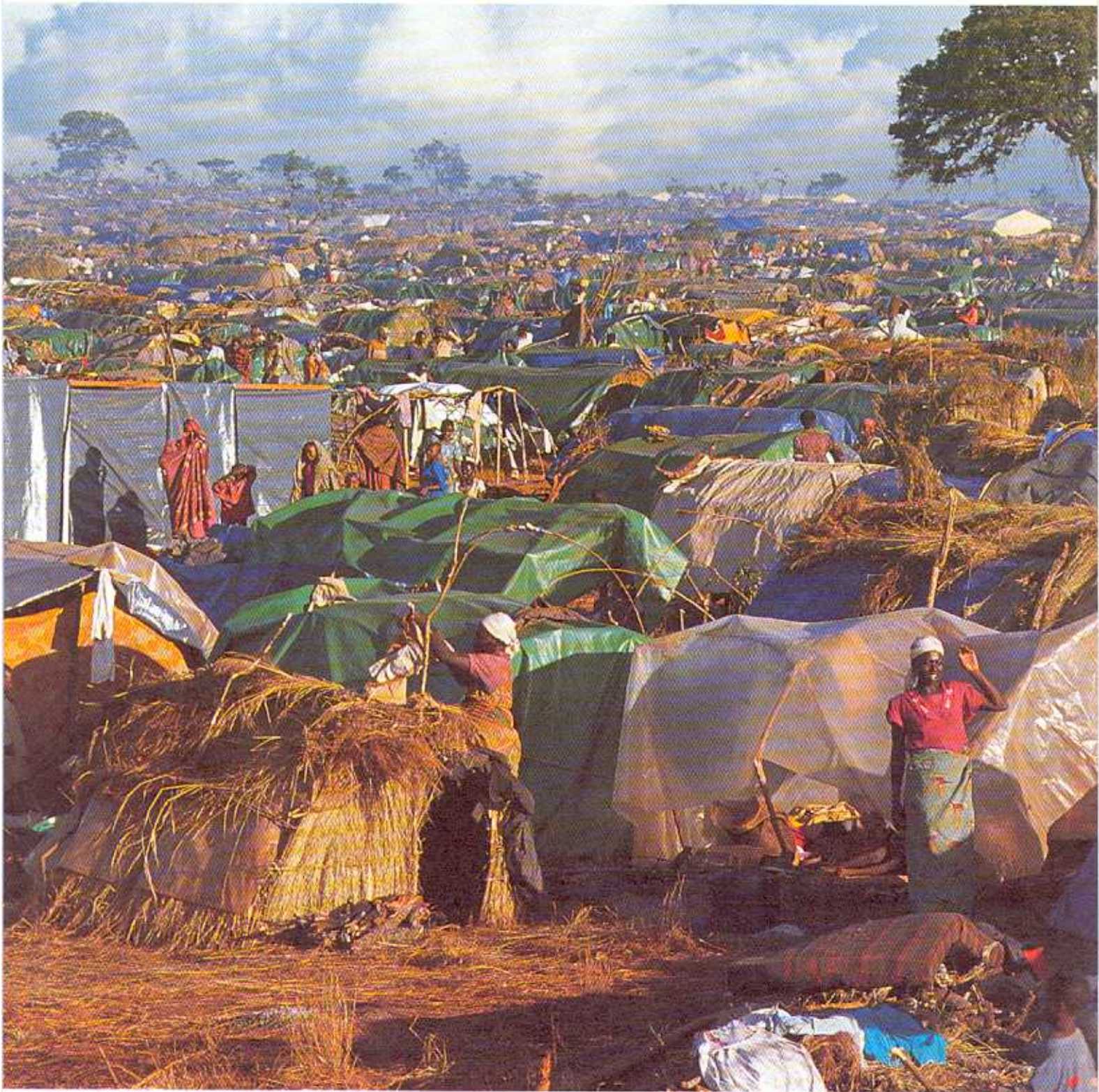


Making the UN more



The UN is unique in its capacity to mobilize an international response to crises.

UNHCR is overseeing the organization of scores of camps like this one in Tanzania for the millions of Rwandan refugees who fled the country in 1994.

businesslike ~ a management approach

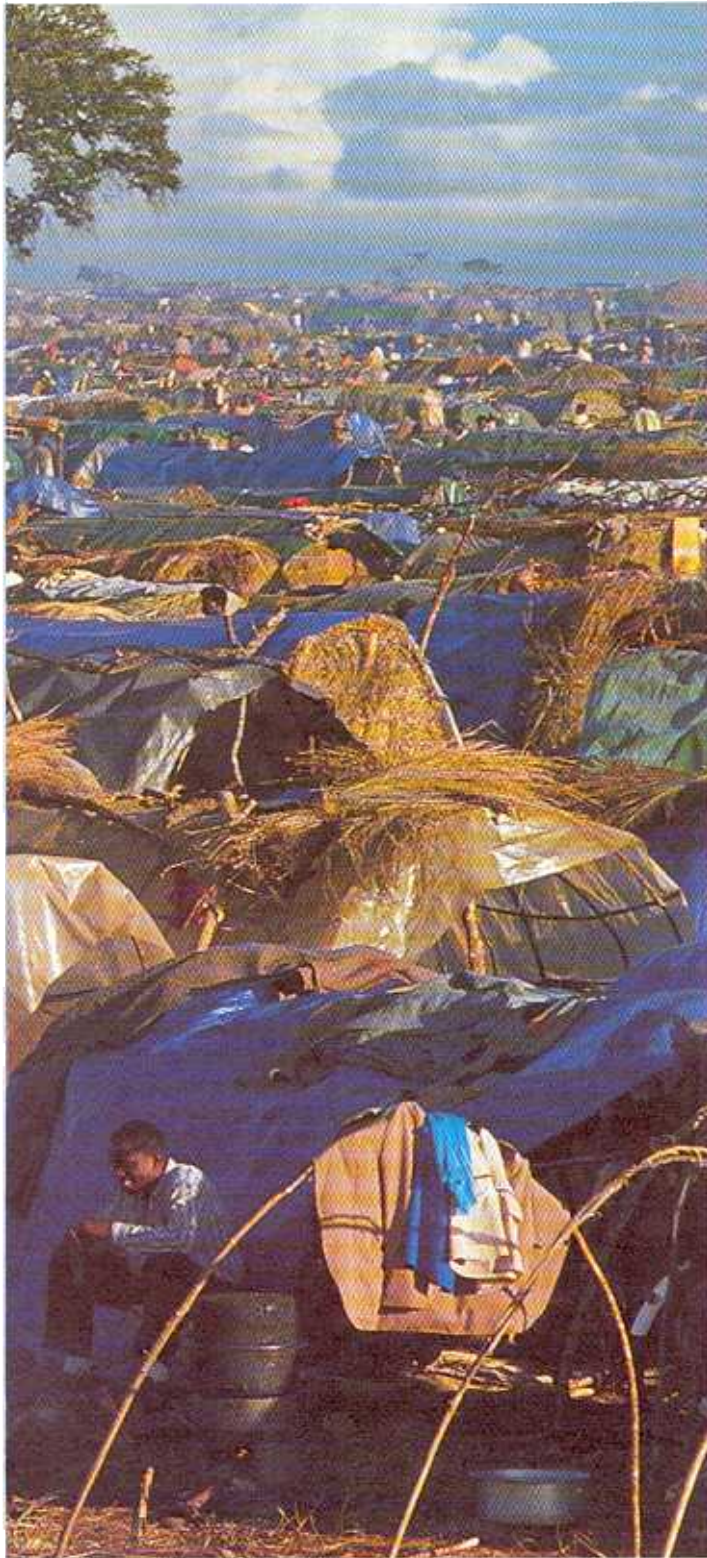
- *The need for change*
- *Innovative proposal*
- *A framework for action*
- *Coordination and control*

T

The United Nations is, of course, not a business, in the sense that its purposes are commercial or profit-seeking. But in the broader sense the UN is the centrepiece of the most important business of all – that of ensuring that our global community provides hospitable, peaceful and equitable conditions of life for all of its people. It is surely therefore important, indeed imperative, that the UN draws upon the best of business practices and expertise in fulfilling its global mission. This is especially so at a time when that mission is becoming increasingly complex and the resources available to the UN to fulfil it ever more difficult to obtain.

Much has been said about the need to reform the UN and to effect changes in its Charter. Indeed, the 50th anniversary of the UN has given rise to a plethora of books, studies, seminars and learned papers focusing on the future of the UN and the reforms required to prepare it for that future. Particularly valuable and timely is the report of the Commission on Global Governance chaired by Prime Minister Ingvar Carlsson of Sweden and former Commonwealth Secretary-General Sir Shridath Ramphal.

This process has produced some thoughtful and innovative proposals which will give governments a rich body of analysis and a broad range of ideas from which to draw in taking the decisions concerning the future of the UN. It has concentrated largely on issues of structure, of process and of Charter change. There has been some, but too little, attention paid to the management dimension of these changes, even though the greatest and most immediate need in the UN is for improvements in its management. This is



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not in any way to detract from the importance of the structural and constitutional changes that must be made to enable the UN to function effectively in a world very different from that which gave rise to its creation half a century ago. In the meantime, improvements in management and the introduction of relevant practices and methods developed in the business world need not await structural and constitutional change.

Many, perhaps most, of the necessary management improvements can be carried out within the existing mandate and authority of the UN Secretary-General, although it would be important for him/her to have the broad support of member states if these

managed process of internal change would enhance the UN's effectiveness in the areas in which its services are most needed and most valued. The permanent staff of the UN is not excessive by the standards of government or other organizations, both private and public. The permanent staff of the UN is now at a level of some 10,609 permanent staff and a total of approximately 33,967 if the specialized agencies, excepting the World Bank and the International Monetary Fund (IMF), are included.¹ In the aggregate, the costs of the UN and its agencies amount to less than two dollars for each person in the world as compared with \$150 per person for military expenditures. It represents 0.0005 per cent of the world's gross domestic product.²

*“a great deal can be done
to make the UN more
efficient”*

authorities are to be invoked fully and vigorously. At the same time, improvement in the management and cost-effectiveness of the UN would serve to strengthen political support for the kind of extended mandate and accompanying structural and constitutional changes that will be needed for the UN of the 21st century. The current financial crisis provides a strong impetus for greater cost-efficiency which can only be accomplished through major improvements in management. The need for such changes is likely to become more acute as budgetary constraints faced by virtually all member states point to even greater pressures on the UN's finances and much tougher requirements by governments for more efficient use of UN resources.

A great deal can be done to make the UN more efficient in its use of existing resources without impairing its overall effectiveness. Indeed, a well-

While it is useful to bear in mind that the cost of running the UN system represents only a very modest proportion of the total cost of global governance, this is really not the point in making the case for better management of the UN. The case rests on what governments actually get from their investment in the UN and what value they place on it in relation to alternative uses of their resources. Today all governments are facing severe budgetary pressures that are requiring them to re-examine their own priorities and provide much more rigorous and cost-effective management of their finances. It would be illusory to believe that the UN can be exempt from this process. It would be much more realistic to recognize the reality that in few, if any, nations does the UN have the kind of strong political constituency that can support its claim on the national budget against the competing claims of domestic constituencies.

Over the past 50 years the UN Secretariat has grown in response to the evolving priorities of the community of nations it serves, as reflected in the agendas and the resolutions of the General Assembly and other UN deliberative bodies. But priorities have changed and new issues have emerged. These have been reflected only to a very limited degree by corresponding changes in the deployment of secretariat resources. New secretariat units have been created while existing units have been retained to perform functions overlapping those of other units and often no longer accorded the level of priority that gave rise to their creation.

All organizations require periodic reform and in today's rapidly changing world the process must be a continuing one. But although the world has altered radically in the 50 years since the UN was established, changes within the UN have been minimal, certainly not radical. The time has clearly come for radical change. This change can and should begin at the management level. Many of the needs for change which drive the growing pressures for structural and constitutional reform can be met to a large extent through improvements in management. And while basic structural and constitutional change is indispensable, it will not come quickly or easily and would not in any event be effective without accompanying management changes. Such management changes can and should precede, and would help prepare the way for, basic structural and constitutional change.

A trimmed down UN

Secretary-General Boutros Boutros-Ghali is to be commended for initiating within the Secretariat a process of change more radical than that undertaken by any of his predecessors. In consolidating the departmental structure of the Secretariat, reducing the number of officials reporting directly to the Secretary-General and rationalizing the country-level representation of the UN, he has made a good start. But it is only a start.

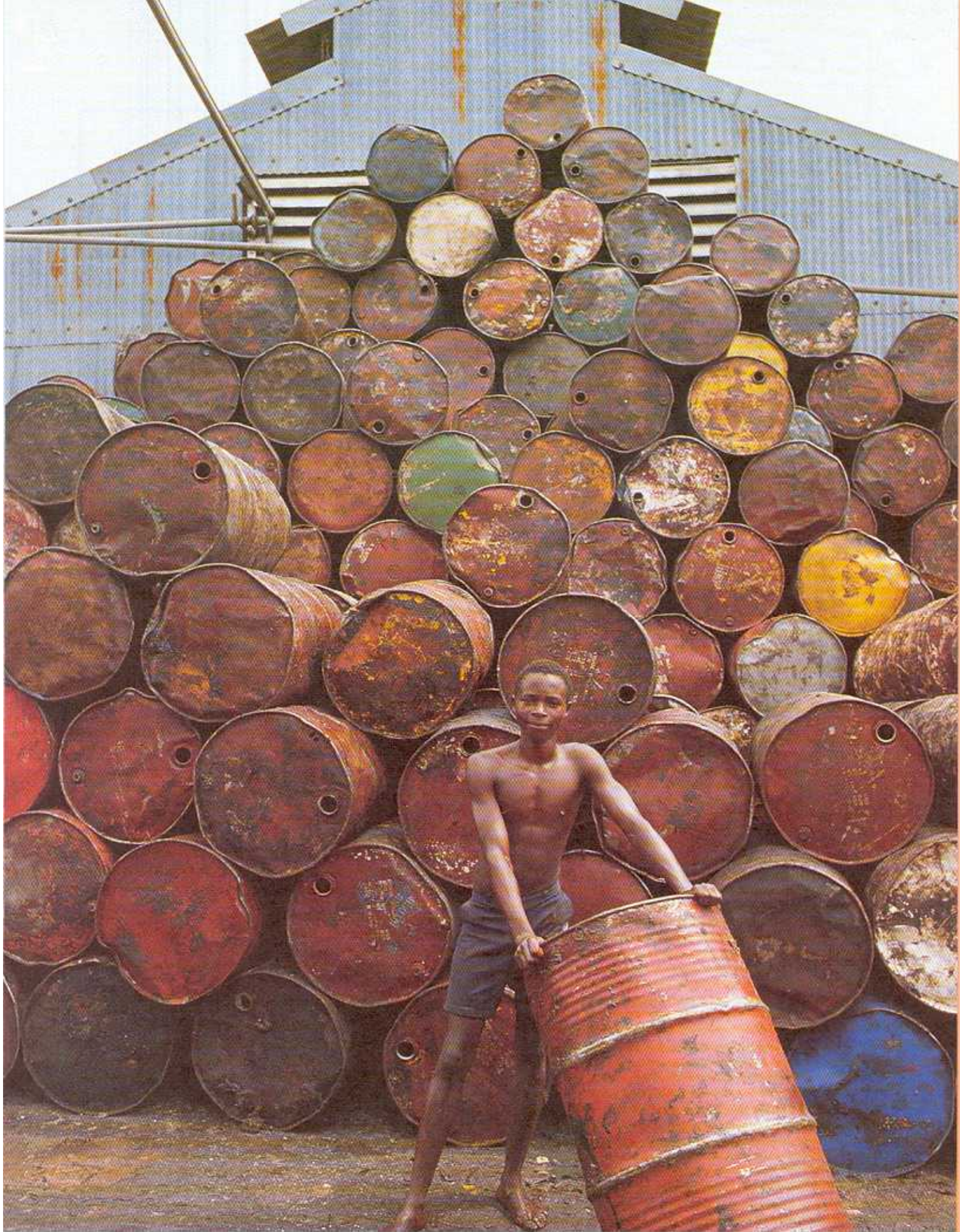
The process of management change must be guided by an up-to-date evaluation of what each unit within the Secretariat actually does, what it produces, to what extent this overlaps with what others produce, how its products are actually used, how they are valued by those who use them and how this

relates to their cost. This is routine in most businesses and other organizations that are run in a businesslike manner.

Some will argue that it is not feasible or appropriate to quantify the output of the UN Secretariat, dealing as it does with major world issues which simply cannot be measured by the kind of quantitative standard which business applies. True, but only to a degree. It is entirely feasible to make a reasonably accurate assessment of the output of each unit in the Secretariat, to determine its cost and to ascertain from those who actually use its products how much they value them.

Such a process would undoubtedly reveal that much of the Secretariat's work involving perhaps half, or even more, of its staff members is devoted to areas and issues that are now accorded marginal priority by member states or can be done better by others either inside or outside the UN. It is likely that a very large proportion of the UN Secretariat, probably well over half, is now engaged in activities that would fall into these categories. And in most cases this would not be a reflection on the quality or performance of the people performing these tasks. In so many cases a very small, under-funded secretariat unit is expected to do meaningful work in areas in which other organizations with much larger budgets and capacities and stronger mandates are the prime actors.

The UN need not and cannot do everything. Its uniqueness and its comparative advantage lies in the fact that it is global in its mandate and is universal in its membership. Its resources should be concentrated in those areas in which these distinctive qualities enable it to perform for the international community, functions which other organizations are not geared to perform. But in doing so it should draw on and utilize, to a much greater extent than it now does, the capacities and contributions of other organizations, inter-governmental and non-governmental, which have the specialized knowledge, experience and constituencies which the UN does not have. Often the primary role of the UN will be to provide a global framework or context for actions that must be taken on other levels – regional, national or sectoral. It need not and cannot have in the Secretariat the capacities to deal with these issues in




International development cooperation, the environment, human rights and population are all areas that the UN has put firmly on the international agenda. Unsafe barrels of waste, part of the trade in toxic waste that sends millions of contaminated barrels to the developing world.

their totality. Yet in all too many instances the UN purports to do so, maintaining secretariat units to deal with issues which it simply does not have the capacity to deal with effectively. The result is a dispersion of UN resources and a dilution of its effectiveness that has contributed significantly to the unsatisfactory performance of the UN in so many areas and the reduction of confidence in it.

The UN's track record

The experience of the UN's first 50 years surely points to the main areas in which the UN is at its best. There is no substitute for it as the global forum for leadership in identifying and legitimizing new issues for the international agenda – as it did in respect of international development cooperation, human rights, the environment, population and women's issues, to name but a few. It is also unique in its capacity to mobilize the international response to major peacekeeping, peacemaking and humanitarian needs and to provide the forum for the development of international law and the negotiation and administration of treaties and conventions. Virtually all of these areas have in common that the number of permanent secretariat members involved is relatively small and their principal task is to orchestrate and to service processes involving specialized representatives of member states and representatives and experts from other organizations, inter-governmental and non-governmental.

Three examples where the UN Secretariat has done this are the UN Conference on the Human Environment held in Stockholm in 1972, which placed the environment on the international agenda; the Office for Emergency Operations in Africa (OEOA), which led and coordinated the international response to the great African famine emergency of 1984-86 and the UN Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, which provided a broad global sanction for the concept of sustainable development and agreement on basic principles and actions to give effect to it. In each case, the central UN Secretariat unit was very small in relation to the magnitude of the task it was given – numbering from 20 to 30 people drawn from the permanent Secretariat. But in all cases, too, it engaged the active support and involvement of all parts of the UN system and a multiplicity of other actors and sources of expertise, national and

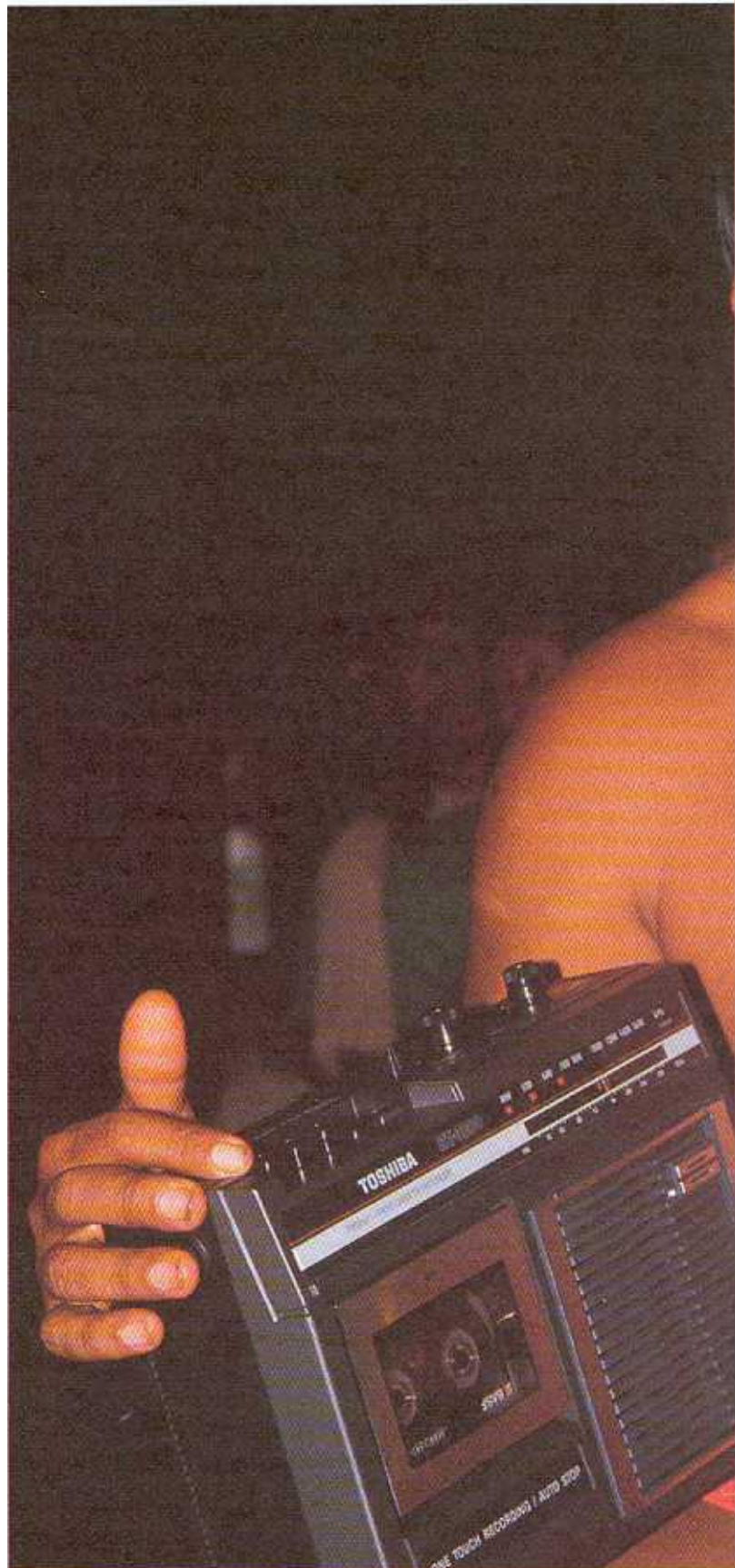
 *no substitute
for the UN
as the global
forum for
leadership*

international, governmental and non-governmental. What the UN provided was the leadership, the capacity for mobilization and orchestration of the contributions of other participants and the framework within which they could operate in a collaborative manner towards common goals and objectives.

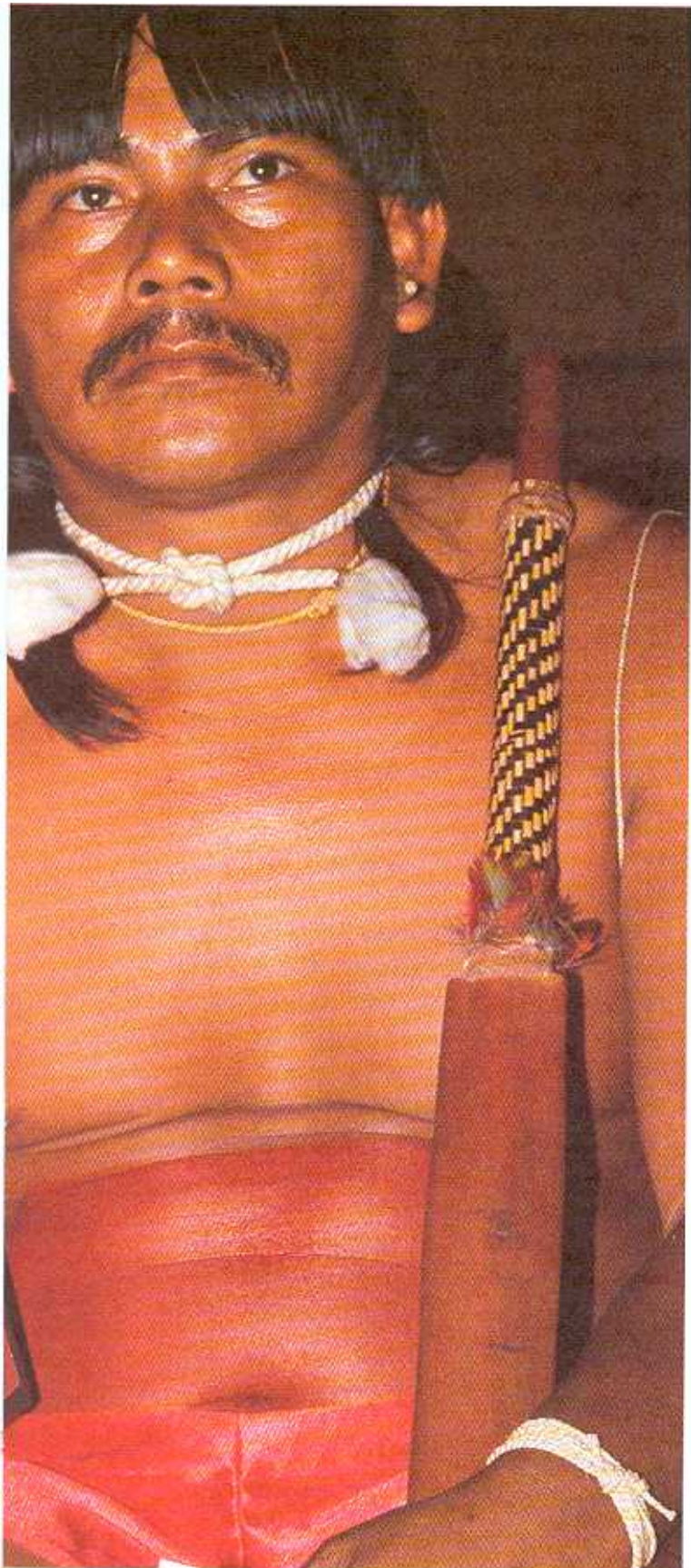
An important feature of each of these examples is that the organizations responsible were *ad hoc* in nature and each was phased out after the task for which it was set up was completed.

All of the UN's peacekeeping operations are by their nature *ad hoc* responses to particular crisis situations. All are managed and orchestrated by a permanent UN headquarters staff that has never exceeded more than 314 professionals, even now that the UN is managing 16 peacekeeping and peacemaking operations involving a total of approximately 74,600 temporary personnel in the field.³ The same has been true of virtually all humanitarian operations, global conferences and treaty negotiations. The point here is that many of the UN's most important and successful value-added activities have involved relatively small numbers of its permanent staff and correspondingly modest contributions from regular budgetary resources. At the same time, the successful launching and management of such

*“the
principal
international
forum —
the place
where
voices
can be
most
heard”*



The UN Earth Summit in 1992 sketched out a global accord for dealing with environmental destruction.
A representative of the world's indigenous people at the Earth Summit's Global Forum.



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initiatives requires a permanent secretariat complement with special qualities of leadership and management, and the capacity to identify and command the respect and cooperation of the principal actors concerned both within and outside the UN system. Yet it is a quality that is not sufficiently valued, nurtured and supported by present UN personnel policies and practices.

The kind of management improvements the UN so clearly needs require significant changes in personnel policies, particularly through reduced politicization and improved professionalization of the staff appointments process. Recruitment, career development and training practices should be oriented towards producing within the Secretariat professionals with the integrative, mobilizing and orchestrating skills required to deal with issues that are increasingly complex and systemic in nature and involve a multiplicity of actors, disciplines and sectors. One way of improving the leadership capacities of the UN Secretariat would be to have an independent board review the professional qualifications of those being considered for senior appointments. The Secretary-General would, of course, retain final decision-making in respect of such appointments but his selections would be made from amongst those whose professional qualifications met certain objectively applied standards.

One of the principal challenges the UN faced in its early years was that of facilitating the transition of former colonies in the developing world to independence, supporting the establishment of their governments and launching them on the pathway to national development. The technical assistance offered by the UN and the development assistance it mobilized and helped to deploy made a critically important contribution to the emergence of these newly independent nations as full and influential participants in the community of nations. But the situation and the needs of developing countries have changed immensely during the past few decades. Developing countries, which comprise some three-quarters of the world's population, now represent a similar proportion of the membership of the UN. It has become their principal international forum, the place where their voices can be most heard and heeded and their influence most fully brought to bear.

Yet the resources of the UN Secretariat have not been redeployed sufficiently to take account of the major changes in the needs and interests of developing countries, and the proportion of their external funding requirements provided by the UN has been reduced substantially. Economic and social development is and must be one of the highest priority tasks of the UN. Yet it is one in which the UN is a great deal less effective than it could be and should be, despite the large proportion of the Secretariat ostensibly devoted to it.

In a global economy in which knowledge is the principal source of added-value and competitiveness, developing countries, and particularly the least developed, are disadvantaged by a lack of the resources required to develop their scientific and technological capabilities, their institutional infrastructure and educational systems. Many of them lack the policy research capabilities required to assert and protect their own interests in a rapidly changing international policy and negotiating environment. Supporting developing countries in development and strengthening their capacities in these areas is, for most of them, their most critical need and highest priority. The UN Development Programme (UNDP), through its Capacity 21 and Sustainable Development Network initiatives, is giving special attention to mobilizing resources for these purposes. But so far the response has been disappointing.

The UN's funding challenge

Funding for the UN's development programmes is hard to get and is likely to be even harder to come by in future. At the same time, the proportion of funds made available for emergency assistance has been growing, much of it at the expense of development funding. The recent experience of the UN Children's Fund (UNICEF) is a case in point. The proportion of its budget devoted to emergency, as distinct from development, programmes has grown from just over five per cent to 28 per cent in the past 10 years. No one would argue with the need to meet humanitarian needs which are usually of a highly urgent and critical nature in terms of the immediate need to relieve human suffering and save lives. But when this is done at the expense of long-term development, which is the best means of ensuring against future humanitarian crises, it becomes a

vicious circle in which the lack of adequate funding for development sets the stage for even greater humanitarian needs in the future.

Against this background, it is imperative that the UN makes the best possible use of its financial and human resources in responding to both the humanitarian and development priorities of developing countries. There is a great potential for doing this through improved management practices and greater cost-efficiency. And, in doing this, the UN will also convince both donors and developing countries that it provides the most efficient and effective system for channelling resources to developing countries for both humanitarian and development purposes.

The UN must gear itself to become to a much greater extent a mobilizer and not just a dispenser of resources in the development field, as it has done so successfully in the humanitarian field. During the 1984-86 famine in Sub-Saharan Africa, the UN took the lead in mobilizing and deploying over four billion dollars of humanitarian assistance, only a modest portion of which was dispensed directly by the UN. Yet the UN was not nearly so effective in meeting the process of mobilizing the increased resources required for rehabilitation and long-term

*no one
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development in Africa following the famine. This is in part explained by the fact that during emergencies public and political pressures drive a coordination that has not been possible to achieve in development.

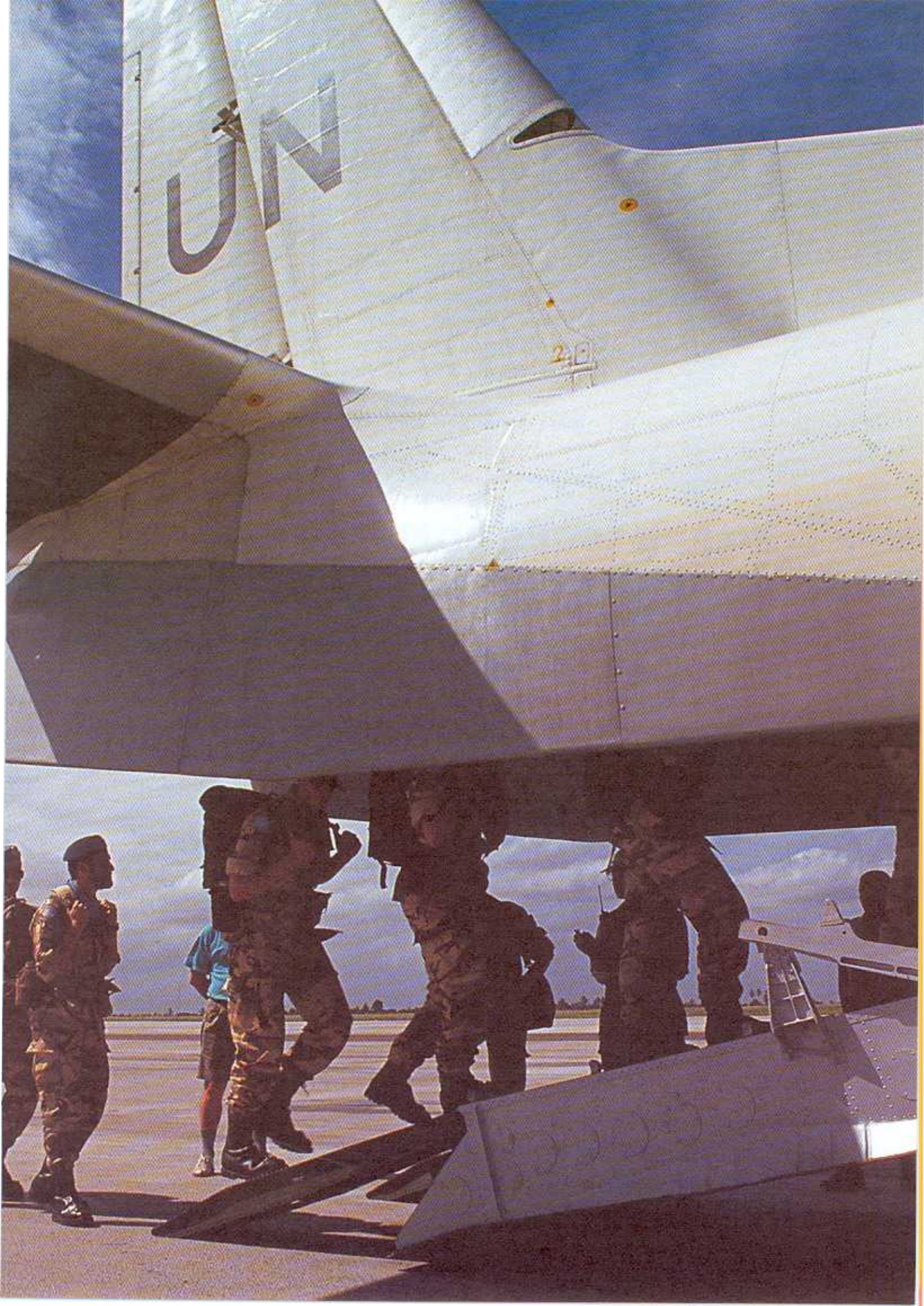
There is a promising step in the right direction in the Secretary-General's recent initiative creating a closer link between the policy and the funding functions of the UN and the broad responsibilities he has given to UN Administrator James Gustave Speth for development and coordination. It would be important to the effectiveness of, and confidence in, this new framework for coordination that policies and priorities set by member governments drive and guide funding, rather than the reverse. The time has come to bring all the UN funding functions within a common administrative framework, which would logically be provided by UNDP. This would produce significant savings in personnel and administrative costs. And, in consolidating the administration of funds in UNDP, the distinctiveness required to maintain the support of specialized constituencies can be preserved by maintaining separate 'windows'. Thus, for example, the fund of the UN Environment Programme (UNEP) would, for administrative purposes, become part of UNDP, while a separate window would be maintained at UNEP headquarters in Nairobi to respond to the specialized funding needs of UNEP's programmes. This would have the further benefit of ensuring the close coordination of UNEP's programmes with the growing amount of UNDP's development funding which has an environment dimension and can benefit from UNEP input.

There is a great potential for cost-effectiveness in rationalizing the UN's administrative and budgetary processes and developing a much more coherent system of programme-budgeting. Substantial savings and improved effectiveness could also be achieved through a greater degree of rationalization of secretariat and administrative resources as between the headquarters, the regional commissions and country-level missions. This three-tier administrative

The 16 current peacekeeping operations are orchestrated by a permanent staff of 314 people.
UN peacekeepers board a plane in Mozambique.

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structure is one of the reasons for the high overhead costs of the UN in the economic and social development field in relation to the amount of funding it dispenses to developing countries.

Virtually all governments are at or near the limits of what they can do to meet the needs and expectations of their people and what their people are prepared to pay in taxes. Thus, the multiplicity of non-governmental actors that make up civil society are inevitably playing a much larger role, both in developing social policy directions and in mobilizing and deploying resources to meet particular societal needs and interests. In many areas their capacities today exceed those of governments. The same is true at the international level where today more humanitarian and development resources are channelled to developing countries through non-governmental organizations (NGOs) than through the UN. Thus the UN has a primary role in providing credible, objective and well-informed leadership and a coherent framework for mobilization and deployment of international resources from a variety of sources around particular objectives. It must learn to play this role much more effectively.

The UN needs to adapt to the sea-change that has taken place in the flow of resources to developing countries. Private investment has become by far the principal source of external financing for the rapidly growing economies of Asia and Latin America, which are also generating substantially growing earnings from their export trade. While these rapidly developing countries continue to require external support in meeting their social needs, their capacity to do this from their own

resources is improving. Meanwhile the least developed countries, particularly those of Sub-Saharan Africa, remain heavily dependent on Official Development Assistance (ODA). And the countries in transition in Eastern Europe and the former Soviet Union require specialized technical policy support as well as infusions of private and public capital to help them rebuild and restructure their economies. The UN must therefore be in a position to provide a more diverse range of support targeted to the particular needs and interests of each of these categories of countries.

The UN itself is not likely to become a channel for substantially increased flows of funds to developing countries. But it has the unique capacity, which needs to be vastly strengthened, to provide a forum in which the interests of developing countries can be defended and championed, to mobilize support for developing those countries' own institutional

capabilities, and to supplement their individual capacities for protecting and asserting their interests in the multiplicity of international negotiations in areas where their lack of adequate institutional and policy expertise puts them at a disadvantage. It is also in the best position to create the leadership and cooperative framework for mobilizing and deploying the resources of the entire international community, including non-governmental actors, around particular needs and objectives. This would mean building the new UN around the best experiences of its past while shedding much of the costly and bureaucratic baggage that has developed over the years and which is now more an impediment than a contributor to the UN's effectiveness.

*“the UN
must
provide
a more
diverse
range of
support”*

Coordination and a common focus

An indispensable key to the UN's success in undertaking this role in leading and catalyzing action by the entire world community is for it to become the primary source of objective, credible information on major global trends and issues. The basis and tools for such leadership would be the advances made in recent years in information sciences and telecommunications, combined with the confidence and respect earned over the years by the Statistical Division of the UN Department of Economic and Social Information and Policy Analysis as one of the UN's quietest but most consistently valuable performers. But it will require strong leadership, mandated directly by the Secretary-General, to rationalize the current conglomeration of information services within the UN which, despite the high quality of some of them, has so far defied any attempt at coordination, consistency and common focus. Here, too, the potential for improved cost-effectiveness is so great that it is likely that the kind of leadership and strategic purposes foreseen for the UN in this field could be achieved within existing budgets.

As the experience of OEOA demonstrated, information is the key to coordination. Nothing is more characteristic of calls for UN reform than exhortations for more 'coordination'. Yet, with some notable exceptions, mostly of an *ad hoc* nature, the UN has a dismal record in effecting coordination. Nevertheless, when the UN can dispense timely and reliable information which other actors find useful in their own decision-making, it thereby exercises a *de facto* coordinating role that most other actors would not accord to it in any formal sense. The OEOA had no formal mandate for coordination. Yet virtually all the major organizations – bilateral, inter-governmental and non-governmental – providing humanitarian and relief assistance to Africa during the 1984-86 famine looked to OEOA for information about needs, and actions to meet those needs which were planned or already under way, as the basis for decisions on deployment of their own assistance. This in turn enabled that assistance to be targeted to the people most in need. It was the key to the central role played by the UN in helping some 30 million people whose lives were at risk to survive the famine.

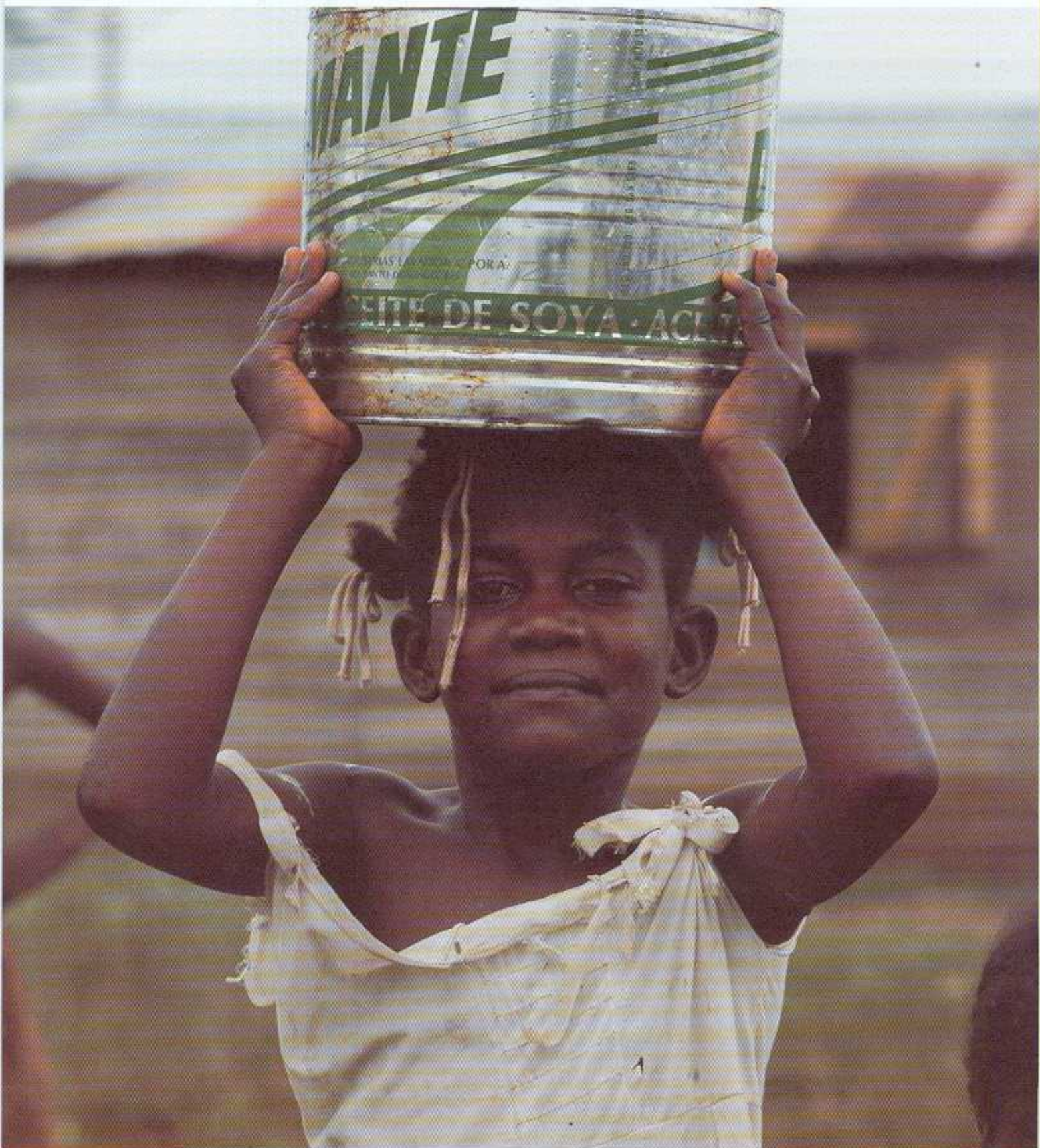


The UN could achieve even greater efficiency in the use and the effectiveness of secretariat resources if governments were to agree on consolidating and



Funds are increasingly being channelled into emergency relief at the expense of development programmes.
In the past 10 years, UNICEF's emergency relief programme has grown from five per cent to 28 per cent of its total expenditure.

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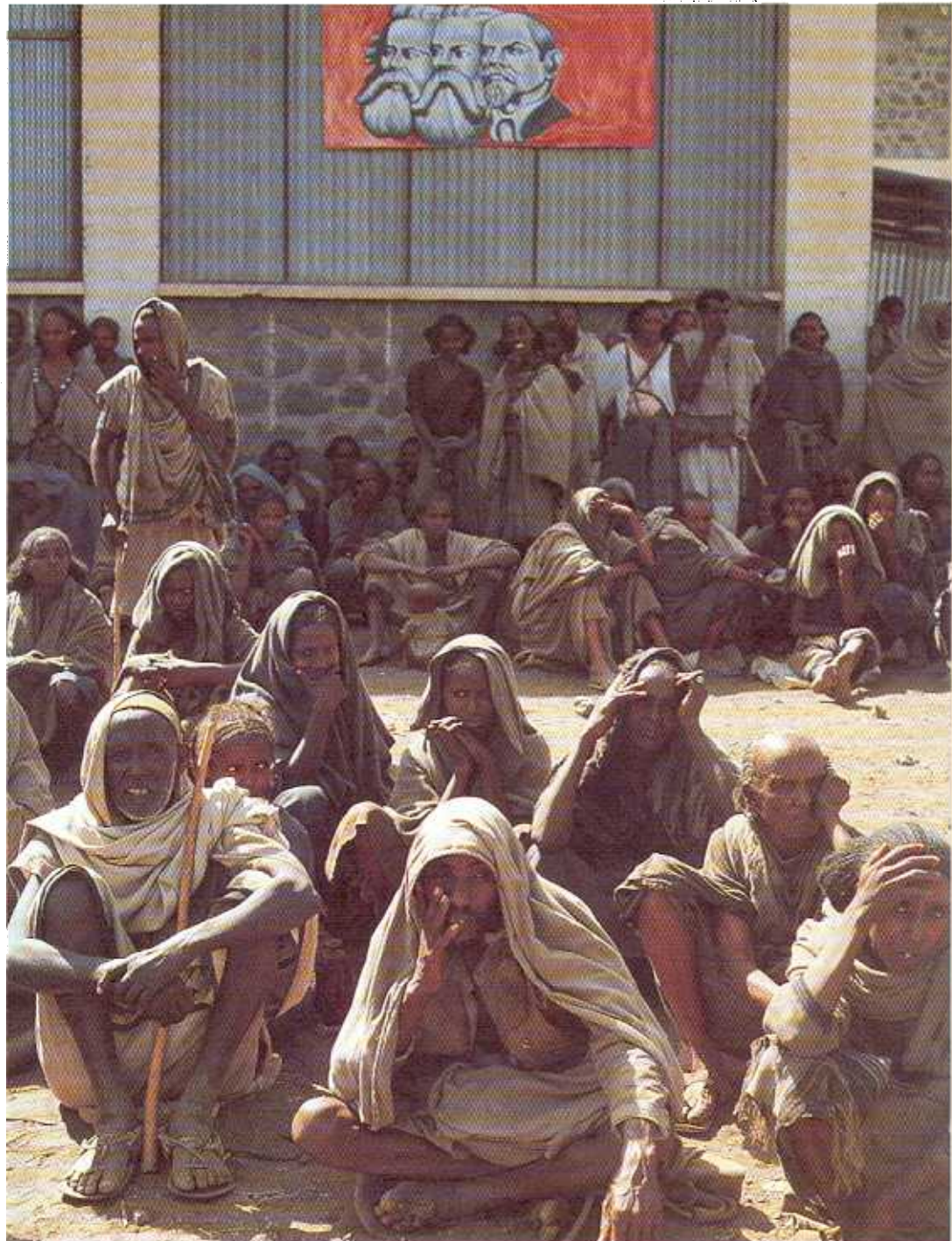
When human crises erupt, the world needs a UN that can provide increasingly fast, efficient and well coordinated intervention

© Philip Wolmuth/Panos

rationalizing the work and meetings of the various committees, commissions, conferences and governing bodies which have proliferated over the years and contribute significantly to the dispersion of the efforts of the Secretariat, as well as of governments themselves. A good deal of such rationalization could be accomplished by the decision of member states in the General Assembly and other UN bodies without Charter change.

Introducing business-like management principles and practices into the UN may seem somewhat mundane in light of the broad global purposes the UN was established to serve and the ideals enshrined in its Charter. But as the UN has reached the important milestone of its 50th anniversary, it must prepare itself to make radical changes in the manner in which it manages its awesome responsibilities if it is to meet the challenges of the much more demanding, complex and interdependent world of the 21st century. Indeed, it is precisely because its task as the centrepiece of an effective global system of governance is so vitally important to the human future that it requires the very best of management and should settle for nothing less. After all, no business is more important than the business with which the UN is entrusted.

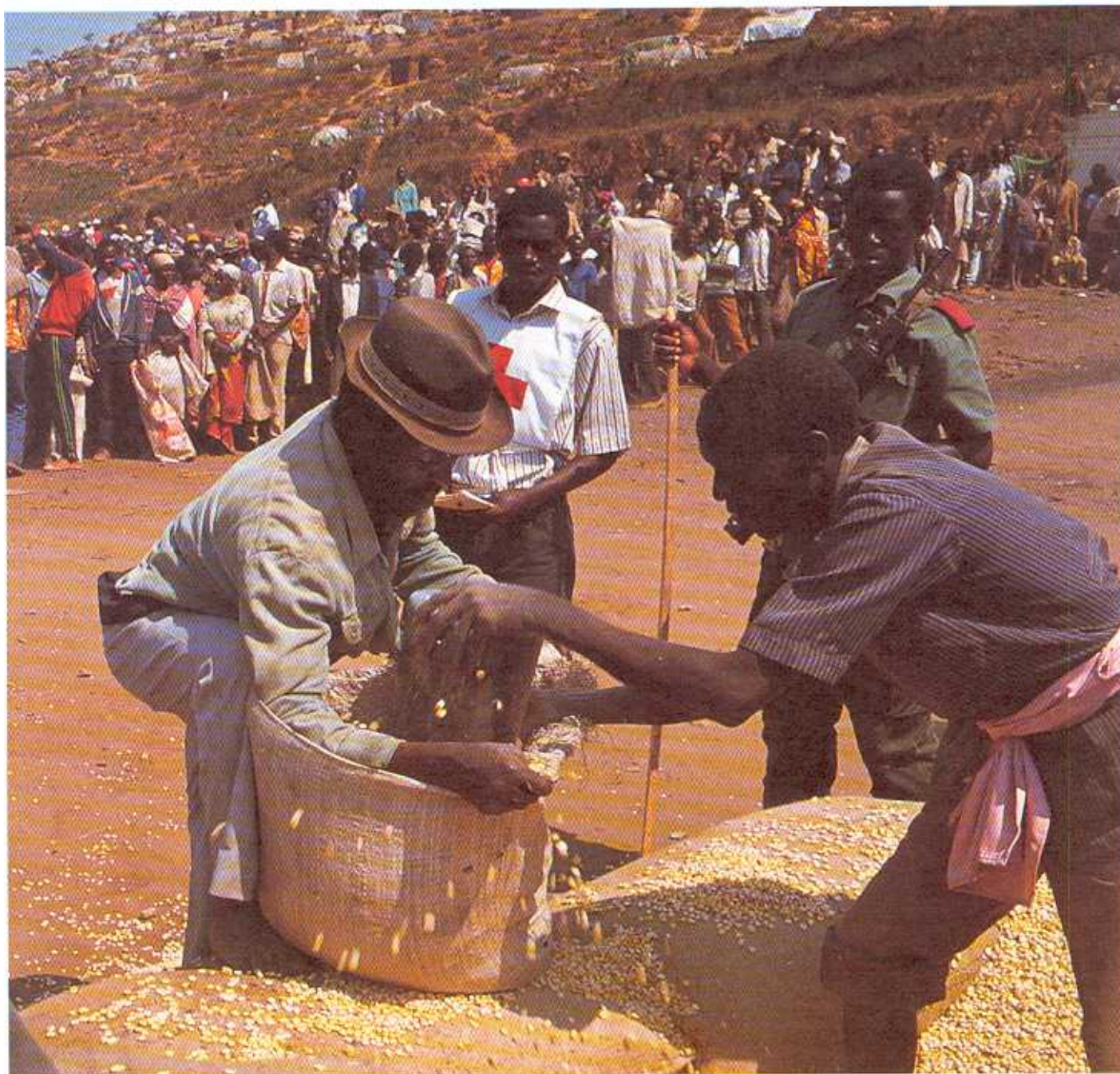
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During the 1984-86 famine in Sub-Saharan Africa, the drought combined with conflict was a deadly combination for millions in Ethiopia.

Endnotes

- 1 UN Document A/49/527 *Human Resources Management: Composition of the Secretariat*.
- 2 Erskine Childers and Brian Urquhart, *Renewing the United Nations System, Development Dialogue* 1994:1 (Uppsala, Sweden: Dag Hammarskjöld Foundation, 1994) p.143.
- 3 UN Department of Peacekeeping Operations, *Summary of Contributions to Peacekeeping Operations by Countries* (as of 30 November 1994).



Food distribution at Nyacyonga Camp in Rwanda.

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