision making and how such forum would not duplicate other fora in which some of the topics were to be discussed. Lack of the necessary level of details in the proposals and the clear disconnect between some of them and the contributions they make to improving management at the UN complicated the discussions even further. The General Assembly found itself in an all too familiar situation having to make decisions based on incomplete information. Thus, it reacted in its usual manner seeking additional information and being less forthcoming vis a vis the proposals.

As the process continues and as Member States embark on a substantive discussion of the recently issued detailed report of the SG on management reform, it is essential that all stakeholders take a step back and carefully reflect on the past few months and think long and hard about how they want to continue this process. If the future discussions on reforming UN management will continue to be motivated by political agendas, financing threats, resistance to change or utter denial of its necessity then it is very difficult to see how real change can be achieved. Reforming management at the United Nations should not be held hostage to threats of withholding the payment of dues and ditching Member States' responsibilities as stipulated in the charter nor should it be a function of some member's aspiration for special status in the organization. At the same time, utter resistance to change and the unjustifiable constant refusal to genuinely engage in the process of management reform would only invite retaliatory behavior and further complicate and politicize the discussions. Genuine change cannot be imposed and real reform can only be brought about if there is a broad agreement on the vision of change and the modalities to achieve it. Resistance is expected but the stakeholders can be motivated to accept it. For this to happen, a truly collaborative effort is needed in which the stakeholders abandon political posturing and stick to sound management principles as their guide to achieving the hoped for results. Only then can the membership claim to have made a contribution to preserving the organization, its role and credibility as the supreme multilateral body in the world.

Conclusion

Clearly, the issue of management reform in the United Nations deserves the membership's utmost attention as it is a prerequisite for the future sustenance and survival of the organization. It is both complex and sensitive and while I have advocated a "sound management" approach to fixing the current deficiencies, the intergovernmental nature of the organization must always be taken into account. Ignoring this fact will only perpetrate more complications and further threaten potential achievements. Politics and special interests will always be variables in the reform equation but it is up to the membership to decide what is a priority for them; scoring menial points and reciprocating blames or uplifting the organization to a higher standard that is worthy of its role. While the reform efforts of the past have been fragmented and many reform processes ran in parallel, their results must be thoroughly analyzed and reasons for failure completely understood. Launching a reform vision that ignores past efforts and does not address the concerns of all stakeholders will never translate into reality.

In the end, the United Nations is not a random entity that evolved into its current form but rather one that was created, financed and mandated by its members to take certain actions or conduct certain tasks. By their very nature, legislative processes are arduous, time consuming and in the eyes of many, relatively inefficient. Yet, I do not think we have heard voices advocating giving up such processes because they take too long or cost too much. What is also of grave concern is the perpetuation of the notion that the United Nations is this hideous organization that is out there to waste international taxpayers' money. As absurd as that notion is, one finds many willing to entertain it and use it as a way to criticize the organization and create an impression of its failure. To the best of our knowledge, the United Nations has not failed. It has lived up to the expectations of its members and repeatedly fulfilled the mandates it was entrusted with. For those who feel that the UN's role can be replaced by regional arrangements or otherwise, it is difficult to think of a single organization that can be created today with expertise in the diverse areas that the UN is involved in. Therefore, preservation of the United Nations should be the priority of all of its members as every member regardless of size or financial contribution stands everything to lose if the United Nations is compromised in the future.

It must also be kept in mind that management reform is a long process and gradualism is a virtue in this case. Despite the frustrations of different members about the way the organization is run and the pressures that such members are subjected to by their national constituencies, changing the way the organization is run will take time. Emphasis should be placed on launching a focused effort and sustaining it long enough to bare its fruits. Any illusion that there is a fast track approach to management reform will prove to be nothing but an illusion. It remains to be seen whether the membership and the Secretariat are collectively

willing to rise up to the responsibility and take the necessary steps to change the organization or just settle for another round of endless discussions with marginal contribution to improving management in the organization.

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¹ The World Summit Outcome Document contained in General Assembly Resolution A/Res./60/1.

² Reports such as those contained in A/51/950 (Renewing the United Nations: A program for reform); A/53/948 (United Nations reform: Measures and proposals); A/54/2000 (We the people.: The role of the United Nations in the 21st century); A/57/387 (Strengthening of the United Nations: An agenda for further change) among others and their corresponding resolutions may not have been management reform specific. Yet, they served to inform Member States and those concerned of the need to address this issue. More recently, the General Assembly debated a series of management reform specific reports as it considered different items on its agenda.

³ Millennium Declaration A/Res./55/2

⁴ Millennium Declaration A/Res./55/2

⁵ Several agenda items that dealt with financial and budgetary matters included reform elements. For example, there were reports dealing with reforming Human Resources Management, Procurement, Provision of Conference Services, Oversight functions, Planning and Budgeting among others presented to the Assembly and in many cases the GA either pronounced itself on some of the proposals contained in such reports or sought additional information from the Secretariat.

⁶ Extra budgetary resources are basically voluntary contributions and other funding mechanisms outside the scope of the regular budget. The regular budget is assessed to member states on an annual basis.

⁷ The Secretary General's report "Investing in the United Nations: for a stronger organization worldwide" contained in document A/60/692, figure 3, pg. 10.