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REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART I

STAFF POLICY

SUMMARY

In accordance with 32 C/Resolution 61 (I) and 169 EX/Decision 3.3 (I) and 170 EX/Decision 3.2 (II), the Director-General presents a progress report on the implementation of the reform, including staff policy, new management tools and decentralization.

Part I of the report relates to the human resources policy reform and is divided into two subparts:

- part A provides an update on the implementation of the staff policy; and
- part B presents the medium- and long-term staffing strategy.

Decision proposed: paragraph 83.

INTRODUCTION

1. At the 169th session of the Executive Board (April 2004), the Director-General presented a progress report on the reform initiatives undertaken in the human resource management area. While taking note of the work accomplished, the Board, in conformity with 169 EX/Decision 3.3 (I), invited the Director-General to pursue the implementation of the staff policy and to report to it at its 171st session, with particular reference to the expected and, when appropriate, achieved results. In 170 EX/Decision 3.2 (II), the Executive Board also noted the work accomplished in the preparation of a medium- and long-term staffing strategy and invited the Director-General to pursue this work and present the medium- and long-term staffing strategy to the Board at its 171st session.

2. This document is submitted to the Executive Board in pursuance of the above decisions. It is divided into two subparts A and B: A provides an update in the staffing situation as of December 2004, and a progress report on the implementation of the human resources policy reform framework, including expected and achieved results, when appropriate; B presents the medium- and long-term staffing strategy.

A. STAFF POLICY

Update on staffing in 2004

3. The Executive Board is provided with an update on the staffing actions that have taken place during 2004 in terms of recruitment and promotion data, the recruitment of Young Professionals and the situation at Director and above levels. This update provides also information on the results of the implementation of the new General Service Classification standards for Paris, the International Civil Service Commission (ICSC) pilot project in ICTP, Trieste, undertaken in the context of the ICSC's review of pay and benefits in the United Nations Common System and a brief overview on training initiatives achieved in 2004.

Recruitment in 2004

4. A total number of 166 posts at the Professional level and above have been advertised from January to December 2004. Overall, 22,000 applications were received in 2004.

5. Over the same period, 125 appointments in the Professional and above categories were made in 2004. Of these, 52 appointments in the Professional category P-1 to P-5 have been completed through internal recruitment (46%) and 61 through external recruitment (54%). At the D level, three posts were filled by internal candidates and nine by external candidates. Out of the 70 appointments of external candidates, 21 candidates came from under-represented countries and five from unrepresented countries, representing 37% of the total of the external recruitments.

Situation at Director and above levels

6. The number of posts at the Director and above levels has further decreased from 102 posts established in document 31 C/5 to 97 in document 32 C/5. As shown in Table I below, the staffing situation at these levels remains stable with a total of 95 staff members who are D-1 and above, globally within the range of established posts at these levels.

Table I: Senior management posts/staff

Senior management posts	31 C/5 posts	32 C/5 posts	Staff as of 31/12/2004
DDG	1	1	1
ADG	10	10	8
D-2	24	25	23
D-1	67	61	63*
Total	102	97	95
(*) Two staff members have been exceptionally extended beyond the statutory retirement age by the Director-General.			

Young Professionals Programme

7. The selection process for the intake of 2005 has been completed, and 10 new Young Professionals (among which nine women) were selected among 430 applicants. Out of this group, six Young Professionals are nationals from under-represented Member States and four from unrepresented Member States. In terms of assignments, six Young Professionals were assigned to programme sectors (ED/HED, SC/BES, CLT/CPD, WHC/LAC, CI/INF and SHS/AO) and four to central bureaux and services (ERC, BPS and ADM/PRO).

Promotions in 2004

8. In line with the promotion policy, the competitive selection for a vacant post and the reclassification of a post following job growth are the two avenues for promotions in UNESCO. In 2004, a total number of 127 staff members were promoted (76 Professional staff, 42 General Service staff, and nine National Professional Officers). Of these 127 promotions, 60 resulted from a competitive process, 46 resulted from post reclassification and 21 resulted from advancement in split-grade posts (P-1/P-2). Figures show that 47% of the promotions granted in 2004 (60 out of 127 promotions) were made through competitive process. Table II indicates the breakdown of the promotions by category.

Table II: Breakdown of promotions by category of staff and location

Type of promotions	P and above		Total P and above	GS and local		Total GS and locals	Total G + P
	HQ	FIELD		HQ	FIELD		
Through competitive process	27	9	36	21	3	24	60
Through reclassification	17	11	28	1	17	18	46
Promotion in a split-grade post	19	2	21				21
Total	63	22	85*	22	20	42	127

(*) including nine National Professional Officers.

Among the staff in the General Service category at Headquarters and in the field, 19 were promoted to the Professional level (15 at Headquarters and four in the field). Of these 19 promotions, three

were granted through the competitive process, three through post reclassification and 13 following the implementation of the GS classification standards at Headquarters (cf. para. 11).

Promotions under the 32 C/5 reclassification reserve

9. Document 32 C/5 includes a reserve of US \$1.5 million for the reclassification of posts. The Director-General decided to use US \$0.5 million of the reserve to offset the cost entailed in 2004-2005 from evaluating all GS jobs in Headquarters against the new General Service classification standards in Paris. The remaining amount of US \$1.0 million was earmarked for the reclassification of P-1 to P-4 Professional posts (both in Headquarters and in the field), local General Service and National Professional Officer posts in the field.

10. In the context of the reclassification reserve for 2004-2005, 37 reclassifications were approved. The breakdown by category is the following: 18 Professional staff members (of whom four in the field), four National Professional Officers and 15 local staff in field offices of whom one staff member was promoted to a National Professional Officer post.

New General Service classification standards at Headquarters

11. The implementation of the new seven grade General Service classification standards at Headquarters is now completed. This resulted in the upgrading of 323 posts and the subsequent promotion of the incumbents (40% of the total number of posts reviewed). The remaining posts were either confirmed at the present grade of the incumbent (44%) or rated lower than the incumbents' current grade (16%). For the latter, the Director-General decided to maintain concerned staff members at their current grades being understood that the corresponding posts will be downgraded when they become vacant.

ICSC's review of pay and benefits: a pilot project in ICTP, Trieste

12. As reported in the last session of the Executive Board, the International Civil Service Commission (ICSC) is reviewing the pay and benefits system which is seen as the centrepiece of the integrated framework for human resources management. The objective of this review is to modernize the compensation system by:

- (a) motivating and encouraging staff to develop skills and competencies;
- (b) providing opportunities for dynamic career development in a broader professional context; and
- (c) rewarding staff in a competitive and equitable manner, on the basis of merit, competency development, performance and accountability.

13. A pilot study of performance pay and broadbanding approaches started in July 2004 in four United Nations agencies (WFP, UNAIDS, IFAD and UNDP), grouping current grades into three broad salary bands (P-1/P-2; P-3/P-5; D-1/D-2), through which progression is based on performance and achievement of results, development of skills and competencies and client feedback. The pilot will last about three years.

14. At the ICSC meeting in July 2004, UNESCO proposed to include the Professional staff of the International Centre for Theoretical Physics (ICTP), in Trieste, in the pilot study. This proposal was made for pragmatic consideration: in effect, broadbanding is very common in academic institutions and the scientific professional staff of ICTP is somewhat familiar with these characteristics. In

addition, ICTP systems are well developed and given the relatively small number of staff involved (less than 40 Professionals), participation was thought to be feasible.

15. The ICSC approved the inclusion of the ICTP in the pilot study, which has started in early 2005. The interest shown and the commitment of the ICTP Director and his team constitute a solid basis on which to build the project. The pilot will be valuable to UNESCO in the event that ICSC decides to implement broadbanding United Nations system-wide and will also allow the Commission to test this new management approach among a unique group of United Nations Professional staff

Training initiatives achieved in 2004

16. A Learning and Development Commission has been established to advise on learning and development activities and priorities. The major role of the Commission is to review the implementation of the corporate training plan and the delegated training funds as well as to identify the training priorities for the 2006-2007 biennium to be submitted to the Director-General for approval.

17. During 2004, the following training activities have been implemented.

The Leadership and Change Management Programme

18. In 2004, 20 senior managers (P-5 and above) attended the Leadership and Change Management Programme (LCMP). A total of 180 managers have followed this programme, which aims at developing key managerial competencies such as leadership and people management, change management, strategic thinking, resources mobilization, delegation of authority, and accountability. The training programme is mandatory for all senior managers. To that effect, one LCMP training session is held every year for newly appointed managers.

The Global Senior Managers Meeting

19. In the context of its leadership development, HRM organized the first Global Senior Managers Meeting in March 2004 for some 130 Directors from Headquarters, the field and the institutes. The purpose of this Global Meeting was “to reach a common understanding on the future profile of UNESCO and on the reform process”.

The team-building workshops

20. These workshops, a key component of UNESCO’s training plan, are aimed at reinforcing the team-building skills within the field offices. In addition to the three sessions conducted in Cairo, Djakarta and Nairobi Offices in 2003, two workshops have been organized in Headquarters in 2004.

The Project/Programme Management Cycle courses

21. In 2004, 214 specialists attended Project/Programme Management Cycle training courses (Logical Framework, Results-Based Management, Mobilization of Extrabudgetary Resources, etc.). The objective of these training courses is to reinforce the project management skills among programme staff, particularly those working in the field. Workshops were organized in nine regional offices in Latin America, Africa, Arab States and Europe regions and three at Headquarters.

The Administrative Officer training programme

22. In order to reinforce the financial and administrative capacity in the field, 10 administrative training programmes were organized in 2004 for the Administrative Officers and their assistants. To improve the efficiency of the training, the AO programme has been redesigned, in collaboration with the Central Services and BFC, and should be fully operative in 2005.

IT and language training programmes

23. Some 323 staff members participated in the linguistic courses in the six official languages in 2004. Among them, 201 staff members followed English and French courses. In addition, HRM has organized a specific linguistic programme in French for 22 newly recruited managers. In order to respond to the increasing field staff requests in this area, 775 language-training CD-ROMs have been sent to field offices and institutes. At the request of HRM, an evaluation of the UNESCO linguistic learning approach has been undertaken by IOS which will submit its recommendations in 2005.

E-learning

24. To support its training programmes and further promote staff self-learning, of which e-learning is an important part, HRM inaugurated a new multimedia centre, located at Bonvin, in February 2005. The centre provides extended language-learning facilities to staff members as well as interactive media and books on different areas of staff development.

Induction programmes for newly recruited staff

25. In order to better respond to the needs of the newly recruited staff members at Headquarters, the induction course has been restructured. Previously organized as a global one-week session for all newcomers, the programme is now structured around three different modules intended for various categories of staff (GS, Professionals (P-1 to P-4) and senior managers (P-5 and above)). Including common information of general nature on UNESCO (role, mandate, etc.), each module incorporates other elements according to the specific job-related requirements. A CD-ROM “Welcome to UNESCO” has been developed by HRM and is provided to every newly appointed staff member at Headquarters and in the field.

Implementation of the Human Resources Policy Reform Framework

26. It is recalled that the human resources policy reform framework was developed in the context of the reform process launched by the Director-General in 1999 (158 EX/INF.5) and outlined in 2000 (160 EX/6) with a view to revitalizing the human resources assets through proactive quality recruitment, career development and staff mobility, results-based performance appraisals, updating skills, and respect of rules and procedures. Table III provides information on the expected results and the results achieved so far.

Table III: Implementation of the Human Resources Policy Reform Framework

Expected result No. 1: UNESCO is equipped with a new human resources policy framework to support the Director-General's drive for the reform of the Organization, and to bring human resources management in line with best and modern practices within the United Nations system.

Results achieved to date

1. A comprehensive human resources policy reform framework is in place. Nine new policies of the HR reform framework have been developed, out of which seven are implemented:

- Policy on Recruitment, effective November 2003.
- Policy on Promotion, effective November 2003. All promotions are based either on the competitive selection for a vacant post or on the reclassification of a post following job growth. Implementation has generated higher respect for rules and procedures.
- Policy on Rotation, effective September 2003. Rotation is mandatory for newly recruited staff members and this requirement has been made explicit in the offer of appointment.
- Learning and Development Policy, effective March 2004. The policy enabled the development of Corporate training plans for 2004-2005, the establishment of a Learning and Development Commission and the delegation of some training funds to sectors/bureaux/field offices/institutes to address their specific training needs.
- Performance Assessment Policy, effective 23 March 2004. Performance appraisals are built on the results-based management culture by linking individual results with organizational priorities and goals; they also integrate a learning and development dimension in the performance assessment.
- Policy on Family-Friendly Measures, effective April 2002. Implementation of several measures has contributed to creating a family-supportive work environment.
- Conditions of service of field personnel recruited under Special Service Agreements (SSA) and Service Contracts (SC), effective August 2002; Appointments of Limited Duration, effective June 2002. The contractual arrangements and benefits used in field offices have been harmonized.
- Classification policy has been developed and will be issued in early 2005.
- Anti-harassment policy has been developed and will be issued in early 2005.

2. A delegation chart of authority and accountability for field offices has been implemented. The new delegation chart for Headquarters and field offices developed by the Bureau of Internal Oversight will be published in April 2005.

3. The Staff Regulations and Staff Rules have been revised to reflect the new policies and a new version will be issued in 2005.

4. A new online Human Resources Manual will be developed in 2005.

5. A medium- and long-term staffing strategy has been developed for review by the Executive Board in April 2005.

Expected result No. 2: The efficiency of the recruitment process is increased and gender balance and geographical distribution continue to improve.

Results achieved to date

1. Staffing reviews are conducted annually with sectors/bureaux to identify vacant posts and those to become vacant, and to prepare recruitment plans for the biennium. These reviews have induced a better recruitment planning of human resources.
2. Within the recruitment policy, the respective roles and accountability of managers in sectors, bureaux and field offices have been clearly defined. Some recruitment activities and decisions have been delegated to sectors and bureaux, such as the GS appointment decisions at Headquarters.
3. The recruitment process is more rigorous and more transparent with the establishment of pre-selection and evaluation panels.
4. The managerial accountability in the recruitment process has been enhanced as managers are involved in the selection and short-listing of the best qualified candidates.
5. Managerial competencies are taken into account in the recruitment and assessment processes of senior managers:
 - A competency framework for the recruitment of senior managers (P-5 and above) has been developed and is serving as a basis for assessing candidates to managerial posts. It is also being used for appraising senior managers' performance under the new Performance Assessment Policy.
 - An Assessment Centre for senior managers has been developed and tested on a pilot basis. A decision will be taken in the coming months on the use of the Assessment Centre in the recruitment area.
6. New talent at junior level has been recruited through the Young Professional Programme: Since 2000, 10 Young Professionals are recruited each year. Out of 50 Young Professionals recruited since 2000, 24 came from unrepresented countries and 38 were women. Since 2003, four recruitment missions and two recruitment seminars targeting under- and unrepresented countries have been undertaken, and enhanced consultations with Permanent Delegations and National Commissions have taken place.
7. Geographical distribution of staff has been improved: 83% of the 190 Member States are represented at the end of 2004, compared to 76% in 2000.
8. At the end of 2004 gender balance has been achieved in the Professional and D and above categories (47% are women) and has reached parity (50%) in the Professional category (e.g. 61% at P-1; 64% at P-2; 56% at P-3; 45% at P-4; and 37% at P-5). There remains, however, an imbalance at the D and above levels where women represent 22%. In 2004, 29 of the 70 external appointments were women (41%).

Expected result No. 3: The competencies of UNESCO's staff are enhanced to meet the evolving requirements of principal priority-related programmes.

Results achieved to date

1. The training and development function has gained the recognition it requires within the Organization as an essential part of Human Resources Management. The training Budget has significantly expanded from US \$400,000 in 2000-2001 to \$6 million in 2004-2005, reaching 2.3% of total staff costs. It is expected to reach 3% in the future.
2. Thirty per cent of the overall training budget has been decentralized to sectors/bureaux/field offices/institutes in order to better address their specific training needs.
3. The Learning and Development Commission, composed of representatives from all sectors as well as some field representatives, plays a key role in identifying corporate training needs and initiatives to be carried out. It also monitors the implementation of the approved training initiatives.
4. Since 2002, the corporate training activities have been focused on four major areas:
 - The Leadership and Change Management Programme (LCMP): most senior managers (P-5 and above) have participated in the programme; the 360° evaluation exercise has also been introduced in this programme.
 - The administrative training programmes: to reinforce the administrative capacity in the field, some 100 AOs and Assistants have been trained since 2000.
 - Results-based management courses have been organized. To date more than 200 programme specialists have attended these courses.
 - To support the implementation of the new Finance and Budget System (FABS) at Headquarters, various courses and seminars have been organized and most of the users are familiar with this system. In the field, most of the Administrative Officers and their teams, representing some 75 staff members, have been trained on FABS.
5. A competency framework for senior managers (P-5 and above) has been developed and is used for recruitment and assessment purposes.
6. The Staff Fact Sheet application has been redesigned in order to collect and update for each staff member his/her personal qualifications, career history and professional experience.
7. An inventory of the qualifications and areas of expertise of programme specialists in the Education Sector has been established through a questionnaire, and gaps that need to be filled through training will be taken into account in the training plan for 2006-2007.

Expected result No. 4: Staff performance is enhanced by focusing on concrete results of work assignments and the accountability of managers is enhanced in assessing the performance of their staff.

Results achieved to date

1. Staff members are assessed on the basis of individual expected results linked to the operational work plan of the organizational unit, as agreed with their supervisor at the beginning of the biennium.
2. Individual learning and development needs are identified through this process.
3. Managerial accountability is reinforced, with the assessment of senior managerial competencies, as well as the inclusion of a managerial performance assessment objective for all supervisors.
4. Performance improvement issues are dealt with through the establishment of an individual performance improvement plan.

Since the new Performance Assessment Policy has only been introduced in March 2004, it is yet too early to assess its results.

Future activities

27. Future activities to be undertaken within the human resources policy reform framework will focus on the following priorities:

- (a) continuation of implementation of the HR policy framework. A more comprehensive assessment of its overall results will be undertaken over a longer period of time;
- (b) implementation of the medium- and long-term staffing strategy presented in Part I (B) below, as approved by the Executive Board;
- (c) development and implementation of an integrated management information system that will optimize administrative procedures and support the delegation of authority to managers in respect of human resources;
- (d) development of the online Human Resources Manual to provide managers with up-to-date information on rules, regulations, policies and procedures relevant to the management of their human resources;
- (e) improvement of timeliness of the recruitment process in the selection of candidates based on the highest standards of efficiency, competence and integrity, as well as due regard to geographical distribution and gender balance;
- (f) development and implementation of initiatives to promote staff mobility, particularly within the General Service category;
- (g) assessment of the new Performance Appraisal system at the end of the performance appraisal cycle (2006);
- (h) development of a rewards and recognition scheme in respect of outstanding contribution and performance.

B. MEDIUM- AND LONG-TERM STRATEGY FOR UNESCO STAFFING

Introduction

28. UNESCO is refocusing its strategic direction – contributing to peace and human development in an era of globalization through education, the sciences, culture, and communication. As the Organization seeks to gain, maintain and increase effectiveness and credibility with key stakeholders in its core domains, it is vital that it has the right people with the right competencies in the right place at the right time.

29. The major reform process launched by the Director-General in 1999 aimed *inter alia* at increasing the relevance and efficiency of UNESCO through the restructuring of the Secretariat and the re-engineering of the field structure. It aimed also at revitalizing the Organization's human assets through the development and implementation of a comprehensive Human Resources Policy. This policy is expected to result in proactive quality recruitment; results-based performance appraisals; career development and staff mobility; and updated skills. The missing link, however, was a medium- and long-term strategy that would ensure that the Organization would achieve the staff profile it required to implement the reform, in line with the new strategic direction. Therefore at its 164th session, the Executive Board requested the Director-General, "to establish a medium- and long-term strategy for UNESCO staffing, in terms of overall staff members, and of the balance between core staff and professionals on short-term contracts, and between staff at Headquarters and in the field".

30. In response, a working group, composed of senior managers from the sectors and bureaux, was established to review a variety of issues such as the role of Headquarters versus the field, the core functions, the profile of the programme specialists, the balance between Professional staff and staff in the General Service category at Headquarters and in the field, and the redefinition of the role of support staff. Drawing on this group's deliberations, the Director-General outlined his views on a number of fundamental staffing premises in the private session of the Executive Board in April 2003, with a view to securing initial reactions from Member States. Further consultations were held with some 90 Professional staff from the Education Sector (Headquarters and field) on the skills and competency requirements for programme specialists. In addition, 130 senior managers from Headquarters and the field discussed and formulated recommendations on the staffing strategy during the Global meeting in March 2004. The draft staffing strategy was also discussed with the regional groups of the Executive Board, the College of Assistant Directors-General, the Directorate and the Staff Associations between October 2004 and March 2005. These consultations elicited considerable useful information and feedback, which the Secretariat has drawn on to develop the strategy for staffing the UNESCO of the future, proposed in this document.

31. This document presents the staffing strategy for UNESCO, including the staff profile the Organization will need in the future, taking into account and responding to changes in UNESCO's external environment, the evolved expectations of the Member States, and the ongoing changes within the Organization. The objectives of the staffing strategy are to ensure that UNESCO:

- (a) responds to current and future needs of Member States in the framework of the C/4 and C/5 implementation, and is grounded in the Decentralization Strategy and the overall human resources reform;
- (b) focuses its human resources on principal priority-related programmes;
- (c) has a flexible, mobile and diverse workforce, i.e. the right staff with the right competencies in the right place at the right time;

- (d) treats its human resources as its most important asset;
- (e) is a cost-effective Organization, and has in place a streamlined set of administrative arrangements and tools to manage effectively its workforce.

32. The strategy stems from a snapshot picture that shows the trends and patterns characterizing UNESCO's staffing at a point in time (December 2004) in terms of composition of staff by contractual arrangements and source of funds (regular budget and extrabudgetary funds), and the structure of staff by category, location, functional area, gender and geographical distribution. However, this strategy cannot provide the projected staff levels for future years without some prior knowledge of the level of financial resources available for the future biennia. The budget for 2006-2007 will be known after the discussion of document 33 C/5 and its approval by the Executive Board and the General Conference in autumn 2005.

33. This strategy is also presented in the context of the modernization of the Secretariat and the reform process, including the overall human resources reform, already engaged. The Director-General will pursue this endeavour to ensure that the UNESCO of the future is an Organization at the service of the world community globally and each Member State locally. Therefore, this strategy proposes the redesign of (i) the composition and structure of staff; (ii) the roles and competency profiles of the workforce; as well as (iii) the development of the necessary policies and tools to achieve the desired transformation. The changes proposed in the strategy will need to be reflected and, as required, aligned with the Medium-Term Strategy (34 C/4), which will be prepared for 2008-2013 and the Programme and Budget for 2008-2009 (34 C/5).

34. B has three sections and one annex:

- Section I, *The Context of the staffing strategy*, provides an overview of the context in which the staffing strategy is being developed, including recent trends and issues in UNESCO staffing.
- Section II, *Policy Statements*, sets out nine policy statements that UNESCO will pursue to achieve the staffing strategy's objectives. The strategy is structured around two pillars. The first pillar rests on policies that will ensure that the Organization employs its staff resources in the manner required to fulfil its mandate. The focus is mainly on the allocation of human resources to principal priority-related programmes of each major programme at Headquarters and in the field, the appropriate proportion of staff in the network of field offices, and the cost-effectiveness of administrative and support functions. The second pillar of the strategy focuses mainly on roles and profiles of long-term and short-/mid-term staff and the corresponding contractual arrangements and benefits; the employment of National Professional Officers; and the geographical diversity and gender balance.
- Section III, *Initiatives to implement the strategy*, sets out for each policy statement a series of initiatives to implement the strategy, the results to be achieved and the proposed time-frames.
- The Annex provides detailed information on UNESCO's current staffing situation as at December 2004.

I. The context of the staffing strategy

35. The staffing strategy is being developed in an external context, which has drastically changed over the past decade and which will continue to do so in the next decade and within an environment of major reform initiatives in the United Nations system. This section of the document presents an overview of the external context in which the Organization is evolving and its impact on the staffing strategy, as well as the strategic and organizational contexts in which these changes are occurring. It also summarizes recent trends and issues in UNESCO staffing.

36. The nature of the expertise that Member States expect from organizations is also evolving. Over the past years, Member States have developed their own capacity in many of the programme areas traditionally provided by United Nations organizations. Increasingly, Member States want these organizations to provide a higher level of expertise than before. They look to the United Nations system for cutting-edge expertise, targeted policy advice and support, as well as efficient and cost-effective service delivery. Moreover, civil society bodies have considerably expanded and have become indispensable actors in the traditional areas of work of United Nations system organizations, leading these organizations into alliances and partnerships arrangements in order to reach the beneficiaries. Furthermore, the exceptional endeavour towards reconstruction in countries emerging from conflicts or natural disasters is placing unprecedented demands on all United Nations organizations for a flexible and rapid response, requiring the delivery of assistance and programme activities at very short notice.

37. Within the United Nations system, the General Assembly has recently approved the implementation of a set of measures requesting United Nations agencies, funds and programmes working in each country to pool their resources and undertake joint programming and technical cooperation activities. This means that “lead responsibility for a given issue or activity should rest with the entity best equipped substantively to assume it while technical cooperation should be delivered to the maximum extent possible by the entities that have an established field presence and experience”.¹

38. In light of this evolving global context and the resulting changes in the needs and expectations of Member States, UNESCO is no longer a self-contained institution, operating autonomously as a leader in its core areas of competence. It must sharpen its profile and redefine its comparative advantage; and it must operate as a partner, sharing the stage with civil society and a host of social groups, NGOs and private enterprises. Therefore, in order to achieve its objectives, more and more, UNESCO must build new alliances and partnerships.

39. In response, the Director-General has engaged in major reform initiatives. Central to this reform process is a rethinking of the Organization’s role, mandate, strategic direction, and management tools. The Director-General’s reform focused on streamlining the Organization’s structures and management procedures, reforming its personnel policies, and implementing a new decentralization strategy. In 1999, when launching the reform, the Director-General established four objectives: revitalizing the human assets; developing the spirit and practice of responsibility; simplifying and rationalizing the Secretariat structure; and restoring respect for rules and procedures.

40. Moreover, at a time when UNESCO is confronted with limited budgets, greater emphasis is placed on results and accountability. It is therefore redefining its comparative advantage, identifying its evolving niches, and streamlining its priorities. It is also focusing on its internal functioning and

¹ Document of the United Nations General Assembly, “Strengthening of the United Nations: an agenda for further change. Report of the Secretary-General”. A/57/387 of 9 September 2002, p. 22.

organizational design, moving towards a stronger emphasis on delivering results and integrating processes and systems. At the same time, it is seeking to implement more flexible and cost-effective organizational arrangements. As a knowledge-based organization, UNESCO is turning more towards advocacy, brokering, and policy advice. However, the issue in terms of staffing strategy is how to balance the need to deliver cutting-edge expertise and advice to Member States with the need for institutional memory and knowledge management. In response, UNESCO needs to evolve towards a “skill mix” of delivering a high level of specialization in areas of core competency and more process-oriented skills.

41. Regarding decentralization, the reform process reorganized the field structure with a view to building up a more efficient network of field offices and enhancing UNESCO’s presence closer to its constituents. In this respect, the document entitled “The rational implementation of decentralization: a review of progress from 1999 to 2005” is submitted to the Executive Board at its current session.² The major implications for the staffing strategy is to ensure that the field network structures are adequately staffed, enabling them to meet their responsibilities and respond to new opportunities. Therefore some of UNESCO’s staff must be able to move easily between Headquarters and the field; they must be mobile and flexible, and more able to take on different responsibilities in different locations.

42. UNESCO has historically recruited for its core staff academics who are specialists in the Organization’s areas of competence – education, sciences, culture, and communication and information. Yet it is difficult for such staff to retain their cutting edge. UNESCO has therefore supplemented their expertise by hiring experts on a short-/mid-term basis. It has also introduced medium-term contractual arrangements to hire programme staff for projects of limited duration, financed under extrabudgetary funds. However, UNESCO will need more flexibility to ensure the cutting edge it aspires to.

43. Detailed data on trends and issues in staffing are provided in the attached Annex and are summarized below.

Staffing situation under the regular budget at December 2004:

- (a) UNESCO employs 1,801 staff members, against 1,946 established posts, including staff on temporary posts.
- (b) The ratio of staff currently engaged in programme sectors,³ including those in the field, relative to total staff is roughly 1:1 (i.e. 56%). This means that slightly more than half of all UNESCO staff are directly engaged in delivering programmes to Member States.
- (c) The current allocation of staff between Headquarters and the field shows that, with the recent transfer of some 58 posts to the field, 28% of total UNESCO staff work in the field, with 72% at Headquarters.
- (d) 53% of staff both at Headquarters and the field belong to the General Service category, whereas 42% are at the Professional and 5% at Director and above levels. These figures suggest that there is further scope for the streamlining of the Organization’s administrative and support functions, systems, and processes (e.g. 42% of total staff in the General Service category are employed in the support for programme execution and

² 171 EX/6 Part III, submitted under item 5 of the provisional agenda.

³ In line with the C/5 document, Appendix V, these include CI, CLT, ED, SC and SHS.

administration), thereby freeing more resources to be redeployed to principal priority-related programmes and activities.

- (e) UNESCO currently employs 45 National Professional Officers (NPOs) in its network of field offices, representing 3% of total staff under the regular budget. With 24 additional National Professional Officers funded from extrabudgetary sources, the total number of NPOs amounts to 69, accounting for 24% of the Professional staff in the field and 8% of the total Professional staff.
- (f) The current distribution of staff according to the type of contract shows that 97.5% of total staff hold indeterminate/fixed-term contracts, and 2.5% temporary contracts.
- (g) Regarding geographical diversity, the Organization has now attained one of the highest rates of representation of Member States within the United Nations system (83% of Member States are represented). However, 33 Member States remain unrepresented.
- (h) Regarding gender balance, UNESCO has made significant gains in terms of the representation of women at the Professional levels and achieved parity at the P-1/P-5 levels (50%, the best within the United Nations system⁴). There remains however an imbalance at the senior levels; both at Headquarters and in the field, women represent 22% of staff at the senior management level (D-1 and above).
- (i) Significant numbers of staff will retire before 2015: 80% of current D-1 and above, 77% of P-5 staff, 52% of Professional staff, and 47% of staff in the General Service category will retire within the next 10 years.⁵ This demographic situation holds important potential for staff rejuvenation and substantial improvement of geographical diversity overall and gender balance particularly at senior levels. It also represents a window of opportunity for shaping a new staff profile in line with the evolving role of the Organization and its strategic directions. At the same time, the 10-year pattern of retirement represents a significant challenge to UNESCO in terms of the potential loss of institutional memory, particularly in the key areas of designing and delivering programmes to serve Member States.

44. The Organization's staffing situation under extrabudgetary resources as at December 2004 shows that UNESCO employs 485 staff members (including temporary staff, ALDs, staff holding UNESCO contracts in institutes), of which:

- 73% are engaged in programme sectors, including those in the field;
- 55% are at the Professional and Director levels whereas 45% belong to the General Service category both at Headquarters and the field;
- 77% hold indeterminate/fixed-term contracts; 16% hold Appointments of Limited Duration and 7% temporary contracts.

45. A number of organizational initiatives have been taken since the inception of the reform process – for example, the transfer of more posts to the field, a significant reduction in the number of posts at the D-1 and above levels, and an increase in the overall representation of women. Also

⁴ For example, women represent 42.3% of the Professional category in the United Nations Secretariat; 38% in ILO; 33.6% in WHO; and 27% in FAO.

⁵ The anticipated retirements over the next five years are equally significant: 53% of current staff at the D and above level; 41% of P-5; 26% of P-4; and 23% of staff in the GS category.

during the preparation of document 33 C/5, particular efforts have been made to concentrate the resources on priority areas within the established budgetary envelope. The strategy proposes that further efforts be made to align the future staff of the Organization with the changing external environment and UNESCO's mandate and strategic direction including its aspiration to be programme-focused, results-oriented and more cost-effective.

II. Policy statements

46. The staffing strategy has been structured around two pillars: *Allocation of staff resources* and *Workforce profile*. The first pillar encompasses three policy statements and refers to initiatives designed to ensure that the right staff in appropriate numbers are in the right place at the right time and that they focus on UNESCO's priority areas of work. The second pillar encompasses six policy statements and focuses on the desired profile of the workforce as a whole. This pillar addresses such issues as core staff, short- and mid-term staff and other service providers. It refers to initiatives designed to ensure that UNESCO's workforce has the required skills and competencies, including at the managerial level, the necessary flexibility, and the desired balance and diversity profile. It also refers to initiatives designed to ensure that UNESCO sets up appropriate contractual arrangements and benefits and other organizational arrangements for its workforce.

Pillar 1: Allocation of staff resources

47. The principle underlying the three policy statements provided below and relating to the allocation of staff resources is that UNESCO needs to focus its relatively scarce resources on the Organization's principal priority-related programmes, that is, on the activities that bring the highest value to Member States. The policy statements address different aspects of the allocation of staff resources, and in particular that these resources are concentrated on the Organization's principal priority-related programmes; that an adequate number of staff are allocated to the network of field offices to enhance the delivery of results determined by Member States in the C/4 and C/5 documents and that administrative and support functions are rationalized in order to dedicate more resources to programme delivery functions.

Policy Statement One: Staff resources will be concentrated on UNESCO's principal priority-related programmes and activities, ensuring that there is a stronger correlation between desired results and assigned resources.

48. In recent years, much has been done to improve the strategic planning and management of programmes, as illustrated by the significantly improved C/4 and C/5 documents. In addition, the revised programme management cycle will lead to many improvements in the programming, resourcing, planning, monitoring and evaluation phases of that cycle. This policy statement is designed to ensure that UNESCO's staff resources are concentrated on the Organization's principal priority-related programmes and that sectors and field offices have the staff resources they need to deliver the results determined by Member States. The Director-General has already taken some significant measures designed to focus the Programme and Budget for 2006-2007 on the principal priorities of the Organization. He has instructed senior managers to link more clearly the proposed allocation of resources to the principal priorities and their expected results. This shall assist in outlining directions for a restructuring and redistribution of staff resources within sectors, leading to a better focus and overall results orientation. He also asked all the Assistant Directors-General to ensure that the Secretariat improve the current ratio of programme costs versus staff costs as well as the ratio of programme sectors versus administrative and support services. Moreover, in the Programme and Budget for 2006-2007, the Director-General undertook to cut lower priority activities and to shift resources from low- to high-priority activities. However, additional resources

are required to reinforce the high-priority activities within the five programme sectors and other key areas.

49. After the Executive Board approves the Programme and Budget for 2006-2007, the Director-General will undertake a further review of a wide range of issues relating to the allocation of staff resources to principal priority-related programmes and activities of the Organization. The results of this review will be reflected in the Programme and Budget for 2008-2009.

Policy Statement Two: The network of field offices will be adequately resourced with an appropriate allocation of staff.

50. Decentralization represents a long-term process of institutional transformation that is designed primarily to improve service delivery, programme coordination and outreach at the country level. In this respect, the review of the implementation of the decentralization strategy (report of this review in document 171 EX/6 Part III) further defines the core requirements of the network of field offices and clarifies the roles and responsibilities, as well as the linkages between all stakeholders of the decentralization strategy, in order to reinforce their cooperation and improve the Organization's delivery capacity.

51. At a time when overall staffing trends have been downwards, the number of established posts in the field has been growing constantly, showing a net increase of 46 posts between the 2000-2001 and 2004-2005 biennia. Twenty-eight per cent of UNESCO staff funded under the regular programme (see Table 1 of the attached Annex) are currently working in the field. When only programme sectors are considered, the distribution of staff between Headquarters and the network of field offices is more balanced as 50% of the 976 staff members (D, P and GS) under the regular budget are in the field (see Table 7 of the attached Annex, which incorporates in the overall figure the local General Service staff in the field under BFC). These latter figures suggest that the decentralization strategy has started impacting on the staffing pattern of programme sectors.

52. In a number of speeches and policy documents and, most recently in the Draft Programme and Budget for 2006-2007 (33 C/5), the Director-General has emphasized his determination to improve the coverage and level of the staffing in the field. One of the measures envisaged in this regard consists in assigning one high-level P-4/P-5 officer in each cluster office, with a relatively "generalist" profile to serve as the Deputy to the Head of Office, assuming a variety of functions, such as the mentoring of junior staff, and deputizing in representational duties vis-à-vis national authorities, the United Nations system, etc. It is also proposed that cluster/national offices make greater use of National Professional Officers, of temporary staff and of short-term consultancies for expert services. Moreover, the purpose of the decentralization strategy is to improve the overall efficiency of the delivery system through the combined use of all available human resources across the Organization, at Headquarters and in the field. In this regard, regional bureaux/advisers will be ready to backstop cluster/national offices, with senior programme expertise, and staff skillsets (Headquarters and field) will be mapped in order to permit greater use of "on-call" expertise.

Policy Statement Three: Administrative and support functions both at Headquarters and the network of field offices are carried out in a more cost-effective way, in order to dedicate resources to principal priority-related programmes and activities.

53. At present, 34% of UNESCO's staff resources of the regular budget are engaged in providing support for programme execution and administration such as ADM, BFC at Headquarters, ERC and HRM. In addition 6% of staff under the regular budget are working in programme-related services, i.e. AFR, BB, BPI and BSP (cf. Tables 5 and 6 of the attached Annex). Within those administrative and support functions, there are some areas where greater cost-efficiencies can be gained and where

working methods and processes can be further rationalized. Regarding organizational processes, the introduction of FABS clearly indicates UNESCO's commitment to streamlining and automating its central services processes. In the past few years, some financial, administrative and human resources management responsibilities have been devolved to sectors and field offices through the creation of Executive Offices (EO) and Administrative Offices (AO) in order to improve cost-effectiveness and managerial accountability.

54. In the context of the Programme and Budget for 2006-2007, the Director-General has already initiated measures designed to redeploy staff resources to principal priority-related programmes and activities. This has involved reducing the resources allocated to administrative and support functions, thus leading to a wide range of actions designed to streamline and improve these functions. There remains, however, some scope for improvement.

55. Once the Programme and Budget for 2006-2007 is approved by the General Conference, the Director-General will undertake a comprehensive review of administrative and support responsibilities, functions, and processes. This review will define the core business in each of those areas; clarify the roles of key administrative and support actors; realign the main administrative and support functions; streamline and simplify administrative processes; and identify the most cost-effective delivery approach for those functions, including further devolution of responsibilities to managers and Executive Offices, and the use of alternative sourcing arrangements. The main purposes of this review are to carry out the functions in the most cost-effective manner and, therefore, with minimum resources, and to reallocate staff resources from administrative and support functions to principal priority-related programmes.

Pillar 2: Workforce profile

56. The principle underlying the six policy statements presented below is that UNESCO needs a workforce that is competent, professional, responsive, versatile, diverse, mobile and committed so that it can respond to the challenges set by Member States in the C/4 and C/5 documents. These policy statements are designed to ensure that UNESCO's workforce has the required skills and competencies, the necessary flexibility, and the desired balance and diversity profile. They focus on roles and profiles of long-term and short-/mid-term staff, the employment of more National Professional Officers, and the geographical diversity and gender balance. They are also designed to ensure that UNESCO develop appropriate contractual arrangements and benefits as well as other organizational arrangements for its workforce.

Policy Statement Four: Managerial capacity is further enhanced to ensure that managers are supervising appropriately sized units, have been delegated adequate decision-making authority and are accountable for that authority.

57. The average number of staff currently reporting to one manager (P-5 and above) is six, which makes for a steep decision-making pyramid. Such pyramids are generally associated with significant delays in relaying information (both up and down the Organization); significant delays in decision-making; high number of hierarchy layers; excessive formality in organizational communication; high staff and administrative costs; increased likelihood of lack of teamwork and cooperation; and higher levels of competition for resources. While it is generally true that the ratio of staff to managers in knowledge work is smaller than in other types of work environments, UNESCO's ratio seems quite low and costly, even taking into account the fact that many of those in managerial positions devote considerable time to substantive work.

58. Since 2000, much has been done to streamline and reduce the number of senior managers in the Organization and to ensure that senior management posts are created in the field. However,

given the average number of staff reporting to managers, the scope of managerial responsibility needs to be further examined.

59. The Director-General will undertake an organizational review that will examine issues relating to the size of work units and the span of managerial control. This review will make recommendations relating to the structure of sectors and Central Services; the managerial status of division directors and section chiefs; and the possibility of further reducing the number of middle- and senior-level managers, thus making it possible to increase the number of posts that focus purely on programmes.

60. This review will depend on the outcomes of other reviews referred to above (paras. 49 and 55). It is also linked to the Internal Oversight Service's work on the framework for the delegation of decision-making authority and accountability to managers at Headquarters and the field.

Policy Statement Five: There will be well-established modalities for two employment streams: (i) a core staff employed on a long-term basis in a flexible, mobile and strategic way; (ii) a number of short- and mid-term staff (up to four years) and service providers to strengthen UNESCO's delivery capacity.

61. As at December 2004, UNESCO employed a total of 2,286 staff members distributed as follows. Under the regular budget there were 1,801 staff members, of which 97.5% hold indeterminate and fixed-term contracts and 2.5% temporary contracts. Under extrabudgetary funds there were 485 staff members, of which 77% hold indeterminate and fixed-term contracts, 16% Assignment of Limited Duration contracts, and 7% temporary contracts (see Table 3 in the attached Annex for more details). In addition, UNESCO employs other service providers who are not staff members such as supernumeraries, consultants and fee contract holders at Headquarters, and service contract and special service agreement holders in the field.

Employment streams

62. Given that the need to rely on outside service providers will certainly continue, the challenge UNESCO faces goes beyond how to manage its staff. Rather, the question becomes how to manage its workforce as a whole, including its staff. Specific issues to be addressed include: How should the role of UNESCO's current staff evolve? What skills and competencies will the future staff of UNESCO require? How can the Organization's considerable investment in short-term and temporary assistance be managed as a strategic asset to achieve programme results?

63. In light of the composition of the total workforce, the Organization will define clear roles and profiles for its long-term staff – those who will maintain the Organization's institutional memory and its programming knowledge. At the same time, short- and mid-term expertise will be needed. This distinction implies two employment streams in the Organization: a long-term stream and a short- and mid-term stream. The long-term stream will be made up of staff at all levels who will carry out the core activities in a flexible, mobile and strategic way; the short- and mid-term stream (up to four years) will be made up of staff and other service providers that UNESCO requires on a short- and mid-term basis.

64. Long-term staff will be employed in all areas of UNESCO's work and will be located in both Headquarters and the field. On the one hand, they will fulfil the necessary and desirable role of institutional memory and will enable the Organization to benefit from the expertise and wisdom they have gleaned from years of experience in the global or international context. On the other hand, they will play a leadership role in enabling the Organization to assume its mandate. They will also function as the brokers, catalysts and programme managers UNESCO needs to ensure quality delivery programmes. They will be employed on a long-term basis and will be granted continuing contracts.

65. To complement the organizational leadership and stability provided by the long-term employment stream, UNESCO will resort to a short- and mid-term employment stream for specific time-bound and location-bound activities. This group will comprise staff with short- and mid-term contracts and other service providers. It will include leading experts with the cutting-edge expertise UNESCO requires at a specific point in time, as well as project staff hired to implement specific activities. This employment stream will also include administrative and support specialists, and may include programme and administrative assistants needed for short-term and medium-term assignments.

66. These two employment streams will require new or revised contractual arrangements and benefits, staffing requirements and recruitment criteria, and assessment processes as well as the development of career paths for staff employed on a long-term basis.

Rapid response capacity

67. As in recent years, UNESCO has increasingly been involved in reconstruction activities in countries emerging from political conflict or prevention and reconstruction activities in countries hit by natural disasters. The Organization needs to enhance its institutional capacity to deploy staff on an emergency basis and for short periods of time on such assignments. UNESCO lacks the required staff to respond and mechanisms to fully accommodate staff needs in these situations. It should also be recognized that staff who operate in such situations require specific training and skills, such as security awareness.

68. Therefore, UNESCO will need to develop staffing measures and mechanisms enabling it to establish a rapid response capacity for such situations. This will involve the definition of skill requirements in accordance with the types of situations where the Organization intervenes, the development of specific staff training programmes for dealing with post-conflict and natural disaster situations, and the review of existing administrative arrangements with a view to adapting them to a rapid deployment of staff.

Programme staff

69. As the role of the Organization has been evolving, its primary roles should be to galvanize, to broker, to attract external expertise, to facilitate, and to manage programmes and projects. Thus, UNESCO requires two types of programme staff: *programme managers/programme officers* and *leading experts*. Programme managers and programme officers are those who possess substantive knowledge of the field of expertise, as well as project management, networking, advocacy, and facilitation skills. They are catalysts of change and will be long-term staff. *Leading experts* are those who possess the relevant cutting-edge expertise and experience in the principal programme areas that UNESCO needs at a specific time for specific activities. They will be employed with short- or mid-term contracts and will be funded either by the regular budget or extrabudgetary resources.

Policy Statement Six: Greater use will be made of National Professional Officers.

70. As at December 2004, UNESCO employed 69 National Professional Officers (NPO) in its network of field offices (45 under the regular budget and 24 under extrabudgetary funds). They represent 24% of the Professional staff in the field (which totals 285, of whom 219 under the regular budget and 66 under extrabudgetary funds), and 8% of the total Professional staff (i.e. 902, of whom 738 under the regular budget and 164 under extrabudgetary funds).

71. As the Organization needs to strengthen the professional capacity of its field offices, it will make use of the larger pool of well-educated and experienced people at the national level to increase the number of NPOs. For this purpose it will define core functions for NPOs, review the general work profiles required, define recruitment criteria and training and development plans for these staff.

Policy Statement Seven: The competency profile of staff in the General Service category will be further developed so as to fulfil new roles.

72. Since information technology has profoundly changed the nature of work of staff in the Professional category and staff in the General Service category, the distinction that once existed for certain tasks is now blurred. A clear definition of roles and competencies will therefore be required to ensure the full contribution of all staff resources of the Organization. For that purpose, staff in the General Service category will play three main roles: Programme Assistants, Administrative Assistants, and Personal Assistants. Other “stand-alone” jobs in this category will have their responsibilities clearly defined.

73. Programme Assistants will support the work of programme managers/programme officers at Headquarters and in the field. Their main role will be to collect, update and analyse data; maintain databases and electronic files; develop observations and recommendations based on data collected; participate in meetings and discussions relating to their work with programme managers/programme officers; and perform other programme support functions. Administrative Assistants will support the work of Administrative Officers. The specific nature of the work of Administrative Assistants will vary depending on their actual assignment. Personal Assistants will support the work of individual senior managers at D-1 and above. Therefore, new career paths and development opportunities for staff playing each type of role will be designed to enable career growth and functional mobility.

Policy Statement Eight: UNESCO will further improve geographical diversity and gender balance in the workforce.

74. During the past biennium, the Secretariat took some specific measures to improve the geographical distribution of staff. Particular efforts continue to be made to increase the number of qualified candidates from under- or unrepresented Member States to fill vacant posts in the Secretariat. The Young Professionals Programme was also strengthened to bring in young qualified specialists from under-represented and unrepresented Member States. In addition, a specific objective has been set by the General Conference to have at least 50% of posts open to external recruitment filled by candidates from under- or unrepresented Member States.

75. As regards gender balance, UNESCO has achieved very good results since 2000 by steadily improving the representation of women in the Professional category, where their proportion increased from 46% to 50% in 2004 (see Table 9 of the attached Annex). As at December 2004, women represented 47% of the staff at the Professional and D and above categories. However, there is still an imbalance in the Director and above levels, where women represent only 22%. The Director-General will continue efforts to ensure that more women are recruited at all levels of the Organization, particularly at senior managerial posts. The objective is to achieve a percentage of at least 40% of women at the senior levels by 2015.

Policy Statement Nine: Within the overall human resources reform, UNESCO has pledged to recruit and retain a highly qualified workforce, and to provide a stimulating work environment.

76. UNESCO faces a number of challenges in recruiting a talented workforce. On the one hand, 430 staff members will retire in the next five years (i.e. from 2005 to 2009 included) and an

additional 372 in the following six years (i.e. from 2010 to 2015) as shown in Table 11 of the attached Annex. A significant number of these staff are at the Director and P-5 levels (50 D and above accounting for 53% of the current 95 senior managers, and 69 P-5 accounting for 41% of the total Professional staff will be retiring over the next five years). This demographic situation holds important potential for staff rejuvenation and substantial improvement of geographical diversity overall and gender balance especially at senior levels. At the same time, both the five-year and the 10-year patterns of retirement represent a significant challenge to the Organization in terms of the potential loss of institutional memory.

77. On the other hand, global demographic patterns indicate that there will be significant shortages in the supply of labour. As a result, in the coming decade UNESCO will face unprecedented competition for competent young professionals, as well as for experienced mid-level, seasoned professionals. Therefore, the Organization must enhance the competence of its staff, enhance morale and motivation, and improve flexibility and staff mobility. At the same time, in order to compete as a preferred employer, it will need to offer a stimulating work environment and attractive employment conditions.

78. There is a need for a number of additional measures such as succession planning to determine whether retiring staff are best replaced by developing existing staff or recruiting from outside the Organization; the development of competency frameworks for staff at the P-1 to P-4 levels and staff in the General Service category; the development and implementation of training and development plans to support the competency frameworks; and appropriate contractual arrangements and benefits that promote UNESCO as an employer of choice.

III. Initiatives to implement the Strategy

79. The following table provides for each policy statement a series of initiatives to implement the Strategy, the results to be achieved and the corresponding time-frames.

<i>Policy Statement One: Staff resources will be concentrated on UNESCO's principal priority-related programmes and activities, ensuring that there is a stronger correlation between desired results and assigned resources.</i>		
Expected results	Initiatives to implement the strategy	Time-frame
The Programme and Budget for 2008-2009 will show a larger shift in the allocation of resources towards the principal priority-related programmes of the Organization.	Undertake a review of overall issues relating to the allocation of staff resources to principal priority-related programmes, including: <ol style="list-style-type: none"> 1. The allocation of the overall staffing and financial resources to each programme sector; 2. The allocation of staff resources within each programme sector to the principal priority-related programmes and activities of the Organization; 3. The appropriate allocation of programme staff at Headquarters and in the network of field offices, bearing in mind the need for a differentiated approach among different sectors, depending on their size and the nature of their programmes. 	Work will start in April 2005 and be completed in May 2006 so as to have it reflected in the proposals for the 2008-2009 Programme and budget and document 34 C/4.

<i>Policy Statement Two: The network of field offices will be adequately resourced with an appropriate allocation of staff.</i>		
Expected results	Initiatives to implement the strategy	Time-frame
Field network structures are adequately staffed, enabling them to meet their responsibilities and respond to new opportunities.	<p>The following initiatives, to be considered in the framework of the Report by the Director-General on Decentralization (171 EX/6 Part III) shall be undertaken:</p> <ul style="list-style-type: none"> • review the resources dedicated to support functions in field offices (Policy Statement Three); • make more systematic use of National Professional Officers (Policy Statement Six), of short-term consultancies for expert services and of temporary staff in clusters; • undertake advance planning for the recruitment/rotation of head of field offices (Policy Statement Nine); • map the skillsets of staff across the Organization; • ensure that each field office has adequate and well-trained administrative capacity (Policy Statement Three); • ensure that each cluster office has a deputy head of office at P-4/P-5 level. 	<p>April 2005-May 2006, to be reflected in document 34 C/5</p> <p>2006 onwards</p> <p>December 2005</p> <p>2008-2009</p> <p>2006 onwards</p> <p>2005 onwards</p>

<i>Policy Statement Three: Administrative and support functions both at Headquarters and in the network of field offices are carried out in a more cost-effective way, in order to dedicate resources to principal priority-related programmes and activities.</i>		
Expected results	Initiatives to implement the strategy	Time-frame
<ul style="list-style-type: none"> • Support and Administrative functions are clearly defined and streamlined and delivered in a cost-effective way. • Staff resources dedicated to administrative and support functions are reduced and reallocate to principal priority-related programmes. 	<p>Carry out a comprehensive review of support and administrative functions in order to:</p> <ol style="list-style-type: none"> 1. Define the core functions in each of those areas; 2. Clarify the roles of key support and administrative actors and eliminate duplication; 3. Realign the main support and administrative functions; 4. Streamline and simplify the administrative processes; 5. Identify the most cost-effective delivery approach for those functions, including further devolution of responsibilities to managers and Executive Offices, and the use of alternative sourcing arrangements. 	<p>Work will start in April 2005 and be completed in May 2006 so as to have it reflected in the proposals for the 2008-2009 Programme and Budget and document 32 C/4.</p>

Policy Statement Four: Managerial capacity will be enhanced to ensure that managers are supervising appropriately sized units, have been delegated adequate decision-making authority, and are accountable for that authority.

Expected results	Initiatives to implement the strategy	Time-frame
<ul style="list-style-type: none"> • The number of staff reporting to individual managers are increased, resulting in greater empowerment of staff, faster decision-making and greater organizational flexibility. • Senior and middle-level posts are reduced. • The number of posts that focus purely on programmes are increased. 	1. Undertake an organizational review of issues relating to the responsibilities and size of the work units and the span of managerial control.	December 2006 so as to incorporate the changes in the 2008-2009 Programme and Budget and document 34 C/4
<ul style="list-style-type: none"> • Managers throughout the Organization have developed a clearer understanding of their roles and responsibilities. • Management accountability is well defined. 	2. Complete the delegation of authority framework for Headquarters and the field; 3. Develop and implement accountability contracts for senior managers; 4. Establish a corporate accountability committee chaired by Deputy Director-General; 5. Make the leadership and change management training programme mandatory for all senior managers.	April 2005 2006-2007 biennium January 2006 Already implemented
<ul style="list-style-type: none"> • Training is implemented. 	6. Develop and deliver technical training in such areas as: accountability, United Nations programming, fund-raising, programme planning, management and evaluation.	2005-2007.

Policy Statement Five: There will be well-established modalities for two employment streams: (i) a core staff employed on a long-term basis, to run the Organization in a flexible, mobile, and strategic way; (ii) a number of short- and mid-term staff (up to four years) and service providers, to strengthen UNESCO's delivery capacity.

Expected results	Initiatives to implement the strategy	Time-frame
Staffing policies and tools defining the two employment streams and the profiles of programme staff are in place.	1. Establish the modalities for two employment streams in the Organization; <ul style="list-style-type: none"> • A long-term stream of staff to carry out the core functions; • A short- and mid-term stream for cutting-edge expertise and advice, and to supplement the core staff; 2. Establish generic profiles for programme staff: <ul style="list-style-type: none"> • Long-term programme managers/programme officers with substantive knowledge in the field of expertise, project management, advocacy and networking skills; and • Short- and mid-term leading experts for programme implementation with relevant cutting-edge expertise and experience in the principal programme areas. 	2008-2009

Expected results	Initiatives to implement the strategy	Time-frame
	3. Develop the new staffing requirements and contractual arrangements involving: <ul style="list-style-type: none"> • New/revised contractual arrangements; • New/revised staffing requirements and recruitment criteria; • New/revised assessment processes; • Career path for staff employed on a long-term basis. 	
Mechanisms are in place to better equip the Organization to respond to post-conflict and natural disaster situations.	4. Develop a rapid response capacity by: <ul style="list-style-type: none"> • Requiring each sector to define types of situations where UNESCO intervenes; • Defining the skill requirements for staff/personnel needed; • Reviewing existing administrative arrangements with a view to adapting them to a rapid deployment of staff; • Developing a roster of internal staff to be deployed; • Developing a roster of external experienced resources • Developing specific staff training modules for dealing with post-conflict and natural disaster situations. 	December 2005 December 2005 December 2005 December 2006 December 2006. December 2006

Policy Statement Six: Greater use will be made of National Professional Officers.

Expected results	Initiatives to implement the strategy	Time-frame
The number of NPOs is increased in the network of field offices.	Strengthen the capacity of field offices by: <ul style="list-style-type: none"> • Defining core functions for NPOs; • Reviewing the general work profiles for NPOs; • Defining the recruitment criteria for NPOs; • Defining training and development for NPOs. 	September 2005-May 2006

Policy Statement Seven: The competency profile of staff in the General Service category will be further developed so as to fulfil new roles.

Expected results	Initiatives to implement the strategy	Time-frame
1. The roles of staff in the General Service category will be enhanced. 2. The ratio of Assistants to Professional staff of 1:3 will be achieved. 3. “Stand-alone” responsibilities will be clearly defined.	1. Define three main roles and competency requirements for staff in the General Service category; <ul style="list-style-type: none"> • Programme assistants; • Administrative Assistants; and • Personal assistants. 2. Design career paths and development opportunities enabling career growth and functional mobility.	2008-2009

<i>Policy Statement Eight: UNESCO will improve geographical diversity and gender balance in the work force.</i>		
Expected results	Initiatives to implement the strategy	Time-frame
The number of unrepresented or under-represented countries is reduced.	1. Assess the impact of retirements on geographical distribution and gender balance and develop action plan as required;	December 2005
	2. Establish recruitment objectives for every biennium taking into account retirement data and include in accountability contracts of senior managers;	2006-2007 biennium
<ul style="list-style-type: none"> 50% of the posts filled externally by nationals from under- or unrepresented countries. 	Continue efforts to reach out to a greater number of qualified candidates from under- and unrepresented countries;	Ongoing
<ul style="list-style-type: none"> A rate of 40% of women at the senior levels is achieved. 		2015

<i>Policy Statement Nine: Within the overall Human Resources Reform UNESCO has pledged to recruit and retain a highly qualified workforce, and to provide a stimulating work environment.</i>		
Expected results	Initiatives to implement the strategy	Time-frame
<ul style="list-style-type: none"> Competencies of staff is increased; Morale and motivation are enhanced; Flexibility and staff mobility are improved. 	1. Establish succession planning process;	December 2005
	2. Develop: <ul style="list-style-type: none"> Competency frameworks for P-1 to P-4 staff; Training and development plans to support the competency framework, and implement them; Appropriate contractual arrangements and benefits that promote UNESCO as an employer of choice. 	2008-2009

Conclusion

80. The objectives of the staffing strategy are to ensure that UNESCO has the right staff with the right competencies in the right place at the right time; and that the Organization can respond to the current and future needs of Member States by focusing its staff resources on its strategic objectives and principal priority-related programmes and activities.

81. The proposed staffing strategy flows from the strategic direction of the Organization (C/5 and C/4 documents), its decentralization strategy and the overall human resources reform. Once implemented the expected results are as follows:

- (a) A further shift in the allocation of resources towards the principal priority-related programmes and activities of the Organization;
- (b) Adequately staffed field network structures, enabling them to meet their responsibilities and respond to new opportunities;

- (c) Increased cost-effective delivery of administrative and support functions, thus reducing the staff resources dedicated to these functions and freeing up staff resources for the principal priority-related programmes and activities;
- (d) An improvement in managerial capacity through:
 - (i) an increase of the number of staff reporting to individual managers, thus resulting in greater empowerment of staff, faster decision-making, and greater organizational flexibility; the reduction in the number of senior- and middle-level posts; and the increase of the number of posts that focus purely on programmes;
 - (ii) a clearer understanding by managers throughout the Organization of their roles and responsibilities;
 - (iii) a well-defined and operational management accountability system;
 - (iv) a better definition of the two employment streams and the two types of programme staff, with a defined competency framework for P-1 to P-4 staff;
 - (v) an efficient responsiveness of the Organization for the reconstruction of countries emerging from conflict or natural disasters;
 - (vi) an increase in the number of National Professional Officers in field offices;
 - (vii) a significant enhancement of the roles of staff in the General Service category;
 - (viii) a more equitable geographical distribution of staff;
 - (ix) a proportion of 40% of women at the senior levels by 2015, and an effective gender parity at all levels;
 - (x) a significant improvement of flexibility and staff mobility.

82. The most important results expected out of the overall reform process initiated by the Director-General, including the staffing strategy, are that UNESCO of the future becomes more efficient and cost-effective, capable of delivering to its constituents relevant and quality programming services that respond to fundamental needs at the local level, thus contributing concretely to sustainable development and peace.

Draft decision

83. In the light of the foregoing, the Executive Board may wish to consider the following draft decision:

The Executive Board,

1. Recalling 32 C/Resolution 61 (I), 169 EX/Decision 3.3 (I) and 170 EX/Decision 3.2 (II),
2. Having examined document 171 EX/6 Part I,
3. Welcomes the detailed information provided and takes note of the work accomplished in the implementation of the human resources policy reform framework;

4. Expresses its appreciation for the results achieved, in particular the respect of rules and procedures, the transparency of the recruitment process and the enhanced role of the training and development function;
5. Endorses the medium- and long-term staffing strategy and invites the Director-General:
 - (a) to pursue the implementation of the human resources policy reform framework;
and
 - (b) to implement the approved medium- and long-term staffing strategy taking into account the future approved programmes and budgets of the Organization.

ANNEX

The current staffing situation

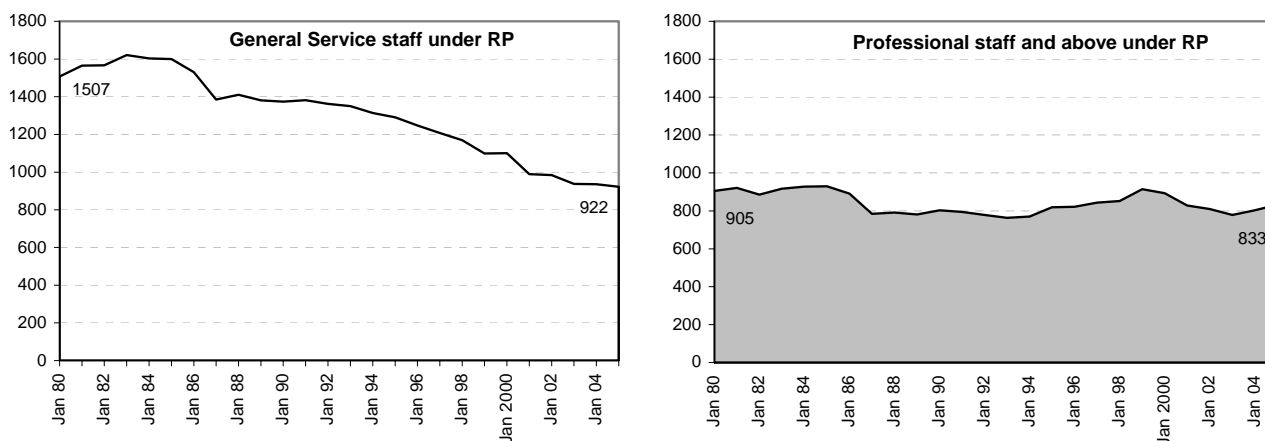
This annex presents an overview of the current composition and structure of UNESCO's staff⁶ as well as some of the more important trends as at December 2004.

Overall numbers of staff

The total number of UNESCO staff members under all sources of funds has decreased significantly since 1980, from 3,225 in January 1980 to 2,180 in December 2004.

Under the regular budget (graph below) the overall reduction has mostly concerned staff in the General Service category where their number went from 1,507 to 922 (a decrease of 38.8%, representing 585 staff members). The decrease in the number of staff in the Professional and above categories was less important and went from 905 to 738 (a decrease of 10%, corresponding to 92 staff members).

Evolution of staff under the regular budget from January 1980 to December 2004, by category



Composition of staff

In terms of composition, most UNESCO staff hold indeterminate⁷ and fixed-term contracts (97.5% for staff under the regular budget, and 77% for staff under extrabudgetary funds). The proportion of staff holding temporary contracts represents 2.5% of total staff under the regular budget and 7% under extrabudgetary funds (cf. Tables 1 to 3). These data underline the heavy and cumbersome administrative work generated by the renewal of fixed-term contracts, which are of a two-year duration.

⁶ Personnel such as supernumeraries, Special Service Agreement holders, Service Contract holders and consultants are not included in the data provided in this Annex.

⁷ Indeterminate contracts were discontinued in 1987.

Table 1:
Composition of staff by contractual arrangement and location
(regular budget), December 2004

Type of Contract	HQ	%	Field	%	Total	% Total by contract
Indeterminate	110	79%	30	21%	140	7.8%
Fixed-Term	1 145	71%	470	29%	1 615	89.7%
Temporary	38	83%	8	17%	46	2.6%
Total	1 293	72%	508	28%	1 801	100%

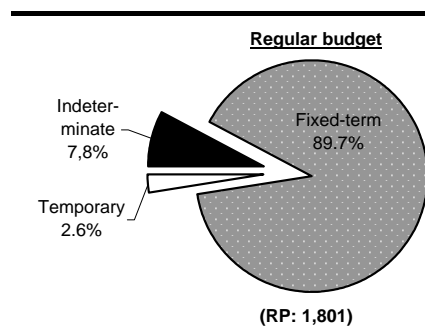
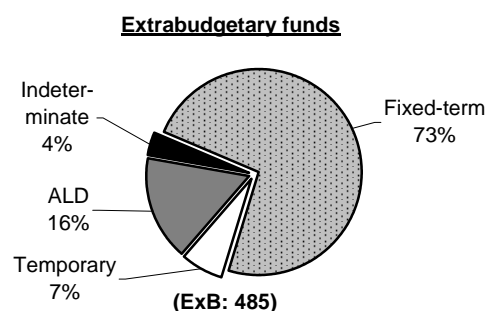


Table 2:
Composition of staff* by contractual arrangement and location
(extrabudgetary funds), December 2004

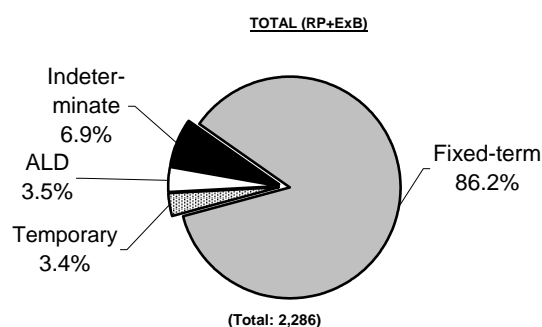
Type of Contract	HQ	%	Field	%	Total	% Total by contract
Indeterminate	13	76%	4	24%	17	4%
Fixed-term	196	55%	160	45%	356	73%
Temporary	29	91%	3	9%	32	7%
ALD	44	55%	36	45%	80	16%
Total	282	58%	203	42%	485	100%



(*). Including staff holding UNESCO contracts in Institutes.

Table 3:
Composition of overall staff by contractual arrangement and location
(regular budget and extrabudgetary funds), December 2004

Type of Contract	HQ	%	Field	%	Total	% Total by contract
Indeterminate	123	78%	34	22%	157	6.9%
Fixed-Term	1 341	68%	630	32%	1 971	86.2%
Temporary	67	86%	11	14%	78	3.4%
ALD	44	55%	36	45%	80	3.5%
Total	1 575	69%	711	31%	2 286	100%



Structure of staff

The following tables (4 to 9) provide information on UNESCO's staff structure by category and grade, location, functional area, programme sector and source of funds.

Staff under the regular budget by category and grade

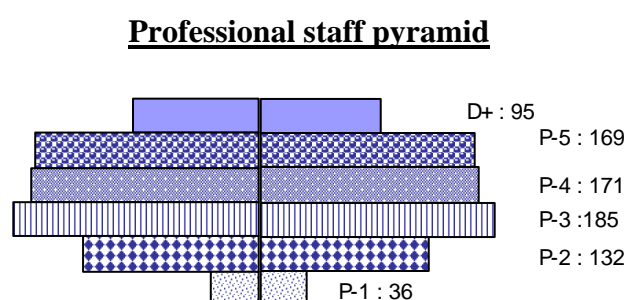
Table 4 shows that there are 5% of staff in the D and above categories, 42% in the Professional category (39% international P and 3% national P), and 53% in the General Service category.

Table 4:

Distribution of staff* by category and grade under the regular budget, December 2004

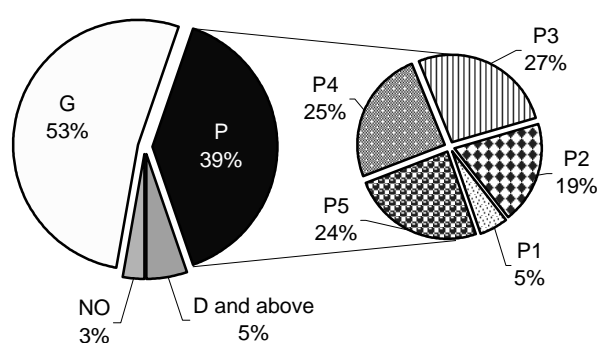
Staff by Grade	HQ	%	Field	%	Total	% of Total
D and above	57	60%	38	40%	95	5%
P5	126	75%	43	25%	169	10%
P4	134	78%	37	22%	171	10%
P3	123	66%	62	34%	185	11%
P2	108	82%	24	18%	132	8%
P1	28	78%	8	22%	36	2%
NO		0%	45	100%	45	3%
Total P	519	70%	219	30%	738	42%
GS	679	74%	243	26%	922	53%
Total	1255	72%	500	28%	1755	100%

(*) excluding temporary staff.



The structure of staff in the Professional category reveals an even distribution of staff in each grade as can be noted from the graph below (an average of 24% by grade when P-1 and P-2 grades are aggregated).

Distribution of staff* under the regular budget by category, December 2004

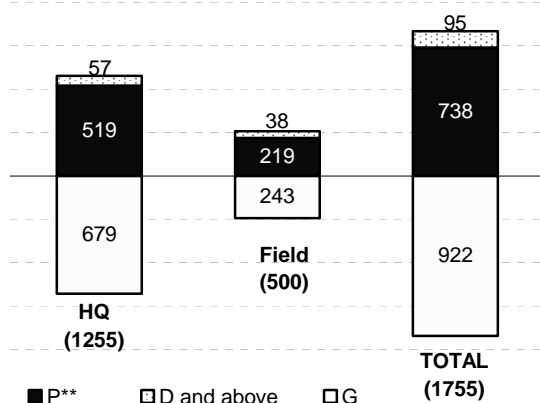


(*) excluding temporary staff.

Staff under the regular budget by location

In terms of staff location, the following graph shows that **72%** of staff under the regular budget work at Headquarters versus **28%** in the field.

Distribution of staff under the regular budget by category and location, December 2004



Staff under the regular budget by functional areas

Table 5 below presents the number of established posts allocated by document 32 C/5 and the number of staff by functional area as at December 2004. While 54% of established posts are allocated to programme sectors, these comprise in fact 56% of total regular budget staff. While 33% of established posts are allocated to support for programme execution and administration, these services comprise 34% of total regular budget staff, and while 9% of established posts are allocated to programme related services, 6% of total regular budget staff work in these services. These data show that more than half of the staff under the regular budget at Headquarters and the field are assigned to programme sectors (56%) whereas 40% are assigned to support for programme execution and administration and programme related services.

Table 5:
Number of established posts & staff* under the regular budget by category and functional area, December 2004

	Governance and General Policy				Programmes				Programme Related Services				Support for programme execution and Administration				TOTAL	
	Posts	%	Staff	%	Posts	%	Staff	%	Posts	%	Staff	%	Posts	%	Staff	%	Posts	Staff
D and above	9	9%	7	7%	68	69%	69	73%	6	6%	6	6%	15	15%	13	14%	98	95
P5 to P1	44	6%	35	5%	484	61%	405	58%	62	8%	55	8%	197	25%	198	29%	787	693
GS/HQ	32	4%	31	5%	239	32%	214	32%	52	7%	45	7%	426	57%	389	57%	749	679
NO + GS in the Field	-	-	-	-	260	83%	288	94%	48	15%	-	-	4	1%	-	-	312	308
TOTAL	85	4%	73	4%	1051	54%	976	56%	168	9%	106	6%	642	33%	600	34%	1946	1755

(*Excluding temporary staff)

In accordance with 32 C/5:

- Governance and general policy : ODG, IOS, LA, SCG and SCX
- Programmes: CI, CLT, ED, SC, SHS, and BFC in the Field
- Programme related services : AFR, BB, BPI and BSP
- Support for programme execution and administration: ADM, BFC at HQ, ERC and HRM

Table 6 below provides the staff structure at Headquarters and in the field by functional area, detailing in particular the distribution of staff in the P category: 61% of total Professional staff (i.e. 450 out of 738) belong to programme sectors.

Table 6:
Number of staff* under the regular budget by category and functional area, December 2004

Grade	Governance and General Policy		Programmes		Programme related services		Support for programme execution and Administration		Total
		%		%		%		%	
D and above	7	7%	69	73%	6	6%	13	14%	95
P5	8	5%	108	64%	15	9%	38	22%	169
P4	8	5%	92	54%	13	8%	58	34%	171
P3	8	4%	114	62%	14	8%	49	26%	185
P2	8	6%	78	59%	10	8%	36	27%	132
P1	3	8%	13	36%	3	8%	17	47%	36
NO		0%	45	100%	45
Total P	35	5%	450	61%	55	7%	198	27%	738
G	31	3%	457	50%	45	5%	389	42%	922
TOTAL	73	4%	976	56%	106	6%	600	34%	1755

(*Excluding temporary staff

In accordance with 32 C/5:

- Governance and general policy :ODG, IOS, LA, SCG and SCX

- Programmes: CI, CLT, ED, SC, SHS, and BFC in the Field

- Programme related services : AFR, BB, BPI and BSP

- Support for programme execution and administration: ADM, BFC at HQ, ERC, HRM, MDS

Staff under the regular budget by programme sector

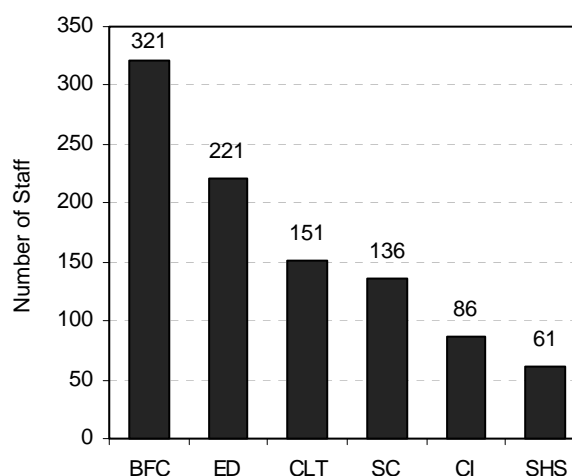
Table 7 shows that the 976 staff members assigned to programme sectors are evenly distributed between Headquarters (50%) and the field (50%). This structure shows the progress achieved by the decentralization strategy aiming at locating programme staff closer to UNESCO's constituents.

Table 7:
Breakdown of the number of staff* under the regular budget by programme sector, December 2004**

Sector	HQ	%	Field	%	Total	% by sector
BFC	-	-	321	100%	321	33%
ED	144	65%	77	35%	221	23%
CLT	120	79%	31	21%	151	15%
SC	106	78%	30	22%	136	14%
CI	58	67%	28	33%	86	9%
SHS	56	92%	5	8%	61	6%
Total	484	50%	492	50%	976	100%

(* Excluding temporary staff.

(**) In accordance with document 32 C/5 (excluding BFC at Headquarters that are counted for in support for programme execution and administration).

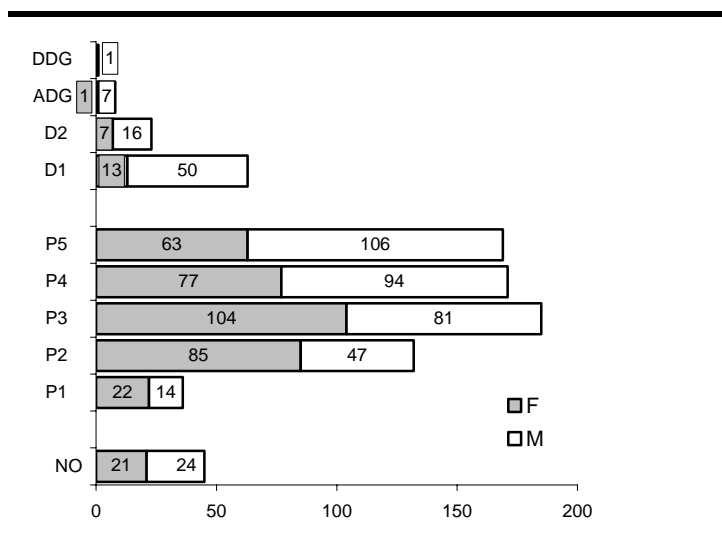


Gender balance in the Professional category and above

Table 8 provides the gender distribution in the Professional category and the most senior levels of the Organization. Overall, under the regular budget women represent 47% of the staff at the P and above levels. While in the P category alone 50% are women, there is an imbalance in the D category and above where they represent 22% as at December 2004.

Table 8:
Gender breakdown of Professional staff* and above under the regular budget by grade, December 2004

Grade	F	%F	M	%M	Total
DDG		0%	1	100%	1
ADG	1	13%	7	88%	8
D2	7	30%	16	70%	23
D1	13	21%	50	79%	63
P5	63	37%	106	63%	169
P4	77	45%	94	55%	171
P3	104	56%	81	44%	185
P2	85	64%	47	36%	132
P1	22	61%	14	39%	36
NO	21	47%	24	53%	45
Total	393	47%	440	53%	833



In terms of evolution, UNESCO has achieved good results since 2000 by steadily improving the representation of women in the Professional category, from 46% in 2000 to 50% in 2004, as can be noted from Table 9 below.

Table 9:
Evolution of the number of women in the P category* and above from 2000 to 2004

	Year				
	2000	2001	2002	2003	2004
D+ Staff	130	125	90	96	95
D+ Female Staff	27	26	20	20	21
%F	21%	21%	22%	21%	22%
P5 & P4 Staff**	364	369	355	351	344
P5 & P4 Female Staff	118	130	128	135	140
% F	32%	35%	36%	38%	41%
Professional Staff	706	708	693	713	738
Professional Female Staff	324	336	332	347	372
% F	46%	47%	48%	49%	50%
Total Staff (P&D+)	836	833	783	809	833
Female Staff (P&D+)	351	362	352	367	393
% F	42%	43%	45%	45%	47%

(*) excluding temporary staff

(**) including NO-D

Geographical diversity

As at December 2004, 158 nationalities were represented within the Secretariat on regular budget posts subject to geographical distribution; this is one of the highest rates of representation among selected specialized agencies of the United Nations system.⁸ The distribution of Member States according to geographical diversity is as follows: 73 (38%) Member States are normally represented; 26 (14%) are over-represented; 59 (31%) are under-represented; and 33 (17%) are unrepresented.

Management and span of control

Table 10 below provides information on the distribution of managerial staff versus supervised staff under the regular budget. As managerial functions start at P-5 (Chiefs of Section), UNESCO has 265 managers for a total of 1,536 supervised staff. This gives a span of control on average of six staff members to each manager.

Table 10:
Distribution of total staff* under the regular budget by function, December 2004

Grade	Staff	%
D and above	95	
P5	170	
Total Managers	265	15%
P4	175	
P3	189	
P2	134	
P1	43	
NO	45	
GS	950	
Total Supervised	1536	85% 0
TOTAL	1801	100%

(*) including temporary staff

Forecasts of anticipated retirements

A total of 430 staff members (25% of total current staff) under the regular budget will reach the mandatory retirement age during the next five years (i.e. from 2005 to 2009); and an additional number of 372 staff members (21% of total current staff) will do so by 2015. A significant number of these staff are at the Director and Professional levels. Table 11 below illustrates that 50 staff members at the D level and above will retire over the next five year period, accounting for 53% of the current 95 staff members at the D level and above. Similarly, 69 P-5s will retire over the next five-year period, accounting for 41% of total current P-5 staff under the regular budget. This demographic situation holds important potential for staff rejuvenation and substantial improvement of geographical diversity overall and gender balance at senior levels. At the same time, both the

⁸ The United Nations Secretariat holds the first position with only 17 unrepresented or under-represented Member States (seven unrepresented and 10 under-represented).

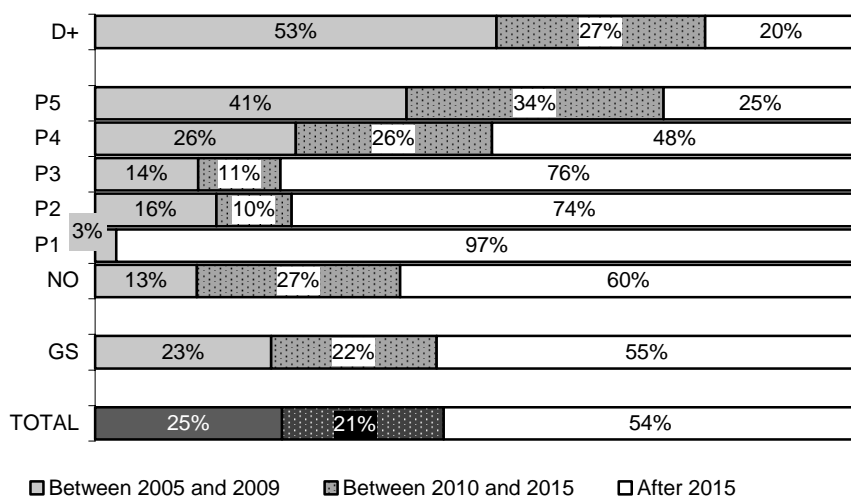
five-year and 10-year patterns of retirement represent a significant challenge to UNESCO in terms of the potential loss of institutional memory.

Table 11:
Number of anticipated retirements of staff* under the regular budget, by category, December 2004

Grade	2005	%	2006	%	2007	%	2008	%	2009	%	Total	Between 2010 and 2015	%
D and above	15	16%	3	3%	11	12%	8	8%	13	14%	50	26	27%
P5	15	9%	10	6%	16	9%	15	9%	13	8%	69	57	34%
P4	10	6%	9	5%	7	4%	8	5%	11	6%	45	44	26%
P3	3	2%	6	3%	2	1%	7	4%	7	4%	25	20	11%
P2	5	4%	2	2%	8	6%	3	2%	3	2%	21	13	10%
P1		0%		0%		0%		0%	1	3%	1		0%
NO	3	7%		0%		0%	1	2%	2	4%	6	12	27%
GS	49	5%	34	4%	41	4%	38	4%	51	6%	213	200	22%
TOTAL	100	6%	64	4%	85	5%	80	5%	101	6%	430	372	21%

(*Excluding temporary staff)

Rate of anticipated retirements of staff under the regular budget, by category, December 2004



Hundred and seventy-first session

171 EX/6 Add.
Part I
PARIS, 11 April 2005
Original: French

Item 5 of the provisional agenda

**REPORT BY THE DIRECTOR-GENERAL
ON THE REFORM PROCESS**

PART I

ADDENDUM

STAFF POLICY

SUMMARY

In accordance with Item 2805.7 of the UNESCO Administrative Manual, the UNESCO Staff Union (STU) presents its comments on the report by the Director-General.

A. STAFF POLICY

Recruitment, promotion and training

1. The UNESCO Staff Union (STU) wishes to point out at the outset that although the Director-General is envisaging a restructuring of the Secretariat and a cut in staff numbers, 125 posts in the Professional category and above were filled in 2004, more often than not in disregard of the principles of recruitment set out under the new policy (Administrative Circular No. 1291 of 29 September 2003).
2. STU has drawn the attention of Administration officials, in particular in the Bureau of Human Resources Management (HRM), to all the irregularities committed but no remedial measures have been taken. The staff feel that, in fact, it is HRM that maintains irregular practices. For many years now, STU has said that it is not the regulations (old or new) that are at fault, but that poor staff management in UNESCO stems from the non-observance of the texts.
3. Despite changes in promotion procedures, due to their non-application, most often staff members who do benefit from a promotion obtain it (whether it is merited or not) thanks to the sympathy of their supervisors and not on an equitable basis.
4. As decisions are decentralized to sectors and bureaux, staff training and advanced training are granted, like promotions, according to irrational, subjective and unfair criteria. The training for 180 senior staff in supervision and management should have led to a drop in moral harassment (bullying), a practice that is widespread in the Secretariat and which systematically goes unpunished.
5. UNESCO staff members are keen to improve their skills and can only hope for a fair policy based on quality and not quantity. It must be pointed out that there is no follow-up to assess learning and its effects on work output in the Secretariat. Furthermore, account must also be taken of the fact that many colleagues have such a heavy workload that they no longer have time to attend training courses.

Implementation of the Human Resources Policy Reform Framework

6. Between 2002 and 2004, the Advisory Council on Personnel Policies (ACPP) had to work under constant pressure from HRM to formulate recommendations to the Director-General. STU is pleased to note that more often than not the Director-General follows the advice of the ACPP, but – unfortunately – HRM obstructs the circulation of information directly between ACPP members and the Director-General. For instance, ACPP had to work as a matter of urgency during a very busy session in November-December 2003 on the draft anti-harassment policy but in June 2004 the Director-General had still not received the ACPP report and the Administrative Circular has still not been published.
7. In spite of a clear improvement in policy, the non-application of staff management regulations has had disastrous results and led to the demoralization of the staff. STU informed the Executive Board of this state of affairs in the statement of its President to the Finance and Administrative Commission (FA) at the 170th session.
8. If STU has decided to stop regular contact with its usual counterparts, it is to draw the attention of the Directorate to the failings of HRM. Thanks to the Chairperson of the FA Commission, whom STU thanks for the sincere interest he has shown in the distress of the staff, and to the undeniable will of the Deputy Director-General to restore dialogue between the staff and

senior officials, the Union hopes to be able to continue to contribute to the establishment of genuine transparency and equity in human resources management, which is far from being the case at the present time.

B. MEDIUM- AND LONG-TERM STRATEGY FOR UNESCO STAFFING

9. The UNESCO staff are perfectly aware that the Organization has to adapt to increasingly rapid and universal changes in the world today. Nevertheless, we cannot share the pessimistic vision that the future of humanity will above all be characterized by a succession of natural disasters and wars. Emergency interventions cannot be the main justification for the restructuring of the Secretariat and the Organization's programmes; security and the fight against terrorism are necessary, but they must not be used as a pretext for such reform.

10. We are preparing to celebrate the 60th anniversary of UNESCO, but the Organization has been able to remain young because it has never stopped adapting to major changes in the world, and even anticipating them. As an "intellectual" organization, UNESCO has often been the global forum that has plotted developments in the international community. On reading the Report of the Secretary-General of the United Nations for the meeting of heads of State and government in September 2005, it would seem that the restructuring of Secretariats throughout the United Nations system is imperative and that we cannot oppose the restructuring of the UNESCO Secretariat. What the staff wants is for the restructuring to take place openly and above board.

11. STU would like to contribute to improving the effectiveness of the UNESCO Secretariat but cannot accept that it should take place without consulting the three staff associations and with a total lack of transparency. The current staff management policy is felt to be a systematic denial of the skills of the staff in post and is leading to increased precarity for those working in the Organization.

12. Stalin used to say that people were the most valuable form of capital. It is surprising to say the least to find the same vision in the UNESCO Administration and it is paradoxical and troubling to see that HRM manages human resources in the same way as financial resources. To give but one example, without waiting for a decision from the General Conference, HRM considers that the posts proposed by sectors and bureaux are already abolished and is putting pressure on persons occupying those posts to make them leave the Organization without taking account of their rights or their interests. Staff members, before being a valuable form of capital, are human beings who deserve to be treated as such. STU trusts that the Director-General in his wisdom will ensure that the colleagues occupying the 20 or so posts that might be abolished are treated with dignity, justice and equity.

13. Many staff members have negotiated an early separation from the Organization in view of the announced restructuring, which is a sign of clear dissatisfaction. The United Nations Secretary-General advocates this kind of action to renew human resources. What is to be deplored at UNESCO is the system of double standards applied to the staff members in question. The separation indemnities on offer are inversely proportional to the grade of the individuals. The indemnities proposed to some go far beyond what is provided for in the Staff Regulations and Staff Rules, while others are offered ridiculously low indemnities.

14. In a context of globalization, UNESCO's role should grow so as to take part in the prevention of negative effects and the safeguarding of cultural and biological diversity. More than ever, the quality of staff members must be of the highest level. If the redefinition of the Organization's role in the international community increasingly calls for a permanent staff of "generalists", the new

staffing policy must not be an exercise in drafting good texts, but a real exercise in human resources management. On the one hand, the current members of staff who, having served a significant part of their career in international cooperation, have become professionals of the international civil service and deserve indeterminate contracts (as suggested by the elected members of ACPP); on the other, the recruitment of new members on the basis of extremely precise post descriptions tailor-made for individual applicants should have been halted a long time ago.

15. If the weak point in the skills of the staff currently in post at UNESCO really is too high a degree of specialization, the excessive use of consultants at Headquarters can no longer be explained. In order to justify its non-management of human resources (especially at Headquarters), HRM invents specific theories for each problem: there are too many specialists at Headquarters who must be got rid of in order to deal with globalization, or, on the contrary, there are not enough specialists at Headquarters and consultants and other contractors must be employed in order to meet the needs of the programme. So, for example, in paragraph 42 of document 171 EX/6 it is stated that “it is difficult for [core] staff to retain their cutting edge” in the Organization’s fields of competence. STU would like this statement to be deleted and a survey to be carried out. If professionals are no longer genuine programme specialists, specific measures must be taken as a matter of urgency.

16. Why, instead of consolidating core staff with indeterminate appointments, is the option “short- or mid-term temporary contracts and external service providers” being selected? How can this trend in employment ensure equitable geographical distribution?

17. The renewal of human resources, thanks in particular to modern technologies, should not necessarily lead to the loss of “institutional memory” but it does endanger the international civil service, if the conditions of recruitment of a high-level professional staff, independent of national authorities, are not guaranteed. The growing precarity of people working at UNESCO and recruitment that does not comply with the regulations in force have already led to a loss of value in the field of independence and professional quality of the Organization’s staff. The institutional memory can be easily preserved by training new members of staff in the “culture of the House”, but the disparagement of long-standing staff members, who are constantly marginalized, harassed and blamed, has created a new culture, that of the “spontaneous generation” best at everything. This rupture within the Secretariat itself causes tension and could produce increasingly widespread conflict.

18. It may be obvious that the Secretariat cannot cover all the skills needed for every kind of mission in UNESCO’s fields of competence, and whereas the logic of globalization may call for the division of staff working for UNESCO into permanent staff and staff employed on an ad hoc basis, the right balance must be struck between the two categories. This is not an innovation, as the Organization has always worked in this way. The current staff of UNESCO are concerned at two aspects of the issue: the lack of foresight in the current management of human resources, and the opacity of that management. The latent threat looming over the staff in post feeds the sense of insecurity and dissatisfaction that today characterizes the members of staff.

19. Among the most blatant signs of HRM’s disdain for the skills of UNESCO staff is its way of treating General Service staff. According to an old habit, instead of responding to the natural need of this category of staff for career prospects, HRM proposes to change the names of duties, by compartmentalizing even more the various trades where – it would appear – the Organization no longer needs “generalists”.

20. Furthermore, STU is concerned at the silence on the future of “technicians” (GT posts), who are essential to the smooth running of the Organization’s work and who convey UNESCO’s institutional memory just as much as any other staff members.

21. The College of Assistant Directors-General, a body that has no administrative definition but which seems to be the expression of democratic management in the Secretariat, never meets either the members of ACPP (whose recommendations it analyses) or representatives of the staff associations. STU would like to suggest to the Director-General that staff representatives should take part on a regular basis in the meetings of the College. In that way, the transparency and effectiveness of reform could be ensured. In general, STU urges the representatives of Member States and the Directorate to involve staff representatives in the management of the restructuring of the Secretariat, to give ACPP more freedom of expression and to take into account the proposals made by the three staff associations.

Hundred and seventy-first session

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Item 5 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART I

STAFF POLICY

ADDENDUM 2

SUMMARY

In accordance with Item 2805.7 of the UNESCO Administrative Manual, the International Staff Association of UNESCO (ISAU) submits its comments on the report by the Director-General.

INTRODUCTION

1. The International Staff Association of UNESCO (ISAU), the only association representative of the geo-cultural diversity of the Secretariat, with 392 members as at 31 December 2004, new members joining daily and ever greater representation in the field offices, has examined the aforementioned document concerning the interim report by the Director-General on the progress of the reform of the Organization's human resources.

2. Following that examination, ISAU notes that considerable progress has been made as the programme to reform staff policy has been consolidated and enriched. It points out, nevertheless, that the implementation of the reform calls for a change in attitudes, which has not yet had full effect. It knows perfectly well that this goal is not easy to attain.

3. We believe that in any reform of staff management, it is necessary to assess the practical effects of the application of the new measures on the Organization's staff and performance, and to take decisions accordingly. Consequently, at this stage and on the basis of experience gained so far, an analysis should have been done of what has been achieved, what has not produced the desired effect and why, and what needs to be readjusted or improved to speed up the implementation of the reform process and obtain better results.

4. Yet, viewed from that angle, the interim report is rather general. It seems to present what the Members of the Executive Board want to hear rather than what they should know. Not only does it not provide an adequate qualitative analysis, it also fails to provide an assessment of the situation. It merely reviews **progress made in the implementation of the new staff policy** and a **medium- and long-term strategy for staffing the Organization**.

5. While laying emphasis on **results and accountability**,¹ it hardly contains any specific information on steps taken to ensure that all staff members discharge their responsibilities properly or on obstacles encountered in applying the new reform measures and ways and means of overcoming them. Some more details with regard to the problems encountered and solutions found would have made this document more useful. Thus, in response to the document and taking the points in the order in which they are made, we should like to make the following comments and proposals.

A. Implementation of staff policy

6. At the outset, the reform process sought to achieve four objectives: **to revitalize human resources, develop the spirit and practice of responsibility**, simplify and rationalize the Secretariat structure, and restore respect for rules and procedures.

(i) General observation on accountability

7. We now see that **the empowerment of staff and their accountability** have at the very least been a source of disillusion. Consultation between the staff associations and the Administration has somewhat deteriorated these days. We have a strong feeling that those who support a measure of pseudo-trade unionism would like to hamper dialogue within the Organization. We do not know which status quo they are thus seeking to consolidate. But what we have seen, without becoming involved, are in many cases systematic confrontation and disinformation about virtually all reform issues.

¹ See paragraph 40 of document 171 EX/6, Part I.

8. For its part, ISAU does not believe that this is how social dialogue should be conducted at UNESCO. However if, a few months ago, ISAU preferred to suspend temporarily its participation in periodic working meetings with the Director of the Bureau of Human Resources Management (DIR/HRM), it was because it no longer wished to continue to participate in monthly consultations on individual staff cases without finding solutions to real problems. It was also because it had noted that when dealing with sectoral directors, DIR/HRM did not always have sufficient authority to oblige them to rectify irregularities that they might have committed.

9. Since then, we have learned that the Director-General is endeavouring to find ways and means of ensuring more effective participation by the representatives of the staff associations in the implementation of the reform process – which must be a consensual undertaking involving all stakeholders – and genuinely taking their concerns into account. Indeed, we are sure that each person will put the Organization's highest interests first.

10. In the same vein, the strong commitment and determination of the Deputy Director-General (DDG) to re-establish promptly and visibly improve social dialogue, with ISAU at any rate, deserve to be commended. His policy decision to establish, henceforth on a monthly basis, a schedule of working meetings with the representatives of our Association and to participate personally in those meetings confirms the importance that he ascribes to consultation, which is thus placed at the highest level of the administrative hierarchy. Unfortunately, the real desire for consultation and dialogue displayed by such a decision is not always the first response of those who, in the Secretariat, hold or believe they hold a morsel of power.

11. We are also gratified that, at the DDG's instigation, representatives of the staff and the Administration spoke with the same voice at the recent meeting of the International Civil Service Commission (ICSC) in Bangkok concerning, *inter alia*, the findings of the salary survey for the GS category in Paris. We hope they will do likewise when considering the level of financing of our Medical Benefits Fund, to which the rates of contribution have remained unchanged for so many years, whereas the costs of services have been affected considerably by inflation.

12. **The empowerment and accountability of managers** have evolved through, in some cases, an over-delegation of authority, which is not coupled with a proportional level of accountability. Admittedly, accountability has been strengthened at the highest level through the introduction of agreed results-based performance for the highest ranking officials. But generally, it is known that they do not have the time to engage in daily human resources management and that they turn to other officials (the AOs and/or EOs) to do so.

13. In the absence therefore of a **clear and practicable system of accountability**, a culture of managerial prerogatives, immunities and impunities is developing in which those who wield power and those who have no power are not governed by the same rules. In the absence of such a system, every neophyte may, **for example**, manipulate the rules and procedures at will, which leads not only to a proliferation of fiefdoms for the programme managers and officials but also and above all to an upsurge of harassment cases. No means of protest or control are possible in that regard, nor is there any countervailing power for the staff who fear reprisals if it is a matter of infringements of ethics.

14. For ISAU, the current situation is all the more worrying in that the Bureau of Human Resources Management still has no effective mechanism for monitoring what is being done within the framework of the delegation of authority. Furthermore, the list of "future activities" to be undertaken by the Bureau² to take the reform process forward does not include the delegation of

² See paragraph 27 of document 171 EX/6, Part I.

authority to programme managers, nor does it give them responsibility for the recruitment and assignment of staff, the monitoring of professional standards of conduct or career development.

15. This situation must be dealt with urgently, especially as the delegation of authority is not synonymous with abdication of power, and it is absolutely essential that the authority delegated should be clearly defined in writing; each manager should be informed precisely and unambiguously thereof. If current shortcomings are not remedied and if the Bureau does not acquire the necessary capacities to monitor, support and train programme officials and managers in this field, the ongoing reforms concerning staff may well be seriously jeopardized.

16. It is also absolutely essential that the Accountability Panel, recently set up as a monitoring body chaired by the DDG, guarantee the proper exercise of authority delegated and the lawful application and strict observance of existing rules and procedures.

(ii) Specific observations on revitalization

17. Undoubtedly, considerable progress has now been made in the implementation of the changes envisaged in the human resources reform programme. The pragmatism and the mutual respect that have prevailed in the relations between staff representatives and the Administration, particularly during the meetings of the Advisory Council on Personnel Policies (ACPP), have in fact enabled the finalization, adoption and application of a new policy for recruitment, rotation, training/further training, performance assessment, support for family life, contractual arrangements of limited duration, and also the delegation chart of authority and accountability for field offices.

18. There are also three other crucial components, namely an integrated delegation chart of authority and accountability for Headquarters and in field offices; a new anti-harassment policy and a post classification policy. It had been announced that these measures would take effect at the beginning of this year.

19. But, **on the one hand**, this relatively encouraging review cannot push into oblivion the present context of strict budgetary discipline imposed on UNESCO, which has given rise to **operational difficulties in the reform process**. Recurrent for more than five years, the “quest for budgetary savings” to fund the ever-increasing priorities of Member States has had a direct impact on terms of employment and conditions of service and on the profile, quality and performance of the staff. It has changed the Organization drastically from being a good multilateral employer to an institution in which efficacy and performance have respectively become synonymous with drastic cuts and savings.

20. To keep the Secretariat afloat in such conditions, recruitment and promotion opportunities have been limited and the staff considerably reduced. In fact, more than 200 posts have been abolished per biennium and another 100 posts are expected to be abolished in the next biennium, amounting to more than 700 jobs lost in all! Admittedly, the structural and functional adjustments that demand such massive job cuts may conveniently suit the wishes of some Member States, especially those who make the highest contributions.

21. However, this “bloodletting” has now become intolerable. Not only is it likely seriously to compromise the very achievement of some programme priorities and the reform process, but above all it obscures the human reality affected by so many job losses. We therefore call on the Deputy Director-General and DIR/HRM to discuss the staff implications of budget cuts with ISAU representatives in a constructive manner and without further delay.

22. We hope that common sense will prevail and that posts will be abolished in the least painful manner possible for each person who may be affected. Our appeal to the DDG and DIR/HRM for dialogue on this issue has been heard. We should like to believe that it will be followed up to good effect.

23. In this context of chronic financial austerity, ISAU therefore strongly hopes that the **Draft Programme and Budget for 2006-2007 (33 C/5) proposed by the Director-General** will be adopted as a whole, without reservations. The budget, which has been drawn up on a \$610 million basis – that is, the same level as for the previous biennium – and provides for \$25 million of additional resources for the financing of some priority programmes identified by Member States, is estimated at \$635 million. It **represents the strict minimum that the Organization needs to perform the tasks assigned to it by the Member States to strengthen the ongoing reform process and revitalize the Secretariat by increasing its efficiency.**

24. ISAU is indeed convinced that in the last five years UNESCO was capable of doing more with less because of sacrifices made through the massive abolition of posts and the lower quality work done by the entire Secretariat. We are equally certain that the Organization has now reached the point at which further job cuts would seriously compromise its capacity to provide the services that it is expected to provide and would lead to some programmes being dropped or postponed even though they are regarded as priority programmes.

25. Our Association cannot therefore endorse any reduction in appropriations or any abolition of programmes, activities or posts in document 33 C/5 proposed. Every dollar, every product, every activity, every post reflects a real concern to focus the Organization's activities on priorities, in a world of limited resources.

26. These are the reasons why we have undertaken an information campaign to make the Permanent Delegations and Members of the Executive Board more aware of the implications of budgetary constraints for the Secretariat's staff and performance, in the hope that they will endorse document 33 C/5 proposed as it stands, without engaging in prodigality or excessive parsimony.

27. And, over and above the Permanent Delegations, we now launch an urgent appeal to all of the Organization's Member States to approve document 33 C/5 unreservedly and thus renew their full support for the Director-General's efforts to improve UNESCO's efficiency without having to face excessively severe financial constraints.

28. **On the other hand**, ISAU considers that much remains to be done so that the reform can noticeably improve the staff's working conditions and career prospects. First, **in regard to recruitment**, it welcomes the efforts made in 2004 to stabilize the number of managerial posts, and in favour of unrepresented or under-represented Member States – in particular through the Young Professionals Programme – and gender parity. We deplore, however, the persistent trend towards recruitment of external candidates rather than internal candidates to Professional and Director posts. We also regret the absence of information on the way in which managerial posts are filled, in particular to ensure that a national of a Member State does not succeed a national of the same State.

29. We think above all that in regard to gender issues, namely equality of opportunity between the Secretariat's men and women, considerable progress must still be made in order to attain the objectives of near parity. In regard to the Professional and higher categories alone, how can anyone fail to see that the percentage of women is inversely proportional to the level of responsibility? This does not reflect competence. How can one fail to see that the posts in which women are most numerous are also those in which career prospects are bleakest?

30. Lastly, we are quite concerned about the scope for abuse and manoeuvring to which the new **staff selection system** lends itself. For example, the fact is that programme directors may choose the candidate they prefer for a given post and it is possible that a candidate may not be selected as a result of a mistake (in the administrative file, for instance), without any remedial mechanism being available.

31. To improve the functioning of the current system, ISAU recommends the introduction of an **appeals procedure before a decision is taken concerning the candidates selected** so that staff members who have not been selected may be treated fairly. Such a procedure would **give a staff member shortlisted but not selected for a post a 10-day grace period to appeal against the decision before it takes effect**. Such a time-limit would not cause undue delay in the operation of the system but would introduce a real element of justice, transparency and accountability and could obviate subsequent protests.

32. **In regard to promotion, training and career development**, ISAU notes with satisfaction the results obtained at the end of the recruitments made, the reclassification reserve provided for in document 32 C/5, the reclassification of all posts of staff in the General Service and related categories at Headquarters and training activities offered to the staff.

33. All staff members are without doubt entitled in principle to have their posts reclassified once the related duties have been considerably modified. In fact, however, apart from factors attributable to restructuring and the Organization's changing priorities, the use of new management technologies and the ageing of the staff, opportunities for the reclassification of posts, promotions and career development are so slim that they are akin to a genuine personal odyssey that undermines the convictions and motivation of the staff members concerned.

34. In addition, it is obvious that the training courses offered to date have had little relationship with careers and little effect on individual promotion. The fact is that so far there has been no real ordered and organized procedure for periodical training or for enabling staff contact with that of other agencies of the United Nations system. Career development is left to each staff member, who must manage without any support structure, as the Administration has not yet set up an overall career development system covering all classes and categories of staff. Training activity will therefore be meaningful and may contribute to an improvement in the overall quality of work accomplished, giving greater satisfaction to our colleagues, only if substantial resources are provided concurrently and a career policy based at last on criteria other than chance is brought to bear on the content of training programmes and the potential of all staff members.

35. For a good understanding of the scope of the problem in the case of staff in the General Service and related categories (GS), it must be pointed out that as they are not covered by the new rotation policy, the career development opportunities planned under the policy are not open to them. Suffice it to add that in spite of promotions after the GS post reclassification exercise at Headquarters, there are still many staff members in that category with 10 or more years' seniority at the same grade. The resultant stagnation is all the more frustrating and intolerable because the point of entry into the Organization now seems quite simply to determine the remainder of one's career.

36. To redress this state of affairs in which the majority of GS staff are losers, ISAU calls on the Organization to take the following measures:

- encourage all sectors to establish programmes to make the best possible use of the knowledge and skill of their support staff. An example of best practices in that regard would be to take stock of the competencies of the GS staff to determine whether some of them need additional training and whether the tasks they perform correspond to the job

description of the post that they hold. This exercise could lead to the reclassification of some posts and would, in future, facilitate recruitment by the sectors from within their own pool of General Service staff;

- establish a quota of posts set aside for promotion of GS staff to the Officer category;
- adopt a strategy for GS staff members with the required qualifications and degrees to have a career, the only limits to their promotion being their competence, capacities and training.

37. **In regard to reform geared to broadbanding and the performance pay approach**, it is with some surprise that ISAU first learnt on examining the report that UNESCO had included the Professional staff of the Abdus Salam International Centre for Theoretical Physics (ICTP) in a pilot study on performance pay and broadbanding already undertaken in four other United Nations agencies.

38. Launched at ICTP at the beginning of this year, with the consent of the International Civil Service Commission (ICSC), this project is, in our opinion, a mistake. The reform that it allows to be tested entails risks of arbitrary assignment and greater competition among employees, and it endangers equality of treatment throughout the system. Very few directors have been trained to introduce it and the measures planned do not in any way guarantee greater staff motivation. The bodies currently implementing these measures on an experimental basis are doing so in a very flexible manner, and no reliable conclusion may be drawn from their experience.

39. Lastly, with regard to the **contract policy**, the diversity of contractual status, ranging from the trial period to the permanent contract, not to mention short-term contracts and appointments of limited duration with no apparent structure or justification, has given rise to precariousness and stress that are both pointless and counterproductive. It cannot always be known why one person has a particular type of contract and which interests are thus served. ISAU considers that there can be no international civil servants without security of tenure and without the assurance that they can perform their duties in the interests of the Organization alone. The development of precarious contracts means that an entire group of staff members today is obliged first to meet the desiderata of supervisors and only afterwards to serve the interests of the Organization.

40. Similarly, the outsourcing of duties usually performed by General Service and Professional staff, the appointment of retirees – peculiarly frequent in the safety and security service – and consultants who are often entrusted with the duties of officers, has resulted in the sidelining of staff members to whom outsourced duties could be entrusted and blocks their promotion. These are matters of concern that must be examined closely as part of the medium- and long-term staffing strategy.

B. Medium- and long-term staffing strategy

41. ISAU notes with interest the Organization's proposed staffing strategy. It regrets, however, that the gathering of decisive data for career development is slow and still insufficiently coordinated to support a medium- and long-term strategy. For example, no information has been communicated on the inventory of all the currently existing staff competencies in the Secretariat or on the practical steps taken to tackle the problem of ageing.

42. We nevertheless take the view that the proposed Strategy clearly shows the three main lines along which the representatives of ISAU and those of the Administration could work together to enable a motivated staff to work even more efficiently to promote the objectives which we share. Some suggestions may already be made regarding the implementation of the Strategy's **Policy**

Statement Five, which provides for the introduction of “two employment streams” and, to that end, “revised contractual arrangements” in paragraph 66 of the report under consideration.

43. In revising the contractual arrangements, it will be necessary to ensure that the following recommended **transitional measures** be implemented in an equitable manner, taking into account the need to preserve the morale of staff members:

- staff appointed on a permanent basis should not be affected by the change of system;
- staff appointed for a probationary period should still be entitled to appointment on a permanent basis at the end of that period;
- the cases of staff members on fixed-term appointments who would be entitled to appointment on a permanent basis if the conversion of appointment had not been frozen should be examined.

44. In other words, provisions should be made to ensure that objective criteria are applied when considering the conversion of appointments for a probationary period and fixed-term appointments to permanent appointments in respect of staff members entitled to such appointments. It should be pointed out that ISAU and the Administration – that is, the DDG and DIR/HRM – are in agreement on these proposals, which concern one of the priority activities of the Association’s programme of work, and they have already agreed to continue consultations on how best to achieve tangible and lasting results as quickly and harmoniously as possible.

Hundred and seventy-first session

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REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART II

NEW MANAGEMENT TOOLS

SUMMARY

In accordance with 169 EX/Decision 3.3, the Director-General presents a progress report on the implementation of the reform, including staff policy, new management tools and decentralization.

Part II of the report is devoted to the status of implementation of the new integrated management information system, covering programme and budget, finance and accounts, and human resources and payroll.

Decision proposed: paragraph 31.

Introduction

1. As requested by the Executive Board at its 169th session (April 2004), the present report takes stock of the progress made in the implementation of the new integrated management information system to support the Organization's transition towards results-based management (RBM). It is useful to recall the three main components of the new system which are as follows: (a) System of Information on Strategies, Tasks and Evaluation of Results (SISTER), which covers the preparation of programme and budget and their implementation monitoring; (b) Finance and Budget System (FABS) used to record financial transactions, maintain accounts and provide data for budgetary and financial reporting; and (c) the human resources information system to cover human resources management and payroll. While the first two components have been in operation since 1998 and 2002 respectively, the third component (HR) is still under preparation and is planned for implementation during the next biennium.

2. These modern management tools should provide reliable support mechanisms for the ongoing reforms in all fields, from programming to decentralization and staff policies, serving as vehicles of change needed to transform UNESCO into a modern organization with renewed relevance and a greater international impact in its fields of competence.

SISTER: Enhance the conceptual strengths, modernize the technical platform

3. As already reported to the Executive Board (169 EX/6 and 170 EX/INF.3), SISTER represents a pioneering programme preparation, management, monitoring and reporting tool essential for RBM. It is a key element in the programme reform process by helping to place clear emphasis on results and impact and allowing programme implementation and progress to be monitored. It is designed to provide essential impact to decision-making for the top management and the governing bodies, while being at the same time an efficient management working tool for all programme officers of the Secretariat.

4. However, the full potential of the system has been slow to materialize as its performance has been impacted by several factors. These include the technical obsolescence of the original technical solution, the evolution of the planning process to accommodate a more refined decentralization strategy and the introduction of the new Finance and Budget System (FABS). Furthermore, the persisting technical problems have discouraged some staff from making full use of the system.

5. For these reasons a review of SISTER has been initiated, in order to identify upgrade requirements that can retain and enhance the conceptual strengths of the system while enabling it to fully meet all user and system expectations. This review started with an internal revision of the system's specifications and the development of a prototype, both of which were then submitted for analysis to a selected group of users. The new application was first scheduled to become operational in 2004. However, later this approach was further revised in order to enlarge the scope of the needs assessment and the range of possible technical architectures for the implementation. It was decided, in September 2004, to have the system specifications rewritten by a specialized company to serve as the basis for selecting the most suited technical platform before proceeding to the system design and implementation phases.

6. The review of the system specifications was completed in December 2004 and a call for proposals on the most suitable technical platform and a proposal for the design and implementation was then launched. At present, the proposals received are being examined, aiming to start the design and implementation phases in February 2005. This work – which is supervised by a high-level steering committee at the Secretariat level and includes extensive consultations among the services

concerned and user workshops – is in progress. The “new SISTER” is intended to be available in time for the preparation and monitoring of the 33 C/5 work plans.

FABS: Rollout to field offices and institutes

7. The main thrust of the FABS project in the current biennium has been its gradual but steady deployment to the field with a view to ensuring that all UNESCO’s financial transactions are properly recorded in the central accounting system and that both the Secretariat and the governing bodies have at all times a complete and up-to-date picture of the Organization’s financial situation. More specifically, the expected benefits include:

- (a) CAT (Completeness-Accuracy-Timeliness) of financial data processing:
 - (i) real-time availability of field budget consumption;
 - (ii) accountability and traceability of field financial operations;
 - (iii) lower risk of errors and/or irregularities due to in-built real-time checks against budget and other technical controls;
 - (iv) shorter accounts closing cycle;
- (b) important savings on temporary arrangements at Headquarters ;
- (c) reduced paperwork in the field enabling more rational use of scarce human resources.

8. Considering the limited budgetary and human resources available, both at Headquarters and especially in the field, the FABS deployment strategy has been based on a phased and modular approach, whereby the system is deployed to a group of field units at a time and module by module.

9. Following the deployment of the Funds Management (FM) module (used in particular for budget consultation and funds reservation),¹ it is the Finance (FI) module that has been given top priority for 2004-2005 so that the majority of the field financial transaction can be captured in real time by the end of the current biennium. The Travel (TV) and Material Management (MM) modules will follow allowing the field financial information in FABS to be refined and enriched with all necessary details.

10. In order to make sure that the target field units have the necessary prerequisites in place enabling them to assume new responsibilities implied by FABS, they undergo a two-stage accreditation process. The objective of the first three-month stage (accreditation period) is to have reasonable assurance that target offices have basic capacities, including internal controls, to allow delegation of authority by the Comptroller to individual staff members for posting transactions directly into FABS. During this stage, the selected offices are assessed against the following main criteria: (a) implementation of the internal audit recommendations should be at least 80% with a plan to reach full implementation; (b) the suspense account should be less than 5% of the annual turnover; and (c) bank reconciliation must be prepared correctly. An obvious precondition is the availability of the necessary computer hardware and connectivity. Administrative staff from those offices that satisfy these criteria are invited to Headquarters for two weeks of intensive training in the use of FI following which they start posting directly into the system, while continuing sending their imprests to Headquarters for checking. During the next three months (probation period), they are closely monitored (through reviews of imprest submissions and data posted in FABS) to make

¹ Available in some 50 decentralized units with more than 100 users trained.

sure that funds reservations are created correctly and that related transactions are posted to correct General Ledger accounts. At the end of this period, offices judged successful are then fully accredited and stop sending their imprests to HQ with only “normal” periodic checks by the Division of the Comptroller (ADM/DCO) and periodic internal audit by the Internal Oversight Service (IOS).

11. The deployment of the FI module started with two pilot offices (Rabat and Montevideo) in early June 2004 and continued with the training of a first group of six offices which received access to FI in early July 2004. Another five offices (Group 2) received FI training and access by mid-October 2004, bringing the total number of field offices with access to FI to 13,² with 32 staff trained and certified to date. Beyond the purely learning value, this training provided an excellent opportunity for experience sharing and team-building among colleagues from both Headquarters and field offices, thus strengthening human networking and improving communication between Headquarters and the field.

12. It should be noted in this respect that the accreditation criteria have been applied very strictly and, to date, four offices have had their accreditation withheld or postponed. At the same time, as recognized by field offices themselves, such a strict approach is justified since, beyond providing technical tools, the FABS rollout aims at improving the overall capacity of field offices and enabling them to assume financial management responsibilities in a more autonomous way. In addition, FABS rollout provides the opportunity to standardize and streamline work processes in the field with clear accountability. Revised processes were prepared and are now being implemented by offices that are using FABS FI. A table of authority and accountability for disbursement of funds in field offices was prepared and formally issued in November 2004 to support the functioning of the revised processes and the implementation of FABS FI.

13. In the same context, it is important to have information technology (IT) specialists in the field capable of supporting the new system and to make sure that they work in close coordination with their counterparts at Headquarters. It is with these considerations in mind that a special course for field IT specialists was organized at Headquarters from 6 to 10 December 2004 with the participation of 11 offices and one institute (IIEP). Work has also continued to improve IT infrastructure and connectivity in field offices that receive or are about to receive FABS. The most recent example is the planned installation of dedicated telecommunication equipment (already purchased) in the UNESCO Office in Kabul, which had only limited Internet connectivity via UNDP but will soon have full access and will be able to use FABS.

14. The benefits resulting from the FABS rollout are already beginning to be felt both in the field and at Headquarters. According to a benefits realization survey carried out by the Rollout Team in late 2004, the FABS rollout contributed to reducing the related temporary assistance costs in ADM/DCO by 33% and enabled the field offices concerned to reduce the number of photocopies made per office per month by more than 1,000 in addition to reducing pouch expenses.

15. The field offices surveyed also feel that FABS reduces mistakes, saves time and simplifies internal processes, reducing workload and increasing accuracy and transparency, and that the system, in fact, makes it easier to implement audit recommendations. The survey confirms that, for example, in November the number of posting adjustments in the field offices using FI was only 4% (compared with 2% registered in imprest processing at Headquarters), while a data integrity survey of the seven offices using FI from July to September 2004 did not detect any errors.

² Amman, Bangkok, Beijing, Beirut, Cairo, Dakar, Havana, Jakarta, Montevideo, New Delhi, Phnom Penh, Rabat and Santiago.

16. The FABS rollout is clearly helping to prevent suspense account postings. From June 2004 (beginning of the FI rollout) to November 2004, the total value of suspense accounts for the offices using FI decreased by 64.4% and the number of open items by 65.8%. As at 30 November 2004, the total suspense accounts value for these offices corresponded to 7% of the total field suspense accounts value, while the same offices represent 19.28% of the decentralized funds. Moreover, throughout 2004, the total field suspense accounts value remained below \$2.5 million compared with \$8 million in 2002.

17. Overall, the FABS rollout project is on schedule. Today, more than 75% of the total volume of the field offices' financial transactions is registered in FABS-FI in real time or close to real time. By mid-September 2005, it is planned to provide FI training and access to some 20 other offices, which should allow bringing this percentage to more than 90%. The deployment of FI to field offices would then be considered completed since it appears more cost-effective to bring the financial data of the remaining smaller offices into FABS through a simpler Extranet tool, instead of deploying a full FABS solution.

18. The case of the UNESCO Office in Brasilia (UBO) deserves special attention. Considering the extremely high total volume and number of its transactions, as well as the fact that UBO already had an accounting system of its own (SICOF), it was decided in early 2004 to focus, as a first step, on improving the interface between SICOF and FABS, which would allow to accelerate the transfer of data between the two systems, without going through the time-consuming and costly process of replacing SICOF altogether. By the end of 2004, good progress was made in increasing the frequency of data transfer and it was made technically possible to import data from SICOF daily, i.e. almost in real time. However, further efforts are needed to improve integration of all processes, including budgetary processes. Furthermore, it is now necessary to determine possibilities, modalities and time frame for the full integration of UBO into FABS. A special task force set up to this end started its work in January 2005. It is expected to prepare an integration solution by mid-2005 for implementation by the end of the year.

19. Another major challenge for 2005 is the integration in FABS of UNESCO Institutes and Centres of Category I. Indeed, the implementation of the new system cannot be considered complete as long as a considerable part of decentralized expenditure – that of UNESCO institutes and centres – remains outside of FABS. At the same time, the institutes and centres themselves need an efficient and reliable financial management tool.

20. It has therefore become imperative to tackle without delay the issue of institutes and their integration into FABS. However, these institutes and centres may differ considerably, in terms of their administrative procedures and needs, from the field offices and from one another given the functional autonomy accorded to them. While an adapted FABS solution can be proposed for the institutes, this must be studied very carefully in order to make sure that it meets both the needs of each institute and central reporting requirements.

21. To this end, a dedicated task force has been set up including staff from different Headquarters services and from the institutes themselves with a view to analysing business processes involved and preparing a customized FABS solution by mid-2005. As a first step, the task force has focused its attention on the UNESCO Institute for Educational Planning (IIEP) whose experience is considered particularly relevant, in addition to its convenient location in Paris. Indeed, IIEP is one of the major UNESCO institutes in terms of budget and staff; it also shares the same legacy accounting system with two other institutes. After the necessary validation and testing, the solution should be ready for deployment by end-2005. It should be noted in this context that smaller institutes whose current working processes and procedures are similar to those of field offices may

not need a customized solution and could receive training and access to FABS under the same conditions and time frame as the latter.

22. Work has also continued on the next modules to be rolled out to the field – TV and MM. Similarly to FI, the purpose of this preparatory work is to make a gap analysis of related business processes at Headquarters and in the field and to prepare customized solutions for deployment to field offices starting with several pilots in 2005.

23. Overall, considering the progress made and the tasks yet to be accomplished, as well as the budgetary resources available, it is reasonable to expect that the FABS deployment will be completed in the course of the 2006-2007 biennium, after which FABS-related operations would be limited to maintenance/improvements of the system and user support.

HR information system: preparations in progress

24. Preparations have continued for the future human resources component of the integrated management information system. After the review and harmonization of existing tools and databases, this work has now entered an important phase during which the technical solution for the HR system should be chosen for implementation in 2006-2007.

25. Special attention is being paid to the experience of other United Nations agencies so as to profit from best practices and avoid known mistakes. It should be recalled in this context that the introduction of a modern HR management information system has been a major challenge across the entire United Nations system with differing approaches ranging from internally developed systems to “off-the-shelf” software packages. Today, the majority of the United Nations agencies have opted for one of the three main commercial solutions (ORACLE, PeopleSoft or SAP). Recently, UNICEF has contracted SAP to develop a “SAP International Public Sector HR Solution”, which is supposed to be adapted to United Nations common requirements in human resources management. The system will become operational in 2005 and would be a logical candidate for implementation by UNESCO. However, the Organization must have reasonable assurance that this system would indeed be best suited to its needs offering the best possible combination of efficiency, cost-effectiveness and user-friendliness, compared with the existing alternative solutions.

26. This is why a feasibility study has been initiated starting with documenting UNESCO’s current processes and future requirements in the field of human resources management. The latter will then be compared with the main available solutions in order to choose the best option, based on such criteria as functionality and user-friendliness, best process matching, compatibility with existing systems, implementation and operation costs, implementation time and possibility of phased implementation. The latter criterion is included in order to give priority to the implementation of a new payroll system to meet an urgent need for the Organization. Indeed, the existing payroll system is long overdue for replacement based as it is on a legacy mainframe system, costly to maintain, difficult to modify to meet changing needs and critically dependent on a few remaining staff who can operate the old application. The assessment should be completed by Autumn 2005 and will produce, in particular, a first cost estimate for the implementation of the new HR system. The project preparation will then begin, including the detailed blueprint, implementation strategy and plan.

Costs and budget

27. The budget available under the Programme and Budget for 2004-2005 (32 C/5) for new management tools is composed of several parts. Approximately \$1 million is available for SISTER

and should cover the system's maintenance and revision. The budget available under the Special Account for FABS amounts to \$5 million and is used to cover operation/maintenance, improvements/adjustments and the field rollout. In addition, a part of related staff costs is funded from FITOCA (\$1,485,000). Considering the top priority accorded to the rollout, some lower priority work under FABS has been postponed in order to reserve to the rollout as much funds as possible which currently stand at \$1.2 million. Further efforts are being made in order to maximize savings, in particular by using increasingly internal resources rather than external expertise.

28. It will be recalled that at its 30th session (1999), the General Conference estimated the total budget to replace UNESCO's systems for budget, finance, human resources and payroll to be in the range of \$19 million, including some \$10.7 million for the finance and budget system to be implemented in 2000-2001 (30 C/Resolution 84). It will further be recalled that only \$5 million was budgeted at the time and, consequently, the implementation had to be spread across several biennia (see Tables 1 and 2 in the Annex).

29. To date, the expenditure related to the development and introduction of FABS since 2000 amounts to \$13.1 million. Another \$6.9 million has been spent on the system's operation and maintenance (recurrent costs) since its "go-live" in 2002. The overall expenditure of \$20 million over the last three biennia has been financed by the regular programme funds (\$14,923,100), FITOCA (\$920,000) and extrabudgetary contributions from Japan (\$2 million), the United Kingdom (\$1.1 million) and Germany (\$440,000), and the interest earned (\$616,900).

30. It should be kept in mind, however, that the cost of the future HR component is still unknown pending the results of the feasibility study. UNICEF, for example, allocated \$6 million in 2004-2005 to replace its current HR system with a new SAP-based system (see para. 25 above). This figure is expected to be somewhat lower for UNESCO as a technical solution requiring minimum customization is likely to be identified. However, the funds earmarked for this purpose in the proposals for draft document 33 C/5 (\$1.5 million) may be insufficient for the full implementation of the HR system in 2006-2007. Depending on the actual availability of resources and based on the software solution retained, the new HR system may need to be introduced in phases, starting in 2006, with priority given to the implementation of the payroll component to minimize the risk inherent in the existing legacy system.

Proposed draft decision

31. The Executive Board may wish to adopt a decision along the following lines:

The Executive Board,

1. Recalling 169 EX/Decision 3.3,
2. Having examined document 171 EX/6 Part II,
3. Takes note of the progress made in the implementation of the new integrated management information system, covering programming and budgeting (SISTER), finance and accounting (FABS) and human resources management;
4. Further takes note that the cost of the new HR information system is still unknown and that the system may therefore need to be introduced in phases, starting in 2006, with priority given to the implementation of the payroll component;
5. Invites the Director-General to pursue the implementation of the integrated management information system and to submit to it at its 174th session a progress report thereon.

ANNEX

Costs and budget of the new management information system

Table 1: Initial estimates and actual expenditure (in million US\$)

	Initial estimates ¹ 2000-2001	Expenditure 2000-2004	
	Development	Development	Operation
FABS	10.7	13.1	6.9
HRM	8.3	0	0
Total	19.0	13.1	6.9

¹ 30 C/Resolution 84.

Table 2: Budgetary provisions and allocations (in US\$)

	Budget 2000-2001	Budget 2002-2003	Budget 2004-2005	Budget 2006-2007 (proposals)
FABS	9,640,000	8,183,500	6,523,000	5,690,000
Regular programme (C/5)	5,000,000	5,000,000	5,000,000	4,000,000
RP (carry-over)	-	1,100,000	-	-
RP (staff cost savings)	2,175,600	-	-	-
Extrabudgetary	2,000,000 ²	1,969,000 ³	1,485,000 ⁴	1,690,000 ⁴
Interest earned	464,400	114,500	38,000	-
HRM	-	-	-	1,500,000
Regular programme (C/5)	-	-	-	1,500,000
Extrabudgetary	-	-	-	-
Total	9,640,000	8,183,500	6,523,000	7,190,000

² Voluntary contribution by Japan.

³ Including voluntary contributions by United Kingdom (\$1,100,000) and Germany (\$440,000) plus project staff costs funded from FITOCA (\$369,000).

⁴ Project staff costs funded from FITOCA.

Hundred and seventy-first session

171 EX/6
Part III
PARIS, 9 March 2005
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Item 5 of the provisional agenda

REPORT BY THE DIRECTOR-GENERAL ON THE REFORM PROCESS

PART III

DECENTRALIZATION

**The rational implementation of decentralization:
a review of progress from 1999 to 2005**

SUMMARY

In accordance with 169 EX/Decision 3.3, the Director-General presents a progress report on the implementation of the reform, including staff policy, new management tools and decentralization.

Part III of the report reviews progress, after five years, in the implementation of the decentralization strategy, launched in 1999 in pursuance of the Director-General's reform agenda and 30 C/Resolution 83 of the General Conference. Financial aspects related to this review are covered in Section IV ("The short- and medium-term prospects").

Paragraph 115 contains suggestions relating to the Board's decision on this document.

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EXECUTIVE SUMMARY

As one of the major thrusts of the Organization's overall reform in the past five years, the investment in time on consultations and reflection, in funds and in human resources to put in place the new, more effective and relevant strategy for the rational implementation of decentralization has been considerable. Sections I and II recall the main objectives of the reform and provide an overview of the many facets of this investment, and its results.

Section III concentrates on the lessons learned, largely from IOS evaluations, but also from the many other sources of feedback, suggestions and proposals that have been a part of this review, including notably the findings of the Decentralization Review Task Force set up in 2004. UNESCO's two-tier decentralized structure is realistic and corresponds to need. Problems identified, including inadequate resource levels, do not bring into question the core concept itself. It has proven more difficult than anticipated to staff all clusters with the necessary multi-sectoral expertise. A revised programme management cycle has been designed, and preparations for document 33 C/5 have followed this new cycle for the first time. The Organization has made tangible progress in contributing to United Nations country team efforts and in responding to rising demands for United Nations system-wide coordination at country level. However, this poses managerial, human resource and governance difficulties. It adds considerably to the workload pressures of field offices and requires specific funding support, frequently not yet foreseen.

Section IV describes measures and efforts already under way to address shortcomings observed. While UNESCO is not a country-based development agency, it has to balance its global mandates and programmes with its obligations to meet Member States' needs on the ground in operational terms, especially through capacity-building, and it has to do this with very limited funding. This means that it must prioritize and focus. Beyond the simple matter of "decentralizing", the aim should be to build a well-balanced whole whose various components are mutually complimentary and – ideally – reinforcing. Discussions on the balance between the Organization's policy roles and its programme execution activities cannot be dissociated from these observations. The road ahead must follow a single overriding objective – to raise the quality and the impact of UNESCO's action. The implications of this from the internal and external viewpoints are dealt with.

This Section concludes by reviewing the prospects – both short- and medium-term – in budgetary and staffing terms, notably under the conditions set out for the preparation of the Programme and Budget for 2006-2007. The system has been set in place and much has been done to make it work. Improvements and adjustments have been decided upon. However, quality requires investment, and progress will be as fast, or as slow, as the Organization's resources will allow.

SECTION I: UNDERLYING PRINCIPLES AND OBJECTIVES

1. In 1999, by 30 C/Resolution 83, the General Conference approved the basic policy for the rational implementation of decentralization. Upon taking office in November 1999, the Director-General immediately launched a comprehensive programme of reforms. The Organization's decentralization strategy, in line with the policy laid out by the General Conference resolution, was at the heart of those reforms. By the same token, it was the subject of one of three internal task forces immediately set up to advise him on the direction of those reforms.

2. The policy was based on the twofold premise that UNESCO is one organization, with one overall mission, and that the central criterion for its performance is its impact on, and relevance to, its Member States. Decentralization was a tool, not an end; a means to ensure that UNESCO designs and implements programmes that, although global in scope, are suited to the needs and

specific circumstances of Member States, with particular attention to developing countries and their local socio-economic, geographical, cultural and political contexts. A balance had to be struck in the structure and status of field offices in the light of all the above, on the basis of the “twin principles of pragmatism and flexibility”, with the aim of ensuring that offices played “a much more active role in the consultation and programming processes, and should be given full authority for implementing programmes and activities of a regional, subregional and national scope”.¹

3. At its 159th session (Spring 2000) the Executive Board examined a statement of principles and criteria relating to the rational implementation of UNESCO’s decentralization strategy (159 EX/5). The plan took into account such broader issues as strategic planning; integration into the United Nations system; relations with stakeholders and beneficiaries; information and analysis; human resources; management of activities and programme results.² Field offices were also to play a much more active role in the consultation and programming process, and to be given full authority for implementing programmes and activities of a regional, subregional and national scope. Cooperation with National Commissions was also viewed as crucial. In the same vein, management by leadership and delegation of authority, favouring participation and communication, and encouraging innovative thinking and action, was launched with a view to creating a new management style. The proposals were endorsed, in particular those related to the “cluster office” strategy (159 EX/Decision 3.1.2).

4. The Director-General sought the advice of each regional group of Member States during the period May-July 2000 on the rational distribution of UNESCO’s field presence globally. He then presented an action plan for the implementation of the new decentralization strategy to the Executive Board in Autumn 2000 at its 160th session (160 EX/6 Part III), where it was approved. The Plan sought to resolve the existing structural incoherencies and budgetary over-extension, and the resulting serious inefficiencies in the delivery of the Organization’s programmes at field level, by refashioning the system into a rationally distributed global network of “cluster offices”, each serving a manageable number of Member States through multidisciplinary teams, having National Commissions as their key interfaces, and backed at the regional level by specialized regional bureaux in UNESCO’s fields of competence.

5. It also sought to bring about a gradual but distinct shift in the ratio of staff between Headquarters and the field with a substantial strengthening of field staffing levels. The “parent sector” approach (a given programme sector having charge of specific offices) was also revisited for the purpose of giving the field offices full managerial autonomy, with the sectors providing the necessary technical or methodological support. A new central structure at Headquarters (to become BFC), with clearly defined functions and appropriate resources, was proposed as a focal point for all field offices, serving more as the “voice of the field” at Headquarters than as a top-down channel for distributing Headquarters-oriented instructions and visions to the field.

6. Administrative procedures were reviewed in order to strengthen interactions between the various parts of the Secretariat through a new staff rotation strategy, networking in programme delivery, and clarification of lines of authority and accountability for appropriate delegation of authority to the field. Staff policy was streamlined, with standards of competence being established as the basis for selecting and ensuring the quality of field office heads. Rotation was related to career development planning, in which the gaining of field experience would be the norm and a career benefit. Fully decentralized management of local staff in field offices was foreseen, within the framework of global standards.

¹ 159 EX/5, Part IV.

² 159 EX/17, para. 7.

7. From the external point of view, there was a recognition of the increasing demands on the Organization to be involved at national levels in the United Nations country teams and related inter-agency processes such as UNDAF, to cooperate more directly with the National Commissions, and to participate in intersectoral development issues.

8. There followed a period of intense diplomatic activity, often at the highest level, particularly vis-à-vis the authorities of countries in which it had been accepted that existing offices should be closed down. The understanding shown by Member States for these difficult decisions is to be underlined. By spring of 2001, the Director-General was able to announce to the Executive Board and to staff the finalization of the reorganization of the decentralized structure in all but a few instances. Implementation of the reform strategy had begun with a period (November 1999-May 2001) of conceptualization, consultation and reorganization. The new system was ready to move into operation.

SECTION II: MAKING THE SYSTEM WORK

9. The field offices adopted their new denominations as of 1 July 2001 and began to take on coverage of their designated cluster countries. In accordance with the Executive Board's decisions,³ the Director-General presented the following progress reports: 164 EX/5 Part III, 166 EX/6 Part III and 169 EX/6 Part III. He also presented complementary proposals concerning the strengthening of cooperation with National Commissions and their corresponding accountability measures (161 EX/40). In spite of the limited resources available, the restructuring was virtually complete by the end of 2003. During 2004, efforts continued in order progressively to strengthen cluster offices and to encourage progress in the decentralization strategy in its various facets. At the 170th session of the Executive Board, the Director-General again observed that progress was continuing, underlining the search for the right balance and complementarity between the field structure, as the local voice of UNESCO, and the Organization's global roles and responsibilities. The Executive Board consistently supported the modalities of implementation of the decentralization strategy and took note of the progress achieved, while providing advice on the priority goals to be set.

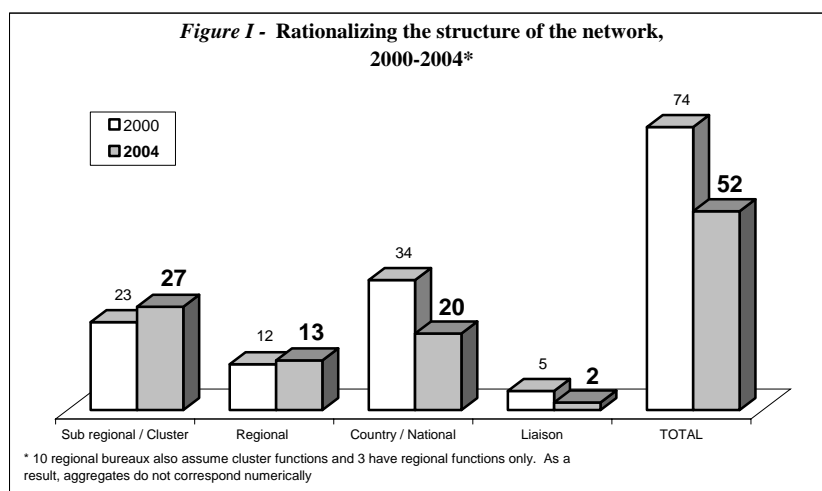
Coherency

The two-tier system

10. In 2000, UNESCO had 74 offices in the field. Its composition was a mixture of national, subregional, liaison⁴ and regional offices, some of the latter covering different countries for different programme sectors. The aim was to focus primarily on the creation of clusters of countries, backed up by regional bureaux, with national offices maintained in pre-set and exceptional circumstances. The distribution of offices currently in operation as compared to the situation in 2000 is given in Figure I below.

³ 160 EX/Decision 3.1.2, 161 EX/Decision 3.1.2, 164 EX/Decision 3.1.2 and 166 EX/Decision 3.1.3.

⁴ In 1999, three of the liaison offices were to the United Nations (New York, Geneva, Vienna) and the other two functioned in country-level contexts without full country office status: Ramallah and Washington.



11. Cluster offices were designed as the cornerstone of the new system, consisting of multidisciplinary teams covering all UNESCO's fields of competence and directly linked to Headquarters in terms of allocation of budget, programme responsibilities and accountability.⁵ They were the delivery platform at country level vis-à-vis Member States, ensuring smooth coordination and flow of information, as well as avoiding overlap among different parts of the Secretariat.⁶ Their establishment in all parts of the world was therefore the central thrust of the early stages of the reform.

12. Regional bureaux (or regional advisers) were conceived as sources of sectoral expertise and support, providing quality knowledge inputs into programmes run out of cluster offices. The objective was to place expertise and knowledge close to Member States, in order for UNESCO to be responsive and target specific needs.⁷ They were also expected to continue their conceptual and monitoring responsibilities for programmes of regional scope implemented through cluster offices. Most regional bureaux were already in existence and by and large constituted viable operations of long standing. Their maintenance in the new structure was a guarantee of continuity as the new cluster concept was put in place.

The exception of the national offices

13. Member States had been disturbed at the randomness of decisions taken regarding the opening of offices, particularly national offices, that they found to be poorly resourced from the human and financial point of view, often merely carrying out representational functions, with no real efficiency in terms of programme execution. The General Conference did however explicitly recognize certain circumstances in which the existence of a national office could be justified for a limited period of time. As Figure 1 shows, there were previously 34 national offices, all of which were analysed from the viewpoint of efficiency as well as in terms of the criteria set by the General Conference. As a result of the reform, the 18 national offices that remained open⁸ satisfied the criteria for efficiency, indirect cost/programme fund ratios and resourcing, particularly extrabudgetary, as well as reflecting precisely defined local needs: E-9 countries, countries in transition or countries experiencing conflict or other special situations.⁹

⁵ 160 EX/INF.10, para. 5(1).

⁶ 160 EX/6 Part III, para. 8 and 160 EX/INF.10, para. 5(3).

⁷ 160 EX/INF.10, para. 5(2).

⁸ Two new national offices having since been set up (Afghanistan, Iraq) bringing the total to today's 20.

⁹ 160 EX/6 Part III, paras. 7-25.

Category I institutes and centres

14. The vision introduced in the decentralization reform was an inclusive one, seeking to consider UNESCO as a single whole made up of a variety of constituent parts, one of which is the network of UNESCO institutes and centres (category I). These represent for UNESCO and its Member States precious sources of expertise in specific sectoral or intersectoral areas (e.g. statistics, adult education, educational planning, theoretical physics, water education). They have responsibilities of service to UNESCO's Member States, either internationally or regionally, in exactly the same way as the Headquarters and the field network. Greater programme coherency and dovetailing between these bodies and the wider UNESCO have been sought in a parallel reform and rationalization strategy¹⁰ involving closer meshing with the overall priorities of the programme sectors to which (with the exception of UIS) they report. Institutes and centres were thus included in the conceptualization of the decentralization reform from the outset.

Office closures and accompanying measures

15. Care was taken, both in the context of the consultations surrounding the office closures, and in the ensuing stages, to ensure that one of the fundamental aims of the reform – strengthening UNESCO's presence and action in all countries, even those affected by closures – was borne constantly in mind. A flexible approach has been taken in particular in ensuring that alternative arrangements are put in place in line with the needs of the particular country and taking into account, for example, specific programme objectives, such as the finalization of ongoing projects.¹¹

16. Various alternative arrangements have already been tried out. For example, an NPO attached to the Accra Cluster has been hired in Benin; a national consultant attached to the Dakar Cluster is working in the UNDP offices in Guinea, and another national consultant attached to the Venice Office is covering Bosnia and Herzegovina; in Côte d'Ivoire, a Project Office has been set up under the Accra Cluster in order to complete the national action plan for the rehabilitation and reconstruction of curricula; focal points in the cluster offices have been designated to take charge of particular countries where office closures have occurred: for example, in the Windhoek Cluster for both Angola and South Africa, or in the Bangkok Cluster for Laos. Other alternative arrangements included, for example: taking full advantage of the existence of the Villa Ocampo in Buenos Aires for the establishment of a centre for cultural activities related to UNESCO; or temporary assumption by the UIS in Montreal of some of the information functions previously performed by UNESCO's Quebec Office in an initial running-down period so as to avoid a sudden break. Deliberations at the Chief Executives Board (CEB) level concerning the involvement of non-resident United Nations entities in delivering programmes and assistance were helpful in charting UNESCO's response and putting in place coordination and networking with other agencies of the United Nations system.

17. With regard to staff, special assistance was provided to local and international staff members affected by office closures. This assistance included support for re-employment in multilateral or bilateral agencies; encouragement to NPOs to apply for international posts, and increased indemnities to separated, locally employed and SSA staff. A particular effort was made to transfer staff into cluster offices (*see below*) as part of the drive to strengthen them.

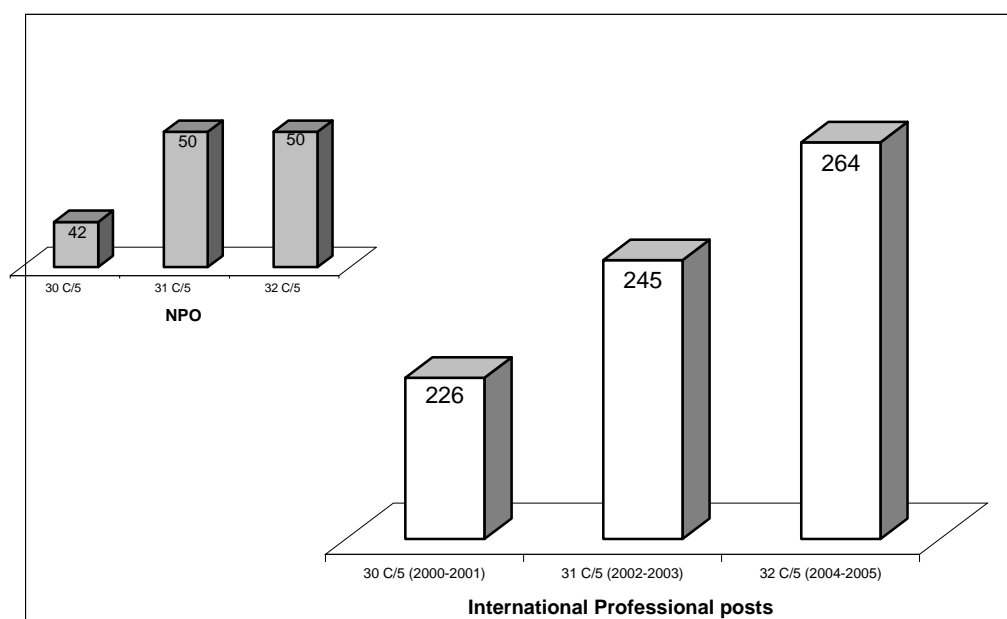
¹⁰ A separate report on this subject is being submitted to the Executive Board at this session.

¹¹ 160 EX/6 Part III, II.4, Maintenance or change of status of current country-oriented efforts.

Transfers of staff and resources

18. At a time when overall staffing trends have been downwards, the number of established posts in the field is growing constantly, showing a net increase of 46 posts (38 international professional posts, including 15 administrative officers, and eight local professional posts) between the 2000-2001 and the 2004-2005 biennia (*see Figure II*). Efforts have also been made to accelerate recruitment to vacant field posts, particularly in the context of the launch of the new rotation policy. By adopting this transparent set of rules and procedures governing staff movement between the Organization's various locations, UNESCO has acquired an appropriate tool so that it can eventually strike a suitable balance in the distribution of human resources between Headquarters and the field. Furthermore, 39 new directors and heads of office have been appointed since 2000, which is a 73% renewal rate.¹²

Figure II – Strengthening staff in the field: a constant priority



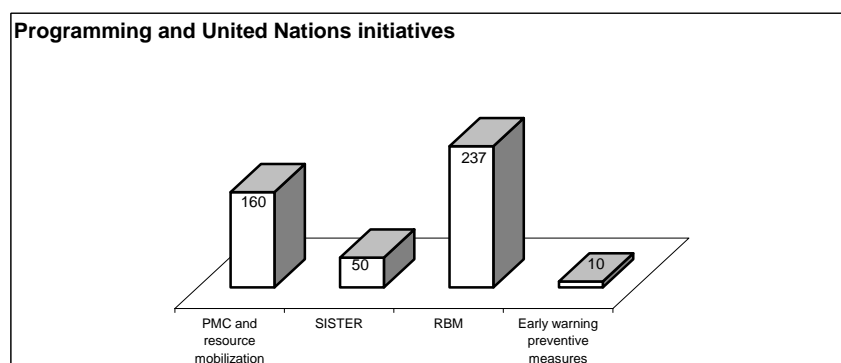
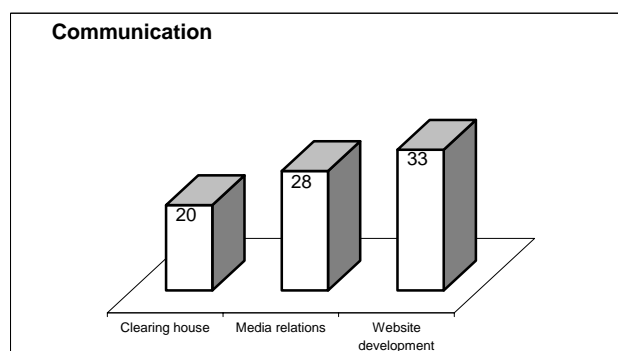
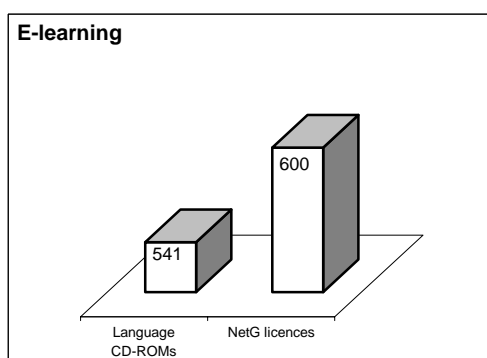
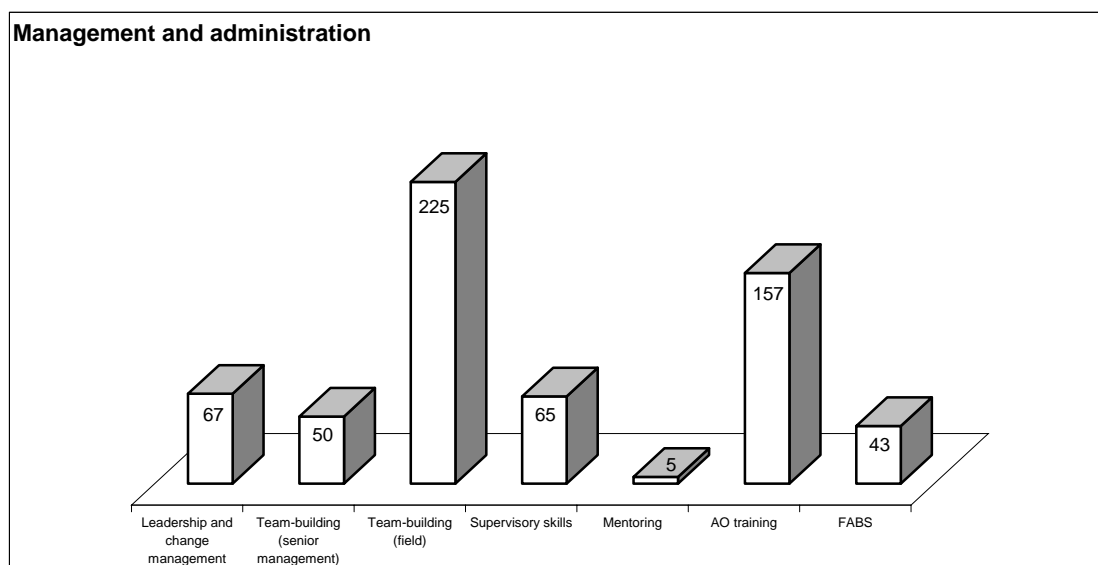
Training

19. Since 2002, thanks in part to the steady rise in overall resources available for training, much has been done to strengthen skills of staff in the field units. In the current 2004-2005 period, a budget of approximately US \$2.57 million (out of a total of \$6 million) has been set aside for specific field training to support the decentralization strategy. Details of all training activities are given in Figure III below. The total amount of training directed towards field staff is even higher when FABS- and SISTER-related activities are also taken into account (*see also para. 21*). In accordance with the human resources management reform, the focus was placed on re-skilling senior managers, strategic management and programme implementation, financial management, results-based programming, public information and increased participation in the United Nations system-wide joint initiatives. Other support training is also provided in such areas as office automation/computerization, language training or the development of Inter/Intranet sites. Synergy within the field office network is gradually being established, in particular through courses that encourage common practices and the establishment of informal networks of interests and skills. All field office directors attended the Global Meeting of Directors in March 2004 in Orléans, and a retreat of directors and heads of field offices was held for the first time in July 2003 to launch a

¹² As at 31 December 2004.

collegial process of dialogue and exchange and develop common approaches to shared problems. These meetings yielded extremely positive results in terms of the development of a common vision.

Figure III – Training activities (number of staff receiving training per theme)



Communication

20. Priority was given to equipping a maximum number of field offices with basic e-connectivity and upgrading all types of communication facilities. With the entire network of UNESCO offices, institutes and centres, now connected by email to Headquarters, information is circulating more rapidly and comprehensively, substantially improving the impression of oneness around the

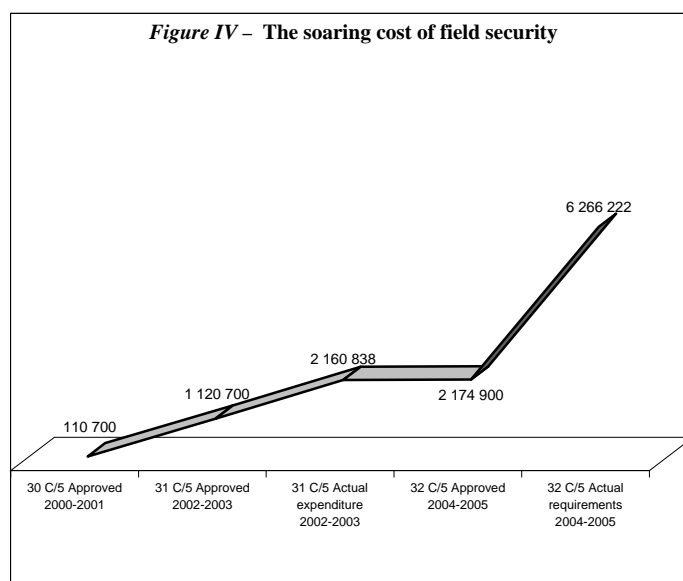
Organization. A good proportion of the offices now have regularly maintained websites with the necessary links to sites on the Headquarters pages. BFC also ensures that all information concerning internal management issues is communicated instantly via the field office list.

Management tools

21. Computer equipment and telecommunication connectivity have been brought up to standard in most field offices, which has not only improved working conditions in the field but has also laid the ground for integrating field units in UNESCO’s new Finance and Budget System (FABS) and securing a fuller use of the SISTER programme management and monitoring tool. The rollout of FABS is based on a phased and modular approach. By the end of 2003, the majority of field units had online access to the module used for funds reservation. The gradual introduction of the finance module began in early 2004, together with a special accreditation process to ascertain the required capacity and controls prior to authorizing online expenditure registration. This is a major milestone in the rollout process. As at end 2004, about 75% of all field offices’ expenditure is being registered in FABS in real time or close to real time, as planned. Beyond the corresponding technical training that the target field offices receive, special attention has been paid to ensuring that the underlying processes and rules are well understood and followed. In addition, training has been provided to field IT staff to enable them to provide better support for the operation of FABS and other systems. SISTER was also available to increasing numbers of field units (*see also Section III, para. 44*).

Security

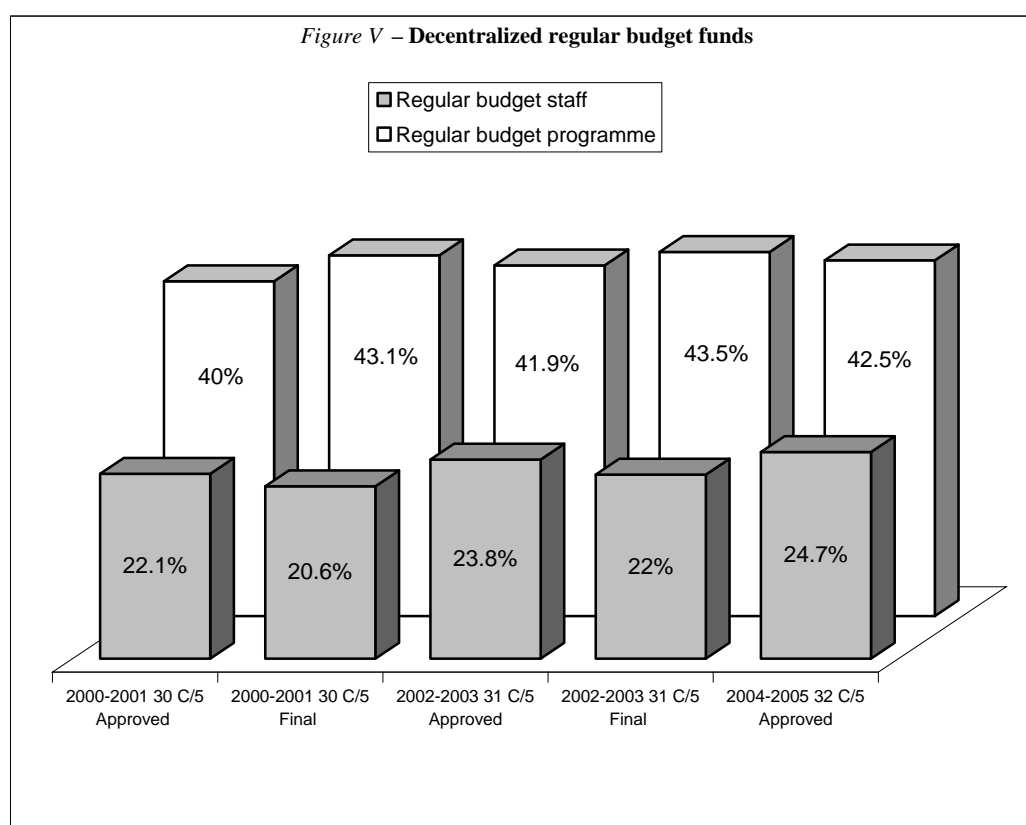
22. The increasingly unsettled international security environment, in particular since September 2001, and the bombing of the United Nations premises in Baghdad in 2003, have heightened the level of security risks of the United Nations personnel and called for the reinforcement of the security measures in the field, under the authority of the Department of Safety and Security (DSS – previously UNSECOORD). UNESCO, like all other United Nations system bodies, is bound to implement these measures, which include, *inter alia*, Minimum Operating Security Standards (MOSS) and Minimum Operating Residential Security Standards. UNESCO’s security needs in the field have been identified and carry with them a soaring price tag (*see Fig. IV*), for which UNESCO has undertaken to identify adequate funds.¹³ Other specific field security related measures have also been undertaken.



¹³ 170 EX/Decision 7.8.

Programme delivery and resourcing

23. The early years of the reform entailed a potential degree of disturbance that could have been prejudicial to programme implementation. This has not been the case. While the drive for improved decentralization rates in programme funds may have been somewhat slowed down, the figures show (*see Fig. V*) that the field structure continued to deliver during the transition period. The devotion of field staff, international and local, and the support of National Commissions and government authorities, is to be highlighted in this regard. It nevertheless has to be recognized that the extent of the rise in programme delivery relevance and efficiency entirely reflected the resources, both human and financial, made available.



24. As a response to the expectations of Member States themselves as well as a matter of policy, one dimension was the focus of particular attention: enhancing the Secretariat's responsiveness to emergency or unplanned situations resulting notably from conflict or natural disasters. The cases of Afghanistan, Iraq, Democratic Republic of Congo, Liberia, Iran (Bam), Sierra Leone, Haiti, Angola, Timor-Leste and more recently South-East Asia may be cited in this regard.

25. In the first two instances, national offices have been established, following the appropriate consultations with the Executive Board. UNESCO assistance to Iraq has moved from needs assessment and emergency activities towards the implementation of large-scale projects in education; cultural heritage, and water management (to a total to date of approximately \$18 million). Moreover, a pipeline of UNESCO short-term projects includes support to pluralistic and independent media, as well as human rights awareness-raising and training of professional groups and Iraqi civil society organizations.¹⁴ UNESCO's capacity to deliver has been high in

¹⁴ 170 EX/34.

Afghanistan, despite existing constraints in terms of security and logistics. It also shows that UNESCO operations in Afghanistan are progressively addressing longer-term capacity-building needs. Particular attention is given to human resource development, as ownership by the Afghans of the reconstruction and development process is considered as key to its success and sustainability.¹⁵ The Jakarta Office has established an antenna in Timor-Leste to monitor implementation of the many extrabudgetary projects being conducted in that new country and to liaise locally with the national authorities and with United Nations system partners and donors. In the cases of Liberia and Sierra Leone, antennae were created in autumn 2004 within the local UNDP offices with one international staff member for Liberia (under an ALD contract out of Dakar) supervising a national consultant in Sierra Leone, for the execution of extrabudgetary projects. In the Democratic Republic of the Congo too, the Secretariat's ability to respond effectively to new developments has already enabled the Organization to raise funds for projects for a total of some \$14 million since office staff and resources were strengthened following the new political situation in the country.¹⁶

26. The Organization's fast-reaction capacity – through a more proactive decentralized network spearheaded by the Tehran Cluster interacting with Headquarters – was also put to the test in late 2003 at the time of the disastrous earthquake in Bam (Islamic Republic of Iran). Close intersectoral cooperation, efficient communication thanks to modern technologies, and fast decision-making even at a time of vacation, enabled the Organization to be among the first to propose its help, assistance and advice to the local authorities. In similar vein, UNESCO's field offices were fully integrated into the unsuccessful but strenuous efforts, in the first quarter of 2001, to save the Buddhas of Bamiyan, Afghanistan. Lately, all field offices in the region were immediately mobilized in the tsunami disaster in the Indian Ocean, thanks to the widespread email communication facilities and to the activation of the recently created Task Force on Emergency Response.

Cooperation and partnerships: focusing first on National Commissions

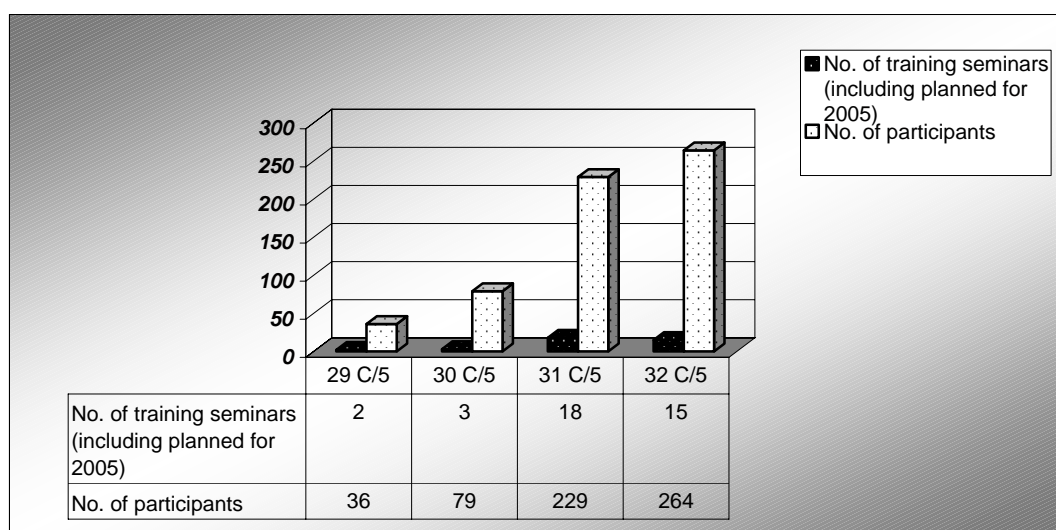
27. The Action Plan on Decentralization underlined the strengthening of cooperation between the UNESCO Secretariat and National Commissions, as the Secretariat's primary interlocutor in decentralization. While other partnerships (e.g. with NGOs and civil society) remained important, the building of new working relations with National Commissions at field level became a priority for cluster office directors, and formed the basis for expanding cooperation with National Commissions in activities that fall within their areas of competence.

28. The launch in November 2002 of cluster consultations was a major innovation. So far, all cluster offices have organized several such consultations, with the dual aim of strengthening relations and communication between field offices and National Commissions and jointly formulating cluster strategies. Many Member States welcomed the initiative and expressed the hope that funding for such meetings would in future be provided for in the Organization's programmes and budgets. The regional consultations held in May-June 2004, preceded by cluster consultations, confirmed the usefulness of this innovation and the need to make the fullest possible provision for its implementation.

¹⁵ 170 EX/32.

¹⁶ 170 EX/28 Part III.

Figure VI – Training of Secretaries-General and staff of National Commissions, 1998-2005



29. Probably the major thrust of the Organization’s approach to the role of National Commissions has been its efforts to enhance capacity-building for this network. While this action started to accelerate after 1999, a full assessment exercise took place in 2001, to gauge needs and adjust to them. As a result, a capacity-building plan has been drawn up comprising over 50 themes, aiming to deepen Commissions’ knowledge of key areas of UNESCO’s work and to provide training in a number of specific skills, particularly: (i) key programme issues; (ii) communication skills for enhancing UNESCO’s visibility, including conversance with the UNESCO Portal; (iii) new management tools; and (iv) forging alliances with partners. Between 2000 and 2005, 36 training activities benefiting around 570 National Commission staff (including Secretaries-General) have been organized across all regions at cluster, subregional, regional and interregional levels (*See Fig. VI*). Additionally, it has to be borne in mind that theme-specific briefing, information and training sessions have now become a regular feature of the renovated statutory consultation and quadrennial regional meetings. A special pilot project was also begun in late 2003 to foster exchanges and learning between and among commissions. Lastly, guidelines were issued in 2004 for interface and cooperation between field offices and National Commissions, drawn up by a mixed task force of field office heads and National Commission staff. Since 2001, some \$5 million of regular programme funds have been invested in upgrading National Commissions (\$1.5 million for capacity-building from planned activities and \$3.5 million from the Participation Programme).

SECTION III: LESSONS LEARNED

30. Progress over the past five years has been regularly monitored and reported on, and situations have been adjusted and improved along the way as a function of observations and lessons learned. Decentralization has been a frequent feature of meetings of both the Directorate and the College of ADGs. Feedback has been received from partners and stakeholders, more particularly during consultations of National Commissions, as also at sessions of the Executive Board and General Conference. The Director-General has made a point of visiting almost all of the Organization’s field offices and talking with staff while on official business in a Member State. He has also discussed wherever possible with the Secretary-General of the National Commission and the United Nations Resident Coordinator and frequently met with the United Nations country teams. These various sources of feedback have all been exploited to the full as management has carried decentralization forward.

31. On the whole, just as there were undoubtedly some praiseworthy successes and achievements in the field in the pre-2000 configuration, it is clear that much could be reported from around today's system from which it might be concluded that all is in order. Indeed, many are the examples of UNESCO field staff's devotion to their responsibilities of proximity service to Member States, and many are its regional, subregional and national actions that are highly appreciated. The reform of the decentralization strategy is widely acknowledged by Member States, partners and staff alike as having been a most necessary drive for rationality and efficiency in an Organization whose overall situation in early 2000 was far from comfortable. It is therefore on the criteria of relevance and efficiency that the sometimes rather self-critical appraisals in this section are based. Dwelling on the many positive aspects would certainly provide a fuller and more balanced picture, particularly in the programmatic dimension, but for the sake of conciseness, this section deliberately focuses primarily on that which is in need of attention, building on evaluations and audits as a guide for future improvements. The role of the Internal Oversight Service in this regard has thus been pivotal. Programme achievements and evaluations, for their part, are duly documented in both the C/3 series and in the regular activity reports of the Director-General to the Board (EX/4).

32. IOS conducted its first round of evaluations of 10 field offices and reported thereon in autumn 2003, as also on the preliminary lessons learned from the review of delegation of authority to field offices.¹⁷ All issues representing risk for the Organization (in terms of credibility and/or effectiveness) were identified and grouped under nine headings:

- respective roles of Headquarters and the field (regional, cluster and national offices);
- planning and programming;
- programme monitoring;
- accountability;
- financial and human resources;
- extrabudgetary resources;
- active participation in United Nations country teams;
- relations with partners and beneficiaries;
- issues linked to the structure of the network.

33. These issues remained under close monitoring by senior management, which acted quickly to remedy many of the observed shortcomings. The Board was informed of progress in spring 2004 in document 169 EX/6 Part III.

34. IOS then, in 2004, proceeded with a second round of evaluations, with a view to contributing to the overall five-year review of decentralization reflected herein.¹⁸ This time, evaluations of cluster offices included countries in which UNESCO had closed an office, and others in which UNESCO had never had one. In addition to the IOS evaluations, the material in the section below also derives from other sources of feedback, suggestions and proposals that have been a part of this review, including notably the findings of the Decentralization Review Task Force.

¹⁷ 167 EX/14 – Biennial evaluation report on the activities and results of all UNESCO decentralized bodies.

¹⁸ The full IOS report covering field office evaluations undertaken in 2004 and 2005 is to be submitted to the Executive Board at its 174th session.

Coherency

35. After careful analysis, there can be no doubt that UNESCO's two-tier decentralized structure is realistic and corresponds to need, and has thus begun to enter into the culture of the Organization. Problems identified, including inadequate resource levels, do not bring into question the core concept itself. United Nations system partners in particular recognize the rationale of UNESCO's reform and welcome its efforts both to step up its field action and to make its structure more coherent.

36. As already reported, discussion on the role that UNESCO should and can perform within the functions defined in document 31 C/4 remains a fundamental issue. Offices play a broad range of roles, often without sufficient prioritization or strategic planning. This affects many other decentralization issues such as human resources and funding requirements. There also remains a degree of uncertainty among staff everywhere over the roles and functions of field and Headquarters and over the distinctive roles of the different types of field office. Consensus among stakeholders is not as solid yet as could be wished owing to the wide-ranging nature of UNESCO's programming – from policy-level advocacy to managing small-scale projects in a single community, as well as UNESCO's limited financing capacity. Stakeholders interviewed, including several ministers, emphasized the need for UNESCO to give priority to high-level policy advice and capacity-building together with demonstration projects. Generally, they urged UNESCO to have fewer, more focused and more strategic activities.

37. Overall, observations highlight uncertainty about the balance between the two broad categories of function: operational activities and policy advice functions, as well as a degree of confusion among programme partners on UNESCO's responsibilities and mandate, which sometimes blurs UNESCO's profile as a specialized agency and harms current efforts to define its niche within international cooperation in terms of its value added.

38. The cluster offices are still struggling to perform effectively and live up to all expectations. It has proven more difficult than anticipated to staff all clusters with the necessary multi-sectoral expertise, largely because of the overall financial situation of the Organization itself. The picture is, however, quite different from one programme sector to another. While the Education Sector was able quite quickly to reflect the EFA priority in terms of achieving minimum staffing and resource levels in the field, and the Communication and Information Sector successfully made a concerted bid to decentralize, the Natural Sciences Sector found it more difficult because disciplinary profiles were not as interchangeable as the decentralization and rotation strategies advocated, the Culture Sector was caught between its willingness to decentralize and the demands of its international standard-setting activities at Headquarters, and the Social and Human Sciences Sector did not have enough overall resources with which to outpost more staff without severely impairing its ability to carry out its international programme responsibilities at Headquarters.

39. During interviews with IOS in countries where there used to be UNESCO offices, various stakeholders (government, multilateral and bilateral partners, other United Nations agencies) were hesitant about the compensatory impact as yet of cluster offices, given their limited capacity to be fully represented in all cluster countries. The stakeholders stated that UNESCO's accessibility and visibility in those countries had thus been weakened. The offices had nevertheless made efforts by identifying focal points for each Member State, although visits to such Member States were not adequate. It was clear that it was very difficult to find an equally satisfactory alternative arrangement to the physical existence of a UNESCO office in a country. In some cluster offices, the host country national activities were seen to be overshadowing the cluster responsibilities, with greater resources tending to be allocated to the host country because of readier access.

40. The effectiveness of regional bureau support varies. Some cluster/national offices noted improved involvement and support, while they all called for more, although aware of the limited resources of the corresponding regional bureaux too. Observations also revealed that in cluster offices also functioning as regional bureaux, the regional responsibilities tended to overshadow those of cluster office. Some regional bureaux and advisers, as well as category I institutes, were found to be continuing their direct contacts with national authorities without either informing cluster offices or channelling their action through them, as they should. Likewise, cluster (and national) office heads continued to complain strongly about activities carried out by Headquarters staff in the countries they cover without their involvement or information. Some Member States did not understand the new system well either, and were found to be making contact direct with regional bureaux, and even Headquarters, rather than approaching the relevant cluster office as the primary entry point into the UNESCO “system”.

41. As for the national offices that were evaluated, the results are encouraging. The existence of these offices is justified and they should be kept open. While in their vast majority they have very limited human and financial resources, UNESCO’s visibility in the country is high in particular among government partners. Their particular and specific country-oriented profile is clearly a positive factor in securing extrabudgetary financing, although the situations are variable from one office to another. One atypical example (although not part of the 2004 IOS evaluations) is the Brasilia Office, which accounts for a large proportion of all extrabudgetary funding channelled through field offices, although the national context it reflects is one that is unusually favourable to attributing “self-benefiting” funds-in-trust to United Nations bodies under donor funds granted for “national execution”. On the whole, justification for the maintenance of all existing national offices was vindicated by the overall review.

42. There are many reasons for the general observations reported above. They relate primarily to the inadequate human and financial resource capacity of the cluster offices, which, despite all efforts made, still mirrors the situation of the Organization in its entirety. It can also be attributed to a lack of direction and priority-setting from Headquarters, as well as to insufficient country focus within the holistic programme approach, and staff under-capacity and/or resistance to change. Donor-driven prioritization of high-visibility or direct-impact projects is also a factor not to be ignored. In addition, it has frequently been pointed out by external stakeholders and partners that more effort has to be made to ensure that international staff are of a grade that is consonant with their duties, which include high-level contacts with government authorities.

Programme planning, delivery and resourcing

The programme management cycle

43. The main issue raised by the evaluations in 2003, in early consultations with field office directors, as also in discussions with National Commissions and other country-level stakeholders, was that the planning process was too much top down, and field offices were not sufficiently involved in the design and definition of overall and sectoral priorities and strategies.

44. The resourcing approach used required offices to go through a separate planning exercise with each programme sector, requesting and receiving separate envelopes for each major programme area. This approach has now been refined, to a large degree at the insistence of the field. An indicative resource allocation matrix is now established, providing (a) a distribution of programme resources between Headquarters and the field, bearing in mind the principle of subsidiarity, and (b) a distribution of the field office envelopes by subprogramme among the regions. Within each region, the envelope is then distributed among the field units concerned based on proposals of results-based strategic plans, number of countries per cluster, level of staff per

sector, status as E-9 or post-conflict, and other such criteria. Overall, the process has been improved, but remains a sectoral approach to programming that does not necessarily foster intersectoral action. Furthermore, the allocation of basic parameters of the budget is determined by Headquarters sectors/services (regular programme budget by programme sectors, running/indirect costs by BFC, staff costs by BB and HRM, programming coordination by BSP), even though the new role of BFC has improved matters in this area somewhat. In view also of the limited authority of field offices in allocating their financial and human resources, the imbalance of programme budget and staffing capacity between sectors in some of the offices can be explained. Furthermore, the slowness of FABS field rollout as against initial expectations and needs, and the instability of the technological base of SISTER have hampered the field's full and timely participation, especially at the work plan elaboration stages. It has led to instances of frustration among field staff over the impossibility of meeting Headquarters deadlines owing to poor e-connectivity.

45. Regarding preparation of document 33 C/5, and in accordance with the revised programming cycle – including the new cluster consultations – the strategic plans of the field offices are intended to constitute a link between the global strategies and global expected results presented in the C/5 document and the needs/priorities of Member States. Information on the new cycle was provided to the Executive Board at its 170th session, which also endorsed its principles.¹⁹

46. Efforts continue in these directions, and lessons learned from the preparation of the current draft document 33 C/5 will be reviewed and fed back into the cycle of fine-tuning and improvements. As of the time of writing, it is clear that the effectiveness of the new programme management cycle will depend on such factors as full and easy use of all the necessary management tools (including the new version of SISTER), broad acceptance of the concept of subsidiarity, the introduction of a more realistic planning time-frame, a clearer definition of national priorities in the cluster strategy, and the introduction of the Organization-wide Table of Delegated Authority and Accountability.

Activities and results

47. In most of the offices evaluated, reported results are most often synonymous with successfully implemented activities and documented outputs. Annual reports and other progress reports list activities that have been completed: policy documents produced, people trained in various subjects and guidelines made available for use. IOS evaluations have had problems documenting change because IOS lacks comparator data, owing to the prevalence of “one-off” activities.

48. Currently, sectors and field offices are entrusted with the authority over UNESCO resources (human and financial), which they should use as inputs to achieve certain objectives. However, there is no mechanism that requires them to account for those resources and specify achievements of the objectives and explanations when those objectives have not been achieved. The two existing periodic reporting requirements (EX/4 and C/3) do not go far enough in terms of accountability mechanisms. The accountability process should start when the sectors/offices reach agreement on objectives to be achieved and are entrusted with the resources to deliver them. Ultimately, at the end of the programme implementation period, they need to report back on how the resources were utilized, and which objectives were met, or not met, with the relevant explanations.

49. Positive factors identified in the success stories include the strong involvement of the local communities; sound partnerships with local NGOs and local government authorities, and the ability to spot resource mobilization opportunities.

¹⁹ The drafting of document 33 C/5, proceeding in parallel to the writing of this document, is being conducted in conformity with these new modalities.

50. More broadly speaking, a certain number of success stories have been generated around UNESCO's decentralized network that can be directly attributed to the new decentralization strategy. These will continue to be documented within the context of the Organization's usual reporting processes. Some examples are given below of achievements that can be specifically attributed to improvements deriving from the decentralization strategy.

51. In terms of efficient networking out of a cluster covering a geoculturally coherent ensemble, it is worth referring to the initiative launched by the Kingston Office, which covers 21 countries and territories, to elaborate an "Education programme framework 2002-2007" for the Caribbean that was circulated among Member States, UNESCO Offices, Headquarters and external stakeholders. It has become a coordination tool with an integrated framework for all education services provided by UNESCO in the Caribbean comprising a strategic focus, longer-term objectives as well as measurable expected results. It also includes different strategies to achieve the objectives identifying both UNESCO and external partners that will undertake the activities.

52. By virtue of the imperative of teamwork among offices – cluster, regional and national – in responding to Member States' demands, the Regional Social Sciences programme in Latin America and the Caribbean was able to design, launch and consolidate a Permanent Ministerial Forum, which comprises 18 countries and meets every six months. This was possible by the inclusion of the whole network of offices in the region: the meetings were supported, both in substance and logistics, by the Quito, Mexico, Brasilia, Santiago and Lima Offices in 2002 and 2003; in 2004 the San José and Montevideo Offices took the lead. This collective effort has allowed for the establishment of a temporary Secretariat, three regional standing working groups on poverty alleviation, social programme evaluation and best practices; the implementation of 15 horizontal cooperation activities, and the formulation of a coordinated regional position on social inclusion used in the negotiation of the European-Latin American Summit.

53. The backstopping role of regional bureaux for cluster office operations, as well as for ensuring continued UNESCO presence in countries where offices have been closed, could be illustrated by the action of the Bangkok Office in both its cluster and regional education bureau capacities. By sending staff on regular basis for programme identification, monitoring and implementation, the Office has been able to maintain UNESCO's presence, for example, in Laos, with the cooperation of the National Commission and United Nations Resident Coordinator.

54. UNESCO Harare in collaboration with the Nigerian University Commission has created a Virtual Institute for Higher Education in Africa (VIHEAF), which seeks to build and strengthen the capacity of teachers and other personnel in educational institutions in sub-Saharan Africa. Training courses for teachers on HIV/AIDS and modern methods of teaching and learning have also been provided. This most successful initiative highlights the priority given in the field to responding to local and regional needs and having the capacity, with support from throughout the network, to turn ideas into reality, often with minimum resources.

55. Shortcomings have naturally also been observed, as stated above, and may be put down to several factors. First, there is clearly a lack of systematic monitoring and evaluation of progress and results. This is true in the field just as much as it is up the line to the higher programming levels, including at Headquarters. As far as the field is concerned, while it is essential that information about inputs, activities and outputs is collected and used for monitoring purposes, this has not been done systematically. Activities in the regular programme are small, and separate evaluations or surveys would possibly cost more than the activity itself. In most cases it is not feasible either to trace any measurable impact on macro-level processes from micro projects. Furthermore, project monitoring is mostly done through direct observations such as project visits or attendance at meetings, training sessions or workshops, and SISTER is not used optimally. In terms of

programme elaboration, moreover, there is an excessive tendency for Headquarters to review and approve every activity, instead of confining itself to providing strategic direction and overall monitoring. Finally, observations include a widespread failure to include, in the very design of projects and programmes, exit strategies/sunset clauses and other arrangements with local partners for the sustainability of projects, leading to a tendency for the proliferation/accumulation of projects, with the attendant over-extension of limited human and financial resources.

Resourcing

56. When available data permitted, during the evaluations, IOS mapped activities in the work plans against the priorities in the cluster strategy resulting from consultations with Member States. The results showed that, in general, cluster priorities do secure funding under the regular budget and several activities in the work plans were established to meet those priorities. However, there are cases where there are no activities in the work plans to support some of the cluster priority areas identified during consultations. Conversely, in some cases, funding was allocated for MLAs that had not been identified as priority areas by the cluster. Some observations point also to a disconnect between the volume of programme budget and the volume of staffing (i.e. certain field office professionals with very little programme funds to implement). Furthermore, in certain cases, the excessively high number of low budget activities dilutes scarce resources, as well as calling upon a large number of contractors/consultants to assist in their management. A mechanism for the intersectoral review of cluster programme and budget proposals to overcome some of these shortcomings is lacking. Finally, although the overall situation is markedly better than it was five years ago, there is still room for improvement in the ratio between running costs and programme funds, largely aggravated by the costs of the security situation.

57. Many encouraging observations arose from the projects visited or reviewed by IOS. These showed that UNESCO had made positive contributions to the Member States. As for extrabudgetary projects, IOS meetings with some major donors also showed that most of them were complimentary about the projects implemented by UNESCO. This was also clear from the fact that some donors had already agreed to fund the continuation of an existing project.

58. Even though, as a planning document, a cluster strategic framework is an excellent base information tool that can effectively serve to communicate the vision of a cluster to potential donors, it constitutes neither a comprehensive strategy nor a fully-fledged resource mobilization strategy. A written fund-raising strategy, backed up by a collection of well-written project proposals (“pipeline”) with appropriately formulated expected results, performance indicators, provisions for evaluation, etc., would assist offices in their fund-raising efforts. It should be clearly linked to the cluster strategic framework, indicating priority areas and actions for the cluster (as well as Member States within the cluster) and providing the overall focus for successful implementation and the achievement of results.

59. A number of donors interviewed expressed their preference to support activities with high visibility that have direct impacts. These extrabudgetary-funded activities mostly fall under the category of project implementation. This is a modality that could be particularly suitable for countries without an office. Bilateral donors are very open about their views on UNESCO. They tend to be most critical when it comes to the visibility and effectiveness of the Organization, particularly in countries where UNESCO does not have offices. For most donors interviewed, UNESCO needed to enhance its core human resource capacity before they would consider funding programme activities through UNESCO. The chances for successful fund-raising are also clearly enhanced in cases where UNESCO has demonstrated its expertise and competence in relevant pilot, demonstration, or introductory projects.

60. There is still a tendency for some Headquarters staff to consider field colleagues and offices as “executives” for their “own” programmes and – particularly in a competitive resourcing environment – to resist calls for further decentralization of programme funds. This situation is again very variable from sector to sector: the field staff are on the whole most satisfied, for example, with the efforts made in the Education Sector, while progress has been slower than might have been expected in others.

UNESCO and the wider world

61. One method for analysing the external dynamics of decentralization is through the prism of parameters UNESCO either has an institutional duty to take into account or at very least cannot easily ignore. These parameters can be categorized under seven main headings: (i) demands of recipient/developing countries; (ii) policy decisions of intergovernmental bodies within and outside UNESCO (e.g. Executive Board, ECOSOC/UNGA); (iii) emerging regional policy frameworks (e.g. NEPAD); (iv) the dynamics of reform efforts in the United Nations; (v) pressure from within the secretariats of other parts of the United Nations system; (vi) pressure from donors; and (vii) expectations of other, sometimes ad hoc interest groups (e.g. United Nations Millennium Project; private sector; media “campaigns”).

62. The picture is a complex one of interweaving expectations that are at times difficult to reconcile. Developing Member States are complaining of lack of harmonization of the United Nations system’s country-level action; different country-level entry points for United Nations organizations do not necessarily tally with a country’s political organization; pressure and competition for funding is on the increase while there is a call for greater predictability and longer time-line resource planning; civil society is increasingly recognized as an institutional partner (High-Level Panel chaired by President Cardoso on civil society participation in the United Nations)²⁰ and at the same time is becoming more and more vocal and effective as an international pressure point (the “Porto Alegre movement”); United Nations system-wide coordination and extrabudgetary funding distribution are increasingly influenced by the main operational development programmes and funds (UNDP, UNICEF, WFP, UNFPA) and technical expertise from the specialized agencies is sometimes sidelined; the MDGs, in their conception and objectives, do not all easily align with UNESCO’s mandates, and so forth.

63. The need for clarification is legitimate. Hence the rising demand for greater United Nations coordination, simplification and harmonization; for greater effectiveness through, for example, wider use of RBM and a strengthened country-level role for the United Nations Resident Coordinator; for a strategic concentration of funds on MDGs and other selected key targets; and for a degree of focus on country programmes that is forcing UNESCO to ask searching questions about the right balance between its global and local roles.

64. As the rationalization of the field network has proceeded, the Organization as a whole has stood in better stead to respond to these trends. Nevertheless, the backdrop described above poses managerial, human resource and governance difficulties. It adds considerably to the workload pressures of field offices and requires specific funding support, frequently not yet foreseen, hence the strong appeal made by their heads (expectations from National Commissions go in the same direction) for greater flexibility in programming and reprogramming and the best and easiest possible access to high-level expertise around the UNESCO network. It also explains senior management’s insistence on greater recourse to extrabudgetary funding. At any rate, UNESCO cannot in current circumstances be “all things to all people”, hence the need to clarify roles, tasks and programme delivery responsibilities and then prioritize between and among them.

²⁰ The report was considered at the 58th session of the United Nations General Assembly (document A/58/817).

National Commissions and government partners

65. National Commissions are in their vast majority well informed of the reform process and of their role therein. They have appreciated the capacity-building programme and realize that they relate well to the country-level challenges and difficulties facing UNESCO in living up to all expectations. They are furthermore better equipped and connected and are showing greater interest in forging the new alliances the decentralization strategy requires.

66. Other issues still need to be fully addressed but are not within the UNESCO Secretariat's competence: there is too much turnover of senior officials in Commissions; Commissions have less than optimal status within their governmental structures; they lack staff and financial resources. Thus, while UNESCO itself has been assigning maximum resources to the functioning of this invaluable network, Member States need to review their own commitment to a unique and key asset for UNESCO. Finally, evaluations have revealed that relationships between offices and National Commissions of the respective countries in the cluster vary significantly in terms of the ease and openness of mutual communication. In all cases, the National Commission serves as the main interface between the office and government ministries.

67. Evaluations have shown that UNESCO is well known among other government partners. In those countries where it has an office, despite the relatively small resources available, it is highly visible. However, even senior officers in government were not always aware of UNESCO's specific activities and achievements, or of what it meant to be a specialized agency. Some government representatives appreciate UNESCO as "their own" membership organization with primarily a specialized mandate – and not as "another donor". Largely, this is because of the existence of the National Commissions. However, these have not been consistently mobilized, nor have they mobilized themselves sufficiently, to maintain and strengthen UNESCO's presence and visibility in the field, particularly in countries where there is no UNESCO office.

United Nations system

68. UNESCO was taking an active role in United Nations collaboration (i.e. in the development of UNDAFs) in some of the countries visited by IOS but the offices are constrained in terms of human and financial resources. In some countries without a UNESCO office, participation in UNCT activities was limited and the Resident Coordinator encouraged UNESCO to place a focal point in their office or in one of the other major agencies. The role played by the United Nations Resident Coordinator has not always been found to be entirely consistent with the spirit of cooperation among agencies. UNESCO senior management has been closely involved in discussions fostered within the United Nations system (notably in the CEB) under the "Utstein" banner for better, more efficient and coordinated system presence and action at the country level.

Civil society and the broader UNESCO constituency

69. Mobilizing the broader UNESCO constituency – beyond the confines of the UNESCO "proper" (i.e. its Secretariat, Headquarters and field, including category I institutes) – involves two different "subsets" of partners. On the one hand, UNESCO's structure provides for many permanent institutional links with stakeholders – mainly mobilized by the National Commissions – that can be considered as viable alternative channels for UNESCO's presence and action in the field. Examples are the national committees of the intergovernmental programmes, the category II centres, UNESCO Chairs and so forth. Beyond that, the "UNESCO network" is huge and multifarious, and often only too ready to be asked to mobilize more effectively in the service of the overall development needs of the community of nations. Such examples include the national NGO members of international NGOs maintaining official relations with UNESCO or the United Nations,

the UNESCO Clubs, Associations and Centres, the Associated Schools, and suchlike. Mobilizing the first subset is easier since the institutional links provide for it. National Commissions are, by virtue of their Charter, supposed to group together many if not all of these constituencies. Approaching the second set of constituents – again a task for the National Commissions – is a matter of public relations, advocacy and diplomacy.

70. Neither of these two subsets of constituencies has been mobilized to the full to ensure alternative presence in a country. For one thing, this is because Member States do not necessarily see these as viable alternatives, tending still to place all expectations in the existence of an established office. Indeed, mobilization of these constituencies is largely on a volunteer basis, whereas the main incentive for much of the cooperation – in the eyes of staff members, external partners and beneficiaries alike – quite understandably revolves around the levels of potential funding. Again, the role of the National Commissions is crucial. The relationships between UNESCO and civil society organizations that had been supported by UNESCO were good. However, UNESCO needs to guard against acting too much like an NGO and thus blurring its profile and at the same time risking developing “unfair competition” with these organizations.

71. In conclusion, the current structure is an appropriate one but the Organization is still trying to do too much with too little. With a sufficient level of resources, there are many common sense, practical, and sometimes quite minor steps that can be and are being taken to stabilize the new system fully and allow it to make the leap of quality that should be the hallmark of the coming years of implementation of the decentralization strategy. The following section maps out these next steps, which have emerged from the reviews of which this document is an output. Putting them into effect sustainably and at a reasonable pace will be a question of budgetary choices.

SECTION IV: THE ROAD AHEAD, IMPROVING QUALITY

72. It is growing ever clearer that decentralization must take into account the evolving and increasingly demanding international development context, articulated carefully with an awareness of UNESCO’s enduring obligations towards its specific mandate. The underlying principles of the Director-General’s overall reform effort are thus confirmed. First, UNESCO’s relevance and effectiveness, in short, its quality, have to be enhanced. But, since UNESCO is not a country-based development agency, it has to balance its global mandates and programmes with its obligations to meet Member States’ needs on the ground, and it has to do this with very limited funding. This means that it must prioritize and focus both at Headquarters and in each of its field offices, where it cannot be active in every area of its international programme. From this perspective, it is clear that UNESCO’s field functions are the country-level appropriation and concretization of upstream policy and policy advice and related capacity-building. In this regard, the balance that it has sought to establish in the forthcoming programme and budget is believed to be optimal for current needs. However, from a longer-term perspective, it is clear that there is still room for a strengthening of decentralization both in human resources and programme terms, although, again, in varying degrees around the sectors. The Education Sector, for example, has doubtless reached a watershed in terms of its decentralization effort under current regular budget circumstances.

73. The road ahead must follow a single overriding objective – to raise the quality, the impact and the reach of UNESCO’s action. This will be done by a much more systematic pooling of forces between and among its various components (Headquarters, field units, institutes and centres), by a mobilization of its many alliances (other United Nations agencies, partners, national commissions), thus ensuring that its specialized concerns and expertise are fully acknowledged in the development policy-making processes, and by an ability to make hard choices, with careful priority-setting for each country of key areas of intervention in which UNESCO’s expertise and assistance are both

necessary and unique. The implications of this apply both internally and in terms of UNESCO's relationships and linkages with the outside world.

Honing the internal arrangements

Distinguishing between regional and cluster responsibilities

74. The functions of UNESCO, as given in the C/4 document, are defined by the Member States with no notion of ranking. They apply to the Organization as a whole. The main task for the Secretariat in terms of the decentralization review has been to seek to reach agreement both globally – on effective task-sharing between Headquarters and the field, and within the field – on prioritization of the functions and roles of cluster and regional field units. This has been done on the basis of discussions and recommendations from the Orléans Global Meeting of Directors, and in light of the constraints now acknowledged that will prevent cluster offices from reaching ideal resource levels in the immediate future. Strengthening of both types of office will thus be done strategically based on the specific mandates of the types of office and the overall global functions of UNESCO.

75. The central tenet of the strategy – cluster offices as the principal delivery platform at country level – stands unchanged, and their strengthening will continue to be the main thrust of the ongoing reform, taking into account the necessary flexibility for adjustment to shifting programme objectives and priorities.

76. The main responsibilities of the regional tier of the new system have now been identified as the following, and will henceforth take priority over all other activities previously carried out by regional bureaux/advisers: (i) provision of expertise and internal staff capacity-building (in coordination with Headquarters and institutes) to cluster and national offices; (ii) development of regional situation analyses, strategies and syntheses; (iii) networks, clearing houses, documentation centres and databases (e.g. on expertise available in the region); (iv) assistance in fund-raising at the regional level for projects/activities of cluster and national offices; and (v) designing programmes with regional coverage on areas of priority to the Organization for adaptation and implementation at cluster/national level.

77. It is unrealistic to expect to be able to set up regional bureaux covering all programme sectors, particularly not as stand-alone entities separate from cluster offices, as originally advocated. The existing regional bureaux will remain where these are fully functional (i.e. in the Education and Natural Sciences Sectors) while the other programme sectors will have recourse to regional advisers – and if necessary several “thematic” advisers per region – whose primary responsibility will be that of acting as “resource persons” on specialist topics in support of the work of the cluster/national offices. In this regard, while the Cluster Offices of Quito and New Delhi will no longer be considered as regional bureaux for communication, the Havana Regional Bureau for Culture for Latin America and the Caribbean will continue operations until the final review in 2008-2009. A decision will then be taken based on an assessment of its performance. As for the Venice Office, and taking into account the special nature of the functioning of UNESCO's decentralized network in the Europe region, this will, in addition to its cluster responsibilities for South-Eastern Europe, have the status of Regional Bureau for Science, Technology and Culture. By the same token, programme specialists everywhere within a given region, or even beyond, should be expected to be on call to provide advice to cluster or national offices lacking the necessary expertise to respond to inquiries and needs from Member States.

78. In order to lift any outstanding confusion, a communication drive will be undertaken vis-à-vis all staff members (Headquarters and field) as well as towards key stakeholders at country level, to

increase awareness in particular of the fact that (i) cluster (and national) offices are the primary point of contact between Member States and the UNESCO Secretariat in the field, and (ii) the regional tier has no hierarchical authority over cluster offices. The authority of the head of a cluster or national office vis-à-vis the Organization's activities in the country(ies) of his/her office will, under the overall authority of the Director-General, be total (*see also below para. 86*). As a concrete illustration of this, rules concerning official travel to a given country of any UNESCO staff member (with the exception of DG, DDG, ADGs and Directors of Central Services) at Headquarters, in other field units, or in institutes will be reviewed to ensure that they clearly and effectively provide for full prior agreement between the traveller and the head of the corresponding cluster/national office. By the same token, it will be the responsibility of the same head of office to inform all relevant in-country parties (Resident Coordinator, National Commission, Security Officer for clearance where necessary). Travel of field office heads to Headquarters will also be more carefully coordinated.

Maintenance of national offices

79. As of now, it is clear that all national offices (with the exception of the E-9 countries for which the assessment is scheduled for 2008-2009) continue to respond to the criteria set out by the General Conference and reflected in the Director-General's implementation strategy. Thus, with the exception of the Lima Office, which is scheduled to close in 2005, there will be no further closures in the immediate future, unless unforeseen circumstances so dictate. Whether "post-conflict" or "in transition" country offices, they will all continue to strive to operate as fully as possible on extrabudgetary funds. The opinion of the majority of donors and sister agencies within the United Nations system is that the situation in countries considered by UNESCO as "in transition" continues to warrant its presence. The maintenance of Amman, an atypical situation, is justified by its proximity to – and ability to support UNESCO's action in – other conflict affected areas (Palestinian Territories, Iraq).

Programming and resource mobilization

80. The gradual strengthening of decentralization has to be recognized as having a limit in terms of regular programme funds and cannot be viewed simplistically in percentage figures. Within the overall programming approach, it has to be treated flexibly and sensibly on a case-by-case basis, with the clear understanding that it is variable over time from subprogramme to subprogramme, region to region, cluster to cluster, as a function of shifting priorities both internationally and within Member States.

81. In connection with this, subsidiarity as a concept has been further clarified. A mechanistic approach to the issue is neither desirable nor possible, particularly in the current context of resource gaps. Subsidiarity brings into play the principle that activities should be entrusted to the entity that can most effectively carry them out. It is not automatically synonymous with decentralization.

82. Cluster office strategic frameworks and operational plans are expected to bring together national positions and strategies and set them up against the international strategies, without simply being a juxtaposition of "national plans". It is understood that regular programme funds are essentially catalytic, to be complemented by extrabudgetary resources. Based on the priority areas defined in the C/4 document and the broad frameworks provided by the sectors, they should nevertheless seek to be more cross-sectoral. The new planning process gives more flexibility to offices in designing their activities, but at the same time locks them more tightly into the overall RBM-based approach and ensures better meshing between the different nodes of the programming logic. Thus, single, stand-alone, one-off, minor-impact activities are gradually being phased out. It also opens the way for better and more regular control of programme implementation up the

management line, with seamless flows between Headquarters and the field in a common RBM-based effort. Cluster/national office strategies and work plans will also foresee the programme-delivery mechanism and resources needed to implement them. By doing so, the required support from Headquarters and regional bureaux will be clearly specified, allowing the relevant entities to plan ahead with their limited resources.

83. At Headquarters, various steps have been/are being taken to: (i) strengthen the role of BFC, as the voice of the field at Headquarters, in staffing and resourcing terms; (ii) introduce the functions of regional field office focal points at mid- to senior-GS level, under the authority of the EOs of each sector as primary focal and entry points for the field in each sector; and (iii) enhance cooperation between BFC and ERC in terms of both the political and protocol backstopping of ERC staff for relevant situations encountered in the field and also of the all-important cooperation with National Commissions.

84. The overall fund-raising strategy currently being elaborated will take into account the conclusions of the review of the decentralization strategy contained herein. It has been clear for some time that regular programme funding alone does not permit an office to be optimally maintained. UNESCO offices will be required to step up their search for extrabudgetary funding, on the basis of prioritized, good-quality, high-impact, sustainable, large-scale project proposals, particularly as a result of closer and more systematic participation in United Nations country-level programming machinery (*see also para. 97 below*). In the light of current budget constraints, increased efforts will be made to ensure adequate and appropriate seed money/catalytic funding, particularly in respect of field office participation in CCA, UNDAF and PRS processes, in order to fund the necessary staff time and travel from wherever the teams involved come. Considering that donors are more attracted to direct-impact, high-visibility types of projects, cluster staff will concentrate on supervising project implementation, leaving the policy-advice and standard-setting functions to regional bureaux, institutes and, if necessary, Headquarters. In some cases, whole offices, particularly national ones, can be envisioned as extrabudgetary project operations. Projects agreed upon will include provision for staffing costs. UNESCO will continue its policy of realism in terms of the calculation of overhead rates, and will pursue consultations with United Nations system partners so that a common approach may be agreed upon concerning the levying of overhead charges, thus avoiding the current trends towards unseemly “price-undercutting competition” and the potential exploitation of such practices by donors to increase pressure for lower overheads.

85. For those projects that call for sustainability, the project document or plan should include exit strategy components (handover, local empowerment, long-term financial viability), as well as clear and realistic time-frames and a proper sequence of activities/tasks. The External Auditors and the Executive Board having raised concerns over the high number of dormant extrabudgetary projects, action was taken in the last biennium by Headquarters divisions and field offices to review their portfolios of projects, close down those that had actually terminated but for which small residual funds remained, and identify the exit strategy for those that needed to be closed. A great effort was also made to energize extrabudgetary-funded project implementation rates. This policy will be strenuously pursued.

Delegated authority and accountability

86. Delegation of authority will be implemented hand in hand with proper accountability, to ensure not only that the delegated authority is not abused, but also that objectives are achieved. The newly completed organization-wide delegation of authority and accountability mechanisms are scheduled to be published in April 2005, accompanied by further encouragement of the spirit of teamwork and cooperation, so that problem-solving can initially be addressed smoothly and quickly

among colleagues sharing the same overall objectives. Monitoring of the implementation of this table of authority, including any necessary conflict settlement, will be coordinated under the authority of the DDG.

87. Directors and heads of field offices will, following approval of the C/5 document and corresponding work plans, have authority over and responsibility for programme execution, including reprogramming where necessary, under the overall authority of the Director-General. In order to avoid perceived risks (particularly in Headquarters programme divisions) that this might encourage a return to unfocused and scattered activities, this innovation is based on the very clear precondition that each office head has committed, as part of the corollary accountability requirements, to a performance agreement that will prevent any loosening of linkages with the major expected results on the higher programming levels.

88. The rules applicable for budget allotments and clearance procedures are also being modified in order to enable heads of mission designated to negotiate CCAs, UNDAFs and PRSPs to have the same authority level as a director and full responsibility to make commitments during negotiations and approve expenditures, irrespective of the staff member's actual grade (in similar manner to the procedures adopted for CCT team leaders). The designated head of mission will preferably be the head of the corresponding cluster/national office (alternatively a suitable resource person chosen from anywhere in the Secretariat, Headquarters and field, including institutes), and will be backstopped where necessary by other staff with relevant cross-sectoral expertise. He/she will also have all necessary negotiating authority, including seed money needed for ensuring UNESCO's credible participation in the UNDAF programming exercise.

Long-term staffing plan

89. In order to offset the difficulty in filling resource gaps in cluster offices in the near future, and so as to ensure that staff skillsets are in line with the profiles, roles and task-sharing between Headquarters, regional bureaux, cluster/national offices and institutes referred to above, the overall long-term staffing strategy submitted to the Executive Board at this same session (Part IB of this document) has been elaborated taking into account *inter alia* the work of the Decentralization Review Task Force. It being understood that progress towards an **optimum**²¹ **staffing** situation in terms of grade does remain a **long-term objective**, the following elements are now being taken into consideration as regards staffing of cluster/national offices:

- More systematic use will be made of NPOs, as well as short-term consultancies for expert services.
- At least one high-level (P-4/P-5) officer will be posted to the extent possible in each cluster with a relatively "generalist" profile to serve as a "deputy" to the head, take over mentoring of junior professionals, deputize in representational duties vis-à-vis national authorities, United Nations system, etc.
- More use will be made of temporary posts financed by extrabudgetary funding regarding programme principal priority areas needing strengthening for a pre-set period of time.

90. As far as the regional bureaux/advisers are concerned, these will continue in the main to constitute more senior programme expertise ready to backstop cluster/national offices.

91. Staff skillsets (Headquarters and field) will be fully mapped in order to permit greater use of "on-call" expertise. Better and more extensive training will also be introduced, including more

²¹ In current budgetary circumstances, the focus has to be on securing junior to middle-level programme officers.

systematic recourse to advance planning of Director/Head rotation and recruitment to allow for initial briefing with BFC and planned handover overlap.

Management tools

92. In 2005, the deployment of FI will be completed in FABS, bringing the figure of the decentralized expenditure captured in real/close to real time to over 90%, and the rollout of the Travel (TV) and Material Management (MM) modules will start allowing more detailed field financial data to be available in real time. Another major development planned for 2005 is the integration of UNESCO Category I institutes and centres into FABS. Field units will also be among the main beneficiaries of the “New SISTER”. Based on a thorough review²² of SISTER launched in 2004 and drawing upon house-wide consultation, the new version of the programme is expected to be available in the second half of 2005, in time for the preparation of the work plans for document 33 C/5. Additional information on the introduction of new management tools can be found in the second part of the present document (171 EX/6 Part II).

93. Beyond 2006, further efforts will be continued to provide the field network with exactly the same resources and equipment levels as Headquarters, underlining the notion that there are not two UNESCO’s, but one, all parts of which are resourced according to the same parameters. This will apply to the FABS and new SISTER facilities as well as to evolving human resource management and administration tools.

Communication

94. Communication among staff – in the knowledge organization that it is one of the declared aims of the overall reform to introduce – is of the essence. A priority effort will be made in this area in coming years in terms of both training and advocacy and resource use, the latter aiming for the fullest possible equipping of Headquarters and field with the latest information and communication technologies. An overall review of the UNESCO network strategy has been completed, resulting in a roadmap for the establishment of a complete, reliable and efficient technical infrastructure for communication- and information-sharing. The network strategy contemplates different technical solutions adapted to each situation (communication between offices in the same unit, between remote units, for staff on mission, etc.) by the combined use of the UNESCO network, the Internet, the fixed and mobile telephone networks, videoconference, etc. ADM/DIT is to issue guidelines to help staff, including in the field, to make the most knowledgeable decisions as to the best and most cost-effective communication technology to use in each case according to need. Other house-wide guidelines are being prepared for a more respectful, deontological and economical use of the email facilities. As part of the plans, the Directorate boardroom is being fitted out for phone and videoconferencing facilities within the Belmont Plan. The pace of attainment of the above goals, despite the fact that they are crucial to the overall success of the decentralization strategy, is nevertheless dependent upon forthcoming budgetary choices.

Responsiveness

95. Bringing relief and accompanying rehabilitation efforts of Member States affected by crisis and conflicts will remain a key priority of the decentralization policy. UNESCO is not a humanitarian agency per se, however, it has a unique and often highly specialized technical role to play in addressing emergency needs in its fields of competence. This encompasses activities such as damage assessment of natural and cultural heritage in the event of natural disasters or crisis, emergency interventions to preserve cultural monuments at high risk, or the provision, to the

²² 170 EX/INF.3, paras. 54-55.

affected populations, of educational methodologies, tools and materials, when formal educational systems are non-existent or non-operational. Regarding post-conflict, UNESCO intends to consolidate and refine its role as policy adviser vis-à-vis national authorities and as capacity-builder of public institutions and professional groups. The purpose of such action is to facilitate reconstruction and rehabilitation processes, based on national ownership and high quality standards, which fully integrate education, culture, science and communication.

96. Early responsiveness and a genuine capacity to deliver large-scale projects in difficult and rapidly evolving circumstances are the two main challenges for efficient action by the Organization in crisis and post-conflict situations. Meeting these challenges involves specific operational modalities, which, in turn, will vary from one situation and from one region to another. As a general trend, a field presence – in the form of a project “antenna” or a national office – in the affected country, will be necessary for UNESCO to play its role as policy adviser and capacity-builder. Likewise, better cooperation is being sought with intergovernmental bodies such as regional economic or political groupings, as an alternative to interaction with a single country when conditions there may not be conducive to effective action. It is also necessary for the Organization to participate fully in the field-based, increasingly integrated United Nations mechanism set up in each specific crisis or post-conflict situation. Finally, the Organization needs to cope with the pace of emergency action and – at the same time – be fully accountable, which involves the devising of a set of clear, flexible and simplified administrative rules. Contingency funds for participation in such necessarily unforeseen activities will need to be a part of programming and budgeting.

Strengthening cooperation and partnerships

97. UNESCO’s decentralization will be firmly situated within the context of broader multilateral and inter-agency cooperation with the United Nations system, the Bretton Woods institutions and other international and regional forums. As such, it is a matter of priority for the Organization to participate more effectively and substantively in the CCA, UNDAF and PRS processes at the country level (*see also para. 84*). All parts of the Secretariat, and particularly field offices, will be expected to give this priority. Training priorities will be set with these aims in mind. Efforts will be made to equip cluster and national offices with human and financial resources to respond to the needs that participation in these processes implies. Specialized capacities available at Headquarters, around the regions, and in the institutes, will back them up where required. Sharing of experience of such processes among field colleagues will be encouraged. Task-sharing, priority-setting and the related revised job descriptions of office heads and staff will provide for participation in country-level United Nations system-wide machinery. Staff performance in this area will not be treated on a short-term basis and kept separate from expectations regarding performance in delivery of a given C/5 document. Participation in upcoming CCAs and UNDAFs scheduled for 2005-2007 will be targeted in view of resource constraints.²³ Particular priority will be given to E-9 countries, countries scheduled for FTI or other priority attention under EFA, post-emergency/conflict countries and LDCs. Working with other UNESCO offices will be encouraged.

98. While UNESCO is an increasingly active participant in system-wide coordination, it expects in return to be systematically consulted about country programming. It is recognized in this context that there is a need for the Resident Coordinator to exercise his/her responsibility to the full in overseeing the preparation of UNDAFs and in monitoring their implementation by the various United Nations bodies. Such an enhanced role is under consideration within the CEB and has relevance inter alia to the ongoing discussions surrounding the paper on “The United Nations Development System – Issues for Strengthening and Change” of the so-called “Utstein Group”. There is indeed a strong willingness within the United Nations system to work decisively towards

²³ Decision expected by April 2005.

greater United Nations coordination and cooperation at the country level, moving away from competition and “turf battles”, and from agency-driven to government-driven programmes, as also to recognize in the Resident Coordinator a central role that is strong, neutral and serving and representing all.

99. In addition to the cluster strategic framework and the plans presented to donors, field offices will have available summary sheets of the UNESCO priorities in the field based on documents C/4 and C/5 (perhaps differentiated by region in certain cases depending on the regional C/4 strategies). This will serve as a tool for field heads to relay the same messages in terms of priority-setting in their interactions at field level as those delivered internationally, notably by the Director-General and the programme sector ADGs. This will enhance visibility and the clarity of perception of UNESCO’s niches by others, including funding agencies. It will also enable UNESCO’s priorities to be taken into account more fully by both national authorities and United Nations agencies in the country-level United Nations system-wide programming machinery.

100. Extrabudgetary funding is to be seen as a major element in the financing of activities of field offices, particularly since the levels of regular programme funding are flat. The raising of extrabudgetary funding will continue to be coordinated on the international level in order to ensure that the Organization participates meaningfully in system-wide cooperation frameworks. UNESCO’s approaches to and negotiations with donors will nevertheless take more account of the decentralization policy and strategies, including provision in corresponding framework agreements and memoranda of understanding of the field structure and needs. Furthermore, representations will be made at the appropriate levels to ensure that the trend towards greater bilateral funding of development cooperation direct with government authorities – to the detriment of the technical agencies in particular – does not become a major obstacle to the successful operation of UNESCO as an organization in the field.

101. UNESCO institutes and centres (category I in particular) will be more closely and systematically integrated into the operation of the decentralized system (as also vis-à-vis Headquarters), supporting and contributing to the overall decentralization process by responding to field-based needs and requirements, particularly cluster offices. They have also been more centrally involved in the 33 C/5 drafting process and are being asked to respond to the Sectoral Strategic Frameworks and Resource Allocation Frameworks in exactly the same way as Headquarters divisions and field offices (*see 172 EX/18*).

102. National Commissions will be regularly informed and consulted about UNDAF processes, encouraging and reinforcing their role as liaison between the field offices and the governmental authorities at this time of ever-increasing emphasis on country-level impact. A significant element of their role is to map and mobilize, among key partners, the intellectual communities in their respective Member States. To this end, Member States should be sensitized to the need to review the position of the Commissions within their government structure to ensure adequate access, status, and staffing and operational resources. The planning of the Participation Programme should also be aligned with the cluster priorities/strategies, which should serve as a common vision that would bring the office and the National Commission together to focus on a shared set of priorities as “one UNESCO”, particularly regarding involvement in the UNDAF and other related country-level programming processes. National Commissions and field offices together will also be encouraged to make themselves known to parts of government less traditionally in touch with UNESCO, such as finance and trade ministries, as also with parliamentarians.

103. UNESCO’s action will also be required to relate as closely as possible to that of existing regional intergovernmental structures (sometimes referred to as the “Regional Economic Communities” or “RECs”). This has to be done taking into account regional and subregional

specificities as well as existing overlaps that do not necessarily allow UNESCO clusters and RECs to tally in terms either of coverage or head office location.²⁴ One cluster office head is officially designated to serve as contact point with both the corresponding REC and Headquarters, even when several clusters “cover” the region concerned. Cluster offices then interact with each other and share information, under the responsibility of the designated contact point.

104. National Commissions, in cooperation with the Secretariat, also have an important role to play in the mobilization of the “broader UNESCO constituency” already referred to above (category II centres and institutes, UNESCO Chairs, Clubs and Associations, Associated Schools) in their respective countries. The Secretariat will step up its function of providing National Commissions with relevant, targeted information concerning their mobilization, and continue to seek the establishment of operational agreements with large and widespread organizations (whether NGOs, organizations of local government, parliamentarians’ associations, private sector, foundations) whose local country-level membership can be put in touch with National Commissions. Citizen participation will also be continued, particularly through the Internet and other new communication and information technologies, in programmes requiring large-scale public awareness-raising such as the culture of peace, education for sustainable development, literacy and water for life decades.

The short and medium-term prospects

105. Resourcing the decisions and recommendations emerging from this review in terms of the Director-General’s proposals for the forthcoming Programme and Budget for 2006-2007 has not been an easy task, pending the final decisions of the General Conference concerning document 33 C/5. From this viewpoint, and as is made clear in various parts of the present document, the pace at which the decentralization reform will proceed will depend also upon the budgetary resources available. It is nevertheless underlined that decentralization being and remaining one of the major thrusts of the Director-General’s reform of the Organization, the continuing efforts to strengthen the field in all aspects of its resourcing – human, indirect/running costs and programme funds – are one of the main features of document 33 C/5 presented to the Executive Board at the current session, in accordance with the Board’s decisions (170 EX/Dec. 4.1) and the Director-General’s Blue Note (DG/Note/04/33 of 6 November 2004) on the subject.

106. As the Organization’s absolute priority, education for all clearly merits primary attention at the field level, as was highlighted in the EFA Strategic Review. Such is the rationale for the Director-General’s proposals regarding programme staff costs, where the established criterion has been to concentrate the entirety of staffing upgrades on the Organization’s field-level EFA delivery capacity, as part of a drive to equip all cluster offices with at least two education professionals. This effort has been calculated beyond the baseline, and should be seen as reinforcement, for a total of around \$2.1 million.²⁵ According to these plans, this will produce 22 extra (including three international) posts in the field, five for national offices, 16 for clusters and one for a regional bureau (Dakar).

107. From the finance, administration and management points of view, the coming C/5 period will see an emphasis on the further filling of gaps in administrative staff in the field, considered to be a priority in order to improve internal controls within the offices in response to IOS audit findings, notably vis-à-vis the requisite segregation of duties in financial matters. Although this initiative has

²⁴ This issue was discussed at the first meeting of the Forum of African Regional and Subregional Organizations in support of cooperation between UNESCO and NEPAD (FOSRASUN), September 2004, Headquarters.

²⁵ Approximate figures at the time of writing; the exact final figures will be as appearing in draft document 33 C/5 itself and as approved ultimately by the General Conference.

been hampered by the budgetary restrictions, a great effort has been made in that direction with the creation of 19 new administrative posts, mainly in cluster/national offices (two international AOs, six administrative assistants – in charge of administrative units in the smaller, mainly national, offices – and 11 administrative clerks). These proposals are formed within the \$610 million baseline.

108. On the other hand, one other objective – that all cluster offices should have “deputies” at a high (P-4/P-5 level) – has proved to be simply unattainable in the next biennium under all configurations so far explored: if all proposals for field staffing are approved as contained in document 33 C/5, there will still be gaps in eight of the 27 cluster offices.

109. Progress has been recorded in the decentralization of programmes in the current proposals, as also in the coherency of the articulation between field activities and those carried out from Headquarters. The sought-after increase in intersectorality is also proving to be easier to achieve in the field. The newly-introduced programme management cycle with its two key features (*see Section III*) of SSFs and RAMs by subprogramme, on the one hand, and of field office/Headquarters division strategic plans, on the other, has led to a much clearer understanding that there can be no “one size fits all” approach, just as it has placed institutionalized pressure for ensuring that the principle of subsidiarity is applied to the fullest possible extent. The field involvement in the preparation of the draft C/5 document at such an early stage is a first in the history of the Organization and thus, despite ongoing weaknesses and shortcomings, a step forward in progress toward a decentralized organization with unity of purpose. This has notably produced an interesting boost to decentralization rates in programme sectors that traditionally found the decentralization effort difficult, as well as a spread of activities around the offices that is more closely attuned to Member States’ needs expressed on the cluster level. On the other hand, funding constraints have led to a diminution in the foreseen support for National Commissions (meetings, training, communication, etc.) under the coming biennium proposals. Capacity-building action at regional and subregional levels will be entirely dependent upon the Participation Programme.

110. The rising cost of security also remains a preoccupation both in terms of the safety of human beings and the Organization’s continued capacity to absorb rises that have far surpassed normal parameters. In each budget over the past five years, the final cost has been higher than the expected cost, often by a considerable degree. This is of course unsatisfactory from a management standpoint, so the Organization has been working with colleagues in other agencies to seek to stem the rise and explore the real basic costs below which security could be jeopardized, including through cost-sharing mechanisms. Security budgets have been calculated as part of the \$610 million baseline and provide for approximately \$5.4 million for the network of field offices.

111. Taking the longer-term view, and in the face of a situation that is far from ideal, it is clear that while retaining the underlying concepts and principles of the decentralization strategy, the attainment of some of the initial ideas and objectives has to be viewed as a gradual process. This observation has meant revisiting the very nature and impact of the Organization’s vast and extensive programme responsibilities and exploring how to overcome any residual tension between “field orientation” and “Headquarters-driven activities” through an enhanced understanding by all that the two are closely bound up. The idea has now gained hold that, beyond the simple matter of “decentralizing”, the aim should rather be to build a well-balanced whole whose various components are mutually complimentary and – ideally – reinforcing, instead of attempting an oversimplistic division of labour that places Headquarters on one side and the field on the other, with the institutes and centres somewhere in between. Discussions on the balance between the Organization’s policy roles and its programme execution activities cannot be dissociated from these observations: here again, there is no convenient, neat division of labour between Headquarters and the field.

112. Indeed, as a general rule, field activities should not be de-linked in any way from the concerns prevalent on the international level at Headquarters. Nor vice versa. The main purpose is clear: a field network is needed to assist Member States in appropriating on the national level the policies they have themselves endorsed on the international level at the General Conference, and in building their capacities, as well as to provide field-level input, experience and feedback on general policy. Delegated authority to the field needs to be combined with the introduction of arrangements to ensure that policies and programmes driven from Headquarters, and activities conducted in the field (whether in a region, a cluster or a single country), are properly coordinated. Hence the new enterprise culture it is being sought to introduce with more regular exchanges and consultations, easier and more systematic communication, and generally an improved team spirit. In this regard, linking and networking between and among the different components of the system are of the essence, and the attention being focused on all ways of strengthening them, thus moving toward a learning and knowledge-based organization, is crucial.

113. The reformed field network now in place, by seeking to create among staff everywhere a mutual need for one another, and to enrich the expertise and references on which UNESCO's global action is drawn up, is beginning to pave the way for a better team spirit within the Secretariat. Once complete, this will be no mean achievement. For one thing, it will have brought about a transformation of methods and mindsets in favour of consolidated results, instead of isolated quests for scattered successes. For another, it is clearing the ground for a paradigm shift towards knowledge networks that may become a new matrix for the Organization's action. Lastly, the reform is in itself encouraging a more decisive focus on results-based action and a greater awareness of what those results should be. Thus, decentralization, beyond its own practical effects, is – as was hoped – proving to be an effective lever for more fundamental changes in the Organization as a whole: crisper programming, sharper relevance, swifter responsiveness, leaner bureaucracy, greater service to Member States. In short, UNESCO is already far less the “building in Paris” that it was five years ago.

114. The system has been set in place and much has been done to make it work. It is working; it will work better still. Improvements and adjustments have been decided upon, based on greater clarity, delineation of responsibilities and work-sharing, and on priority setting and selectivity. However, quality – the watchword for the coming years – requires investment, and progress will be as fast, or as slow, as the Organization's resources will allow. Once the General Conference has taken its decisions in October 2005 concerning the forthcoming document 33 C/5, it will be possible to have a firmer idea of the speed with which immediate aims can be achieved. As for the medium term, the 2008-2009 review – after another four years of implementation of the strategy – will tell how far it has been possible to go.

DRAFT DECISION

115. In the light of the observations contained herein and of the discussions under this agenda item, the Board's decision should, in addition to expressing its overall opinion concerning the major outcomes of this review as reported herein, preferably include reference to the responsibilities incumbent upon Member States themselves, particularly as regards the National Commissions, in further pursuing the decentralization strategy, as well as referring to the 2008-2009 target date for the next review of the results of the strategy's implementation.