



**Governing Council
of the United Nations
Development Programme**

Distr.
GENERAL

DP/1992/SR.28
18 June 1992

ENGLISH
Original: FRENCH

GOVERNING COUNCIL

Thirty-ninth session

SUMMARY RECORD OF THE 28th MEETING

Held at the Palais des Nations, Geneva,
on Wednesday, 20 May 1992, at 10 a.m.

President: Mr. BREITENSTEIN (Finland)

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Statement by the Secretary-General of the United Nations Conference on
Environment and Development (UNCED)

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The meeting was called to order at 10 a.m.

OTHER MATTERS (agenda item 11) (continued)

(b) SENIOR MANAGEMENT STRUCTURE (DP/1992/45)

1. Mr. DRAPER (Administrator, United Nations Development Programme), introducing his report on the senior management structure of UNDP (DP/1992/45), pointed out that the structures and strategies of the Programme had been developing gradually over a number of years. During the discussion at the high-level segment, he had put forward ideas for global reform, following closely the approach already adopted by the United Nations Secretary-General. Many delegations had taken the view that it would be better to await the next phase of the restructuring of the Organization before attempting to reform a body which was itself constantly changing. He would consult the Governing Council on that question as it developed.
2. The report before the Council described the measures which had already been taken in order to enhance UNDP's capacity to meet the challenges of development. Mooted originally in the report of the management consultants, the idea of merging various funds and programmes in the Bureau for Programme Policy and Evaluation (BPPE) had been accepted and implemented. As a result, the Division for Global and Interregional Programmes (DGIP), the United Nations Capital Development Fund (UNCDF), the United Nations Sudano-Sahelian Office (UNSO), the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), the United Nations Fund for Science and Technology for Development (UNFSTD) and the United Nations Volunteer Programme were now directly responsible to BPPE. The result had been greater coherence in the formulation of programmes and policies but without any sacrifice of the integrity of the various entities. The time required and the costs involved in the appraisal and approval of programmes and projects had been reduced and, even more important, staff responsible for policies and evaluation in a particular field had now been brought into direct contact with operational staff within the fund or programme in question. The structural reorganization had yielded excellent results, especially in the United Nations Sudano-Sahelian Office.
3. The budget for the 1992-1993 biennium had included a new category of programme support and development activities, which had enabled UNDP capacity in that field to be merged with the day-to-day management of programme and policy formulation. The restructured BPPE was better able to disseminate various initiatives to field offices via the Regional Bureaux. The new Bureau of External Relations (BER) had now become the focal point for mobilization of resources, public activities and the Governing Council secretariat. That arrangement had been found very satisfactory. Various decentralization measures had been implemented, affecting in particular project approval, personnel management and more flexible use of appropriations.
4. The heads of division system, introduced on an experimental basis for West Africa and Central America, had been intended in principle to provide more systematic support for field offices. The key element was collaboration

between the division head and the Resident Representatives concerned so as to set objectives, establish work plans, identify common problems, agree on support arrangements, optimize training, ensure that an idea which had proved satisfactory in one country could be exploited in the others, etc. Experience to date had been generally positive, so much so that divisions dealing with other sectors and regions were considering following suit.

5. A major study had been carried out on the Office of Project Services (OPS) and, as requested by the Governing Council, and a more selective project approval policy had been adopted. OPS had grown as a result of the increase in the number of intersectoral programmes and the success of the Office's managerial services with various bilateral and multilateral agencies. The restructuring and streamlining of OPS had been reflected in a levelling off of that growth and more intensive technical participation by the specialized agencies in the management of projects administered by OPS. Eighteen per cent of the IPF funded projects, previously executed by OPS, had now been passed over to national execution, as against a figure of 6 per cent two years previously, a move in the direction desired by the Governing Council.

6. Structures could not be dissociated from functions and processes. Accordingly, in the context of its budget strategy for 1994-1995, UNDP had undertaken a meticulous examination of functions, affecting both programmes and administration. In the case of the programmes, the review had revealed the need for decentralization, development of the programme approach and increased emphasis on cost-effectiveness, reflected in a more significant role for division heads and a careful study of the added value of functions performed at headquarters. The examination of administrative functions again revealed the need for streamlining and computerization and gave rise to a number of new concepts which had surfaced in the budgetary strategy, in particular those of regional service centres which should relieve field offices of their administrative tasks and enable them to devote their time solely to programme activities in the strict sense.

7. The budget estimates for 1994-1995 involved a reduction of \$30-40 million, a considerable amount in absolute terms but only a modest one in relative terms. It was essential to realize that the choice of a particular management structure depended less on the budget itself than on general structural reform on the one hand, and internal management practices on the other. In view of the 15 per cent reduction in headquarters costs in 1991 and the estimated saving of \$30-40 million for the 1992-1993 biennium, it seemed reasonable to refrain from further changes, at least until the restructuring of the United Nations as a whole had been completed.

8. The Governing Council had devoted considerable attention at previous sessions to the way in which UNDP strategy was formulated and coordinated. Ideas were developed and discussed by specialist teams in the different services, then integrated in a strategic plan in the Office of the Administrator. As the person responsible for the strategic management of UNDP, he saw no reason to create a separate strategy group, an idea which had been put forward in the consultants' report, but which had been rejected by

the Governing Council. In very general terms, the aims and objectives set out in annex II to document DP/1992/45 showed clearly the course which had been taken by the Programme, whose sole aim was to assist developing countries in all regions of the world.

9. Mr. SHARMA (India) said that UNDP should ensure that its staff was not increased even though the number of missions entrusted to it had become greater. It would also appear necessary to delegate more powers to resident representatives, especially in countries with a large IPF and to increase their project approval authority up to \$1 million.

10. Mr. MORALES (Cuba) was pleased to see that the changes introduced by the Administrator had no financial implications, since the aim should always be to reduce administrative expenses. The overall strategy should be adapted to suit the situation in each country. All measures taken in connection with the BPPE and the new programme to combat AIDS would have to be carefully coordinated, especially with WHO. Resident representatives should be accorded project approval authority up to \$1 million, thus relieving staff at the headquarters of the burden of examining hundreds of projects on which field offices were perfectly capable of taking a decision. His delegation endorsed the measures taken in the area of external relations. With regard to the OPS, greater emphasis should be placed on decentralization and national execution.

11. Mr. BROUWERS (Netherlands) said that the pilot experiment undertaken by two Division Chiefs did not appear to have a negative effect on the relationship of regional bureaux with recipient countries and resident representatives. Since the experiment did not involve any changes in budgets or staffs, it might be extended in time, especially since it appeared to meet the concerns of the Council members who had advocated the delegation of responsibility and authority to the field.

12. The Administrator had indicated in his report that no separate division would be set up for the formulation of strategy. Better coordination between senior and middle management levels appeared to be the more attractive option. Close links between BPPE and the regional bureaux should secure the flow of information between field offices and strategic planners at headquarters. In the structure proposed by the Administrator, the Bureau of External Relations would be entrusted with sustaining the policy dialogue with member countries, agencies and other partners. In his delegation's view, that function could be better performed by the strategic planners than by the new Bureau, the primary function of which should be the mobilization of resources, a field where streamlining was essential since fund raising activities were dispersed over many different staff units.

13. Mr. CARMICHAEL (Canada) said that he was pleased to see that the Administrator had discarded the Division Manager concept. Rather than raising the rank of headquarters staff, it would be better to step up the delegation of authority and responsibility to the field. His delegation was pleased to note that a pilot project aimed at enhancing divisional management in two regional bureaux was operating effectively without any need of extra staff. All aspects of that project, including the delegation of additional approval authority to resident representatives and regional bureaux, could easily be extended to other programmes and offices.

14. Canada believed that, to the extent possible, responsibility for decision-making should be transferred to the field; otherwise UNDP's most talented officers would remain at headquarters. Once country programmes had been approved, resident representatives should have the authority to approve individual projects which were consistent with those programmes. Approval authority could be limited to \$5 million or 25 per cent of the IFP, if need be, but policy considerations should outweigh pre-established financial limits as a criterion and resident representatives should always have the option of referring a project to headquarters for approval. Decentralized programming of that type would of course necessitate clearly established criteria for the submission of projects to headquarters, programming criteria and standardized systems of project monitoring and control. The management audit programme would also have to be strengthened; that might involve the transfer of some auditors to regional offices and the increasing use of private auditing firms based in developing countries.

15. His delegation congratulated the Administrator on introducing mechanisms which demonstrated that UNDP was giving serious attention to policy concerns and to the application of approved policy directives throughout its worldwide operations. The Policy Team and the Operations Team, the Policy Planning Committee and the Management Board provided a sound basis for improved strategic decentralization. His delegation would encourage the Administrator to continue steadfastly in that direction.

16. Mr. YAO Wenlong (China) said that the Administrator's restructuring of UNDP was a move in the right direction. The comparative advantage of UNDP lay in the implementation of practical assistance programmes; the strengthening of mechanisms for strategy formulation should therefore go hand in hand with a greater delegation of authority in assistance management so that aid could be linked more closely with the real needs of recipient countries. China hoped that UNDP would give greater authority to resident representatives and regional bureau directors so as to reduce the time required for programme and project approval.

17. The Bureau for Programme Policy and Evaluation was to be responsible in future for coordinating SPR and should therefore cooperate with the relevant regional bureaux and specialized agencies in combining programme preparation and coordination so that those resources would play the catalytic role which was properly theirs. His delegation approved the restructuring of OPS which, it hoped, would cooperate actively with the specialized agencies and take practical action to promote national execution and the strengthening of national capacities. It also approved abandonment of the idea of a separate strategy group which was consistent with the concept of decentralization of functions and structural streamlining. It hoped that further restructuring would be undertaken so that UNDP assistance programmes could respond to new needs for cooperation during the 1990s.

18. Mrs. SCHAFER-PREUSS (Germany) suggested that the Administrator should circulate the text of his statement to members. Her delegation continued to have problems with several points regarding the senior management structure

and was not therefore in a position to take a decision on the Administrator's proposals. It was very important that the reorganization of UNDP's senior management structure should go hand in hand with the restructuring of the United Nations itself, as ACABQ had recommended.

19. Her delegation was in favour of the concept of strategic decentralization and considered that a substantial reduction in the number of units reporting directly to the Administrator was implicit in that concept; the number had risen from 14 to 17 which was excessive. Her delegation had always been concerned by the fact that units such as the Division of Personnel, the Programme of Assistance to the Palestinian People, the Division for Europe and the Commonwealth of Independent States and the Special Unit for Technical Cooperation among Developing Countries reported directly to the Administrator. Moreover, it seemed that sight had to some extent been lost of the objective of decentralizing strategy functions which was to strengthen capacity to formulate policies and strategies and that the concept of strategic decentralization had become a concept of decentralizing strategy functions which might increase the difficulties of streamlining internal management procedures.

20. Efforts had certainly been made to improve management tools. While however the measures under consideration for an enhanced management concept at headquarters and in the field had some advantages, it was not certain that, if they were not applied correctly, some of them might not create new difficulties. The Governing Council in its decision 91/43 had requested the Administrator to present a plan of action outlining his recommendations concerning management structure at the higher levels, their impact on the organization, including financial implications and a timetable for their implementation. Unfortunately no such plan could be detected in the Administrator's report.

21. Her delegation was in favour of the new OPS project acceptance policy which should be implemented more energetically and possibly also refined. It also reiterated its objection to the regularization of the post of the Director and Associate Director of OPS. Finally, her delegation commended the efforts undertaken to improve the quality of personnel and hoped that programmes would be organized for the benefit of personnel in the field, in particular language training and familiarization programmes, in order to prepare them to take up new assignments.

22. Mr. SHOJI (Japan) congratulated the Administrator on his initiative to reduce administrative expenses and requested him to continue to review the situation with regard to senior level posts and to put forward a proposal to the Governing Council at its fortieth session.

23. One of the major tasks of headquarters was to define strategic objectives and translate them into action at the country level by developing a methodology and guidelines. A people-centred approach to development should be elaborated through the formulation of a practical strategy to be integrated into UNDP activities.

24. His delegation supported the Administrator's proposal to strengthen the role of the Bureau of Programme Policy and Evaluation and also the proposal to assign responsibility for various funds to the Bureau, while retaining the distinctive character of each fund. As for the new HIV and Development Programme, it strongly hoped that UNDP would strengthen its cooperation with WHO which must play the leading role in that field.

25. The functions of the regional bureaux should be gradually shifted to the field level as decentralization proceeded, particularly those relating to the formulation of country-and region-specific policies. That would facilitate the streamlining of the structure of the bureaux. A reduction in the number of Assistant-Secretary-General posts in the regional bureaux should be considered, taking into account the volume of IPFs in each region. In that connection his delegation was pleased to see that reconsideration had been given to the division manager concept. The creation of a Europe and CIS Division might well create more problems than it solved and his delegation requested the Administrator to give further consideration to that matter.

26. His delegation considered that the role of OPS should be reviewed continually and that the modalities of its participation in project execution should be defined clearly. It approved the adoption of a new project acceptance policy but considered that it should be closely monitored. The criteria for OPS involvement raised a number of questions. For example, were the terms "interdisciplinary" and "multipurpose" sufficiently clear and was it appropriate to exclude competent specialized agencies when a project fell into that category? The criteria concerning "external expertise" and the "nature of inputs" raised the same questions. The Administrator had stated that the role of OPS was to complement and not to duplicate that of the agencies; according to the consultants' report however, there were some areas in which OPS and the former Department for Technical Cooperation for Development performed similar functions. With regard to the procedure for consultation with the specialized agencies, it might be asked whether the agencies were being given sufficient opportunity to express their views and if those views were adequately reflected in the subsequent decisions made by UNDP.

27. Mrs. LONGINOTTI (Italy) welcomed the fact that the Administrator had adapted his original proposals so as to take account of the views expressed by delegations and by ACABQ. Her delegation considered that the task assigned to the new Programme Development and Support Division of the Bureau for Programme Policy and Evaluation was very important and could play a pivotal role in making the human development concept operational. It was convinced that the only way to achieve effective evaluations based on solid data was through the creation of an ad hoc inter-agency body with the participation of donor and recipient countries.

28. As for the Division Manager concept and the pilot scheme led by two Division Chiefs, her delegation welcomed the pragmatism demonstrated by UNDP and hoped that the Administrator would present a written assessment on the experiment to the Council. It also supported the establishment of a new HIV and Development Programme and the setting up of a separate Division for Europe and the Commonwealth of Independent States.

29. She considered that it was of the utmost importance that decentralization should be coupled with the strengthening of accountability and accompanied by an ever-increasing professionalism of field managers, particularly the resident representatives and their deputies. She also believed that the consolidation of a number of units into the new Bureau for External Relations would facilitate both a better definition of the image of UNDP and resource mobilization. She was confident that the process of rationalizing OPS activities would help to make the best use of OPS potential and avoid misunderstandings with the rest of the system.

30. Mr. BREVIK (Norway), speaking on behalf of the Nordic countries, first of all emphasized the importance of the Administrator's comment that reform of the structure of UNDP must be a continuing process. He then recalled that it was the prerogative of the Administrator to decide on the internal management functions and structure of the organization and that the role of the Governing Council was to give policy guidance and to approve possible budgetary implications.

31. The Nordic countries welcomed the revision of the concept of a central strategy group and considered that the pilot exercise for enhancing divisional management to be useful. Emphasis had rightly been placed on enhanced quality of programme design and delivery and resource management and that process should be further pursued.

32. The Administrator had taken significant steps towards decentralization but much remained to be done with respect to delegation of approval authority. It was certainly desirable that quality control and accountability should be strengthened before moves towards further decentralization were made but there might be room for accelerating the process of giving resident representatives increased programming authority. There should be less emphasis on administrative control by headquarters and more focus on intellectual and conceptual leadership.

33. The Nordic countries had noted that, contrary to what had been planned, the Administrator had increased the number of units reporting directly to him. They considered that the creation of a Division for Europe and the Commonwealth of Independent States was premature as UNDP's role in the region had yet to be defined. In conclusion, they hoped that the Administrator, in the course of his reforms, would take due account of the opinion of ACABQ that the streamlining of the senior management structure of UNDP should proceed in a manner consistent with that recently adopted by the Secretary-General at the United Nations.

34. Mr. ROHNER (Switzerland), referring to the pilot exercise in decentralization conducted in Central America and West Africa, thanked the Administrator for the assessment which he had provided. His delegation noted with satisfaction that the incorporation of the Governing Council secretariat into the Bureau for External Relations had not been to the detriment of relations between Council members and their secretariat, quite the contrary. In that connection his delegation stressed the crucial importance of the selection of personnel for key functions.

35. Contrary to the recommendations made by the consultants, the number of units reporting directly to the Administrator had increased, so that administrative and strategic control was difficult. The Administrator might perhaps consider establishing direct reporting relationships between some of those units with the Associate Administrator and the integration of the Division of Personnel into the Bureau for Finance and Administration. Moreover, the Division for Europe and the Commonwealth of Independent States should not report directly to the Administrator and it would be more logical to include it in a regional bureau for Arab States and Europe. His delegation associated itself with the comments of the Japanese delegation on OPS.

36. His delegation was in favour of the creation of a central strategy group and requested the Administrator to provide the Governing Council with more information on the steps being taken to strengthen the strategy formulation capacity of UNDP, particularly regarding the functioning of the two new bodies to be established in addition to the existing Action Committee and the Management Board. It was difficult to see how the complex group of agencies and mechanisms proposed by the Administrator could implement the strategies elaborated by the Governing Council consistent with the Statement of Purpose and with the major conclusions of the Senior Management Meeting held at Princetown.

37. UNDP, in concert with the United Nations system, must adapt continuously in order to respond to the rapid evolution of situations and needs. Pursuant to the recommendation of ACABQ, the Swiss delegation urged the Administrator to give further consideration to streamlining the senior management of UNDP in a manner consistent with the recent changes effected by the Secretary-General of the United Nations and to keep the Council continuously informed. Moreover, it invited the Administrator to conduct further consultations with member countries on the draft Strategy and Agenda for Change resulting from the Princetown meeting.

38. Mr. ZAINUDDIN (Malaysia) said that his delegation concurred with the view that restructuring and change were a continuing and evolving process which would enable UNDP to respond more effectively to the increasing development challenges faced by the international community. It also welcomed the measures taken to enhance strategy formation and evaluation. It trusted that the reports produced by the Human Development Report Office (HDRO) would, given HDRO's revised terms of reference, reflect the consensus reached on such delicate issues as the human freedom index. In order to make an impartial evaluation of the progress achieved in human development, the Bureau should take into account the concerns and sensitivities of each country. UNDP should not forget that its clients were sovereign Governments which should be treated as equal partners in development. In that connection it was satisfying to note that the Bureau would work in close collaboration with Governments, which were the ultimate beneficiaries of the report.

39. The strengthening of evaluation functions was particularly important in view of the emphasis on national execution in the fifth programming cycle. It was particularly important that procedures should be simplified and clear guidelines distributed and, if necessary, that training should be organized to enable UNDP field offices and Governments to utilize the evaluation mechanism effectively.

40. The decentralization measures were welcome, but in undertaking that exercise, extreme care should be taken to ensure that the delegation of responsibility was backed by the delegation of the relevant authority, otherwise the objective of achieving efficiency would be defeated. Consideration should also be given to installing an effective mechanism to ensure accountability. The decision to authorize the resident representative and regional bureaux directors of two regions to approve national projects up to US\$ 1 million and US\$ 3 million respectively, on an experimental basis, was a positive step which should be extended to other regions. To undertake the new responsibility, the office of the resident representative needed competent staff, and to that end measures should be taken with regard to training and recruitment.

41. His delegation supported the establishment of the Bureau of External Relations. It hoped that that Bureau would sharpen the image of UNDP which had been tarnished by the controversy over the human freedom index. The reorganization of the Bureau for Programme Policy and Evaluation (BPPE) would undoubtedly result in improved coordination. The creation of a new HIV and Development Programme was a vital measure in view of the speed with which the epidemic was spreading. The programme should coordinate with the activities of other organizations, particularly WHO, to avoid duplication.

42. The establishment of a Division for Europe and the Commonwealth of Independent States was logical and well-timed to assist the Eastern European countries and those of the CIS in their transition to a market economy. However, it should not be allowed to have an adverse affect on UNDP assistance to the developing countries. His delegation called on donors to increase their contributions to UNDP to enable it to undertake that new responsibility.

43. The mechanism for project and programme review had helped not only to improve the project preparation and approval process but also, in Malaysia's case, to enhance the working relationship between the Government and UNDP. It was unfortunate, however, that there had been a number of instances when projects which had been approved by the regional project appraisal committee (PAC) had been rejected by headquarters. Such instances undermined not only the integrity and professionalism of the PACs themselves but also their very existence. Another shortcoming was that PAC members were not usually specialists. His delegation therefore proposed that for highly technical projects, the PAC should limit its role to ensuring that the IPF was properly used and that the technical aspects of the project be referred to the relevant specialized agency. Malaysia welcomed the efforts to restructure the OPS and looked forward to extending its collaboration with the OPS during the fifth cycle.

44. Mr. JASINSKI (Poland) said that the continuing reform progress in UNDP should not be confined to headquarters: the field offices themselves should base their work and performance plans on the increased capacities at headquarters and all countries, recipient or otherwise, should reciprocate the changes and initiatives taken by UNDP. The interest shown by some countries in methods developed by UNDP in evaluation, for example, proved its increasing

usefulness to its members. The senior management meeting, held in September 1991, had already borne fruit, and provided further evidence of UNDP's leadership role in technical cooperation within the United Nations system. It remained to be seen how the Statement of Purpose adopted at that meeting would be translated at the country level.

45. The Polish delegation supported the measures taken by the Administrator to increase UNDP's effectiveness and reduce expenditures, which had already resulted in a 15 per cent savings in the headquarter's budget in 1991. It also welcomed the idea of the field offices evolving into development centres seeking to help countries promote human development. The decentralization process at headquarters was well under way and Poland welcomed the establishment of the Division for Europe and the CIS. In view of the importance of events in that region, the Division's direct reporting to the Administrator was fully justified. The separate entity which existed in the region in the past had also reported directly to the Administrator.

46. The new Bureau for External Relations should help to sharpen UNDP's public image. A network of focal points might also usefully be established in both recipient and non-recipient countries. In cooperation with the UNDP office in Warsaw, Poland had established an NGO consisting of former United Nations experts, consultants, volunteers and former staff members which should be able to enhance public awareness of UNDP's activities.

47. The information provided by the Administrator on OPS activities had been noted, in particular the establishment of broad country programme management projects, sometimes involving the outposting of programme management officers. More information on the results of such undertakings would be useful in future.

48. Mrs. DUDIK-GAYOSO (United States of America) recalled that for a number of years the Council had requested UNDP to look at its senior management structure, especially the number of senior level posts, the number of units and their position within the organization. Those questions carried great weight given that for two years UNDP's administrative budget had absorbed over 13 per cent of its resources. The independent consultants who had been brought in had made a number of recommendations in their 1991 report, some of which had met with the approval of the Council. At its thirty-eighth session, the Council had adopted decision 91/43 which essentially requested the Administrator to prepare an action plan for the implementation of consultants' findings for its next session. It was therefore disappointing to find that the Administrator's report contained no such action plan, no timetable and had not provided the analysis requested. In short the Administrator's report did not respond to the Council's decision. Obviously, her delegation welcomed the further improvements proposed by the Administrator, such as streamlining headquarters operations, reducing budget growth and increasing management training, but those proposals did not go far enough to ensure that UNDP would become a model development centre. UNDP should therefore review the Council's decisions on senior management structure which had been taken in recent years, study the consultants' report more closely and make another attempt to respond to decision 91/43.

49. There were a number of examples in support of those criticisms. The paragraphs and annex relating to OPS in the report (DP/1992/45) did not address the request made by the Council in paragraph 8 of its decision. Furthermore, there was no mention of any staff changes resulting from the alterations in the workload, in particular concerning the post of Assistant Administrator. With regard to the strategy for the fifth programming cycle, UNDP's strategic goal would be to turn field offices into development centres to assist countries in their efforts to promote human development. While fully supporting that intellectual effort behind the Human Development Report, the United States delegation did not feel that the Administrator had made it clear how UNDP's programmes were to be translated into multidisciplinary activities that would promote human development on a broad scale. With regard to evaluation, UNDP should place greater emphasis on national capacity building through the programme approach and, as resources were limited, integrate the results of the evaluation service into future plans. For a long time the Council had been asking for an increase in the staffing of the Central Evaluation Office, yet there appeared to be no plans in that regard. UNDP had made an excellent evaluation of its project on the social dimensions of structural adjustment and the Council's decision on that issue had been quite explicit, yet the Administrator did not appear to have taken the results of that evaluation fully into account in his proposals. It was also regrettable that UNDP had discontinued country programme evaluations at the end of the cycle and was using instead the mid-term reviews which did not evaluate programme impact but simply recorded progress in implementation. Furthermore, it was still unclear what measures the Programme intended to take to strengthen the project appraisal and monitoring capacity of field offices to which greater authority was to be delegated. Internal review and approval processes seemed to be in need of improvement.

50. UNDP could also improve its collaboration with its other United Nations agencies. The report made no mention, for example, of the cooperation between the Bureau of Programme, Policy and Evaluation and WHO in the AIDS campaign. Clarification was also required as to whether UNDP would continue to develop its strategy formulation capacity given that the Administrator had decided not to set up a central strategy group.

51. As far as decentralization was concerned, the Administrator rightly wanted to streamline routine administrative functions both at headquarters and in the field. The number of units reporting directly to the Administrator should also be reduced. However, budget economies should not be at the expense of programme quality, impact and financial accountability vis-à-vis member States. With regard to the delegation of authority, her delegation could perhaps support the approval ceiling of \$3 million for Bureau Directors, provided that the accountability mechanisms were clear and programme quality control was more effective. It considered it to be unfortunate, however, that the approval authority of some field representatives had been increased to \$1 million, as no new accountability mechanism had accompanied that action. In decision 91/43, the Council had once again requested a report on internal programme and project management review process and accountability procedures. The Administrator had not addressed that request; UNDP had not succeeded in justifying the higher level of approval authority delegated to field representatives. As resident representatives were not taking advantage

of their full authority at present, in the view of her delegation, there was no reason to increase the level and UNDP should take no further steps in that direction until member States had been provided with the means of assessing the adequacy of UNDP's monitoring, evaluation, programme management and financial accountability systems. The Council should also be informed of the effects the previous increase in authority had had on accountability and programme quality. With regard to the Office of Project Services (OPS) it was not enough for the report to cap the percentage of services it provided; it should discuss to what degree OPS was building national capacity, as for the time being its major focus was on the procurement of external assistance. The current funding and management arrangements of OPS should also be examined and its interaction with other parts of the organization, both at headquarters and in the field, should be clarified.

52. Given the increasing importance of UNDP's coordinating role at a time when its resources had to be rationalized, the time was ripe for a comprehensive review of its overall field structure. The discussions on a possible field presence in the CIS and Eastern Europe highlighted the need for such a review, which should focus on the advantages and contributions deriving from individual offices; whether resources should be redeployed or whether some offices could be combined; whether the field offices communicated with each other as effectively as they might and whether each one fulfilled an important purpose in UNDP's overall mandate. There was no doubt that the field offices were UNDP's major strength, but the question was whether it was reasonable to have a field office structure in every country and whether or not a new mix of field and regional offices might reduce some cost. Such a review would be a useful contribution to the overall restructuring of the United Nations system.

53. Mr. ELLIS (United Kingdom) noted, like the representative of Germany, some confusion in the report of the Administrator between the overall concept of strategic decentralization and that of strategy formulation decentralization. He hoped that UNDP's global strategy would be clearer but he was not sure that that was the case with the new strategic formulation system.

54. His delegation endorsed the new Division Manager concept proposed by the Administrator but wondered what was now planned with regard to the delegation of approval authority. As far as the evaluation function was concerned, his delegation did not believe it necessary to increase the number of current staff; it thought that the Administrator should not be concerned solely with cost efficiency but also seek efficiency.

55. Like other countries, the United Kingdom thought that too many units and services were directly responsible to the Administrator, that all were probably not indispensable and that some should be only provisional in nature. It approved the changes made in the management of OPS but thought that the office should not overdiversify. It should not involve itself in all UNDP activities, which it was in danger of doing if the Programme promoted national execution to an excessive degree.

56. With regard to the senior management structure, strictly speaking, the Administrator and the Secretary-General should, with a view to the reorganization of the entire United Nations system, remain continually in contact. There was no doubt that any reduction in UNDP's budget would have an effect on its manning table as a whole.

57. Like the United States delegation, the United Kingdom would like the Administrator to carry out an in-depth study of the Programme's field structure.

58. Mr. EL GHAOUTH (Mauritania) thought that the report of the Administrator did not sufficiently stress the action to be taken as a matter of priority in the least developed countries (LDCs). UNDP should intensify its exchanges with those countries, particularly in the field where the LDCs had too little contact with the resident representative. The LDCs also had the impression that UNDP always assigned to them staff that was the least qualified and at the lowest level. UNDP should accord priority to the eradication of poverty; however, the information provided on the new structure revealed a trend towards diversification and proliferation of actions at the expense of an area where UNDP had nevertheless a clear advantage.

59. He noted that the Action Committee reviewed IPF-funded nationally executed projects not covered by the authority delegated to the resident representative. He would like to know how LDCs which did not have the means to formulate their projects directly for the attention of the Action Committee knew that it was in fact considering those projects.

60. The pilot exercise, under way at the present time, particularly in the Division for West Africa of the Regional Bureau for Africa, should improve management at headquarters and in the field. He would like to know how many LDCs were directly involved in that exercise. Furthermore, he noted with satisfaction that the Division for West Africa had been divided into two units, one for the coastal countries and the other for the Sahelian countries, a situation which should rationalize and lighten UNDP's tasks in that region.

61. As OPS was concerned with project management and coordination, it could be of considerable assistance to LDCs which had difficulty in moving towards national execution. Although the comments made by the delegations of the United States and the United Kingdom were not very encouraging in that regard, he asked whether it would not be possible to provide for OPS representation in a number of LDCs.

62. As reorganized, BPPE had an excessive workload and should be rationalized further. The United Nations Sudano-Sahelian Office (UNSO) was now attached to it whereas the countries of the region would have liked that office to take on a more specific and more independent identity and to be given more staff, particularly in view of the UNCED follow-up. In fact, UNSO acted as a liaison centre for the resident representatives of the region, and that role should be maintained.

63. Mr. AFANASIEV (Russian Federation) noted that the Administrator had responded very rapidly to the requests made to him by the Council in 1991 in its decision 91/43, with the exception, however, of the plan of action that was to be submitted to the Council in 1993.

64. His delegation was satisfied with the establishment of a separate division covering both Europe and the Commonwealth of Independent States immediately after the sweeping changes in Eastern Europe. It was also a good idea to study the possibility of splitting that division into two and of locating it in one of the capitals of the region concerned. He hoped that that idea would be adopted.

65. The expansion of OPS was justified but his delegation would welcome more detailed information about the activities which it was proposed to assign to it and on the role that it would be called upon to play, having in mind the restructuring of the United Nations system and the reorganization of UNDP with a view to making it the system's main technical assistance body.

66. Mr. DRAPER (Administrator, United Nations Development Programme) said that he attached great value to the comments made by delegations on the structure of UNDP. With regard to the principle of the delegation of authority, the idea was to expand its sphere of application. The approval authority of resident representatives would no doubt be increased but not without the prior establishment of appropriate machinery in respect of responsibility and management control.

67. With regard to the need to avoid excessive growth in administrative expenditures, with the exception of evaluations at the central level, he said that the results of the past year, like the budgetary strategy envisaged for 1994-1995, attested to the efforts made along those lines. Nevertheless, he stressed the increase in the scope of the Programme: over the past five years, its resources had grown at a faster rate than inflation; that had not happened during the previous 15 years. What was important was to implement the programmes as effectively as possible, by means of voluntary contributions provided by donors. It should also be noted that, for several years, there had been no changes in UNDP in the number of D-2 and D-1 posts, or in that of Assistant Secretary-General (ASG) posts: only OPS had an additional post, because of the great complexity of that structure and the extent of its operations. In that regard, the changes in UNDP were quite different from those of other bodies of the United Nations, where the Secretary-General was endeavouring to control the increase in the number of Under-Secretary-General posts. Therefore, UNDP continued to work closely with the Secretary-General and would take account of the suggestions made by delegations concerning the changes to be introduced at the senior levels. It was none the less true that the Programme was actually a vast organization, which managed considerable sums within the framework of its assistance activities and required senior staff who were reliable and received adequate salaries in order to carry out its operations efficiently.

68. With regard to its AIDS-related activities, he observed that UNDP worked with WHO and other institutions, but that the problem was not just one of health but also of development.

69. He noted that many delegations had encouraged the steps taken by OPS in favour of national execution and decentralization. That process was going ahead satisfactorily: through changes in the training structure, the results obtained thus far had been positive. Nevertheless, as a result of new criteria applied in respect of project acceptance, the notable increase observed in that field could be expected to slow down. Nevertheless, there was nothing inherently negative in the expansion of OPS: that body, which had overall responsibility for several sectors, was affected by demand and its function was therefore to respond to that demand.

70. He provided detailed information about the various internal machinery that had been established. The Policy Team met weekly at the senior management level and played an essential role. For operational questions, a middle management team also met weekly, with the participation of the Associate Administrator. The whole formed a global communications system which functioned efficiently. The recently established Management Board had the task of taking decisions of greater scope than those which concerned programming alone. Through the Planning and Coordination Office and the Policy Planning Committee, it considered certain suggestions requiring decisions: many of them came from the field offices. The latter had their representatives there who joined all the ASGs and officials from the other bodies concerned at monthly meetings which reached decisions not on a particular project but on orientation questions of a general nature. That system - as the Netherlands delegation had rightly noted - designed to simplify the operations was highly effective, without being particularly complex.

71. Referring to the delegations of the United States and Germany, which had been concerned about the lack of a plan of action or timetable, he said that the numerous reports prepared by consultants had provided many elements which had been taken into account, for example with regard to the attachment of various funds to BPPE. The Bureau had also made it possible to improve internal communications without becoming bloated or overloaded, a fact which should allay the fears of the representative of Mauritania. The funds supervised by that Bureau remained separate bodies, managed by competent staff: that was the case, for example, with the United Nations Capital Development Fund (UNCDF), which carried out activities on behalf of the LDCs. That was why UNDP had preferred to adopt practical measures rather than to submit a plan of action to the Council. It would be equally difficult for it to draw up a timetable, since what was involved was an ongoing operating entity, in constant evolution. It was nevertheless possible to prepare for the following session a report on the field offices, as requested by the representative of the United States. The supervision of the teams sent into the field seemed satisfactory and cooperation with them was apparently effective. The Central Evaluation Office (CEO) could play a role in that field, as suggested by the United Kingdom delegation.

72. With regard to the bodies under his responsibility, the Planning and Coordination Office, a theoretically separate unit, could in fact be regarded as part of the Office of the Administrator because of its method of operation. The Programme of Assistance to the Palestinian People, for its part, was

obliged, through its former legal status, to submit reports to him; its presence on Palestinian territory posed no major problem and it was entirely satisfactory to both Palestine and Israel. The Human Development Report Office also worked symbiotically with the Office of the Administrator and was in no way superfluous. As for the Division for Audit and Management Review, because of its nature, it had to report not to the Division of Finance but directly to the head of the organization. The Division for Europe and the Commonwealth of Independent States, which had been detached from the Regional Bureau for Arab States, was also answerable to him in the same way as each of the operational units responsible for a geographical territory. Given their importance, it was only to be expected that they should be placed on an equal footing. The statutes of the United Nations Development Fund for Women (UNIFEM) indicated the special interest in its sphere of activities which should also remain separate: the Fund had grown spectacularly; its budget had risen from \$6 to 13 million within two or three years and it was subject to the strictest possible management. The Special Unit for Technical Cooperation Among Developing Countries had been changed in accordance with the Programme's general orientation, thus reflecting the importance attached to its operations.

73. UNDP endeavoured to recruit highly qualified staff; several delegations had congratulated the Programme both on its training activities and on its human resources development policy, to which he personally gave the utmost attention. As a result of the diversity of cultures and the geographic dispersion of staff, personnel questions could not be entrusted to an administration and finances office. UNDP was therefore far from a top heavy organization. In view of the multiplicity of programmes to be executed and the number of territories to be covered, the senior management structure seemed in fact to be relatively simple.

74. With regard to the human development strategy, UNDP endeavoured to preserve its overall umbrella character: while changes could be introduced at various levels, the methodology applied showed clearly that, in the last resort, it was the Office of the Administrator that was responsible.

75. Agreeing with the view expressed by the Japanese delegation, he considered that it was BPPE's role to translate policy into a programme; in that regard, the close relationship established with the bureaux proved to be effective. Furthermore, he did not exclude the possibility of entrusting in the long-term the Regional Bureau for Asia and the Pacific with some of the tasks of the Division for Europe and the CIS but, in his opinion, it was logical to maintain that body as it was at the current stage, since the countries in question were all experiencing similar problems. As to the link between TCDC activities and OPS, a report had already been submitted on the subject. UNDP intended to keep it under study, in cooperation with the Under-Secretary-General for Economic and Social Development and the Secretary-General, but was waiting for the General Assembly to express its views on that point.

76. He noted that the Italian delegation was satisfied with the flexibility with which UNDP had been able to take account of the views expressed concerning the idea of a strategy group and the Division Manager concept. By strengthening the tasks of the division chiefs, by sending

them into the field to cooperate with field office management and resident representatives, important results had been achieved without any adverse effect on the budget; it could be hoped that such an experience could be extended to other regions. The question of responsibility remained a primary element and the division chiefs played an important role in that regard by participating to a greater extent in evaluating the activities of resident representatives and informing them of the suggestions of the Governments concerned. That system, while improving communication, also demonstrated the importance of decentralization. It should therefore be possible to give the resident representatives the authority to approve amounts of \$1 million, or even \$5 million, as suggested by some delegations.

77. He assured the United States representative that UNDP did not intend to neglect the evaluation functions. He also stressed for the information of the United Kingdom delegation that the strategy formulation procedures, even shared among several units, produced good results. Replying to the representative of Mauritania, he recalled the remarks he had made in his introductory statement during the high-level debate: UNDP would continue to accord priority to the LDCs by allocating 55 per cent of its resources to them. The African countries participating in the pilot exercise were the following: Benin, Côte d'Ivoire, Ghana, Guinea, Liberia, Nigeria and Sierra Leone. Lastly, the elimination of the post of Director-General for Development and International Economic Cooperation should have no effect on the duties of the resident coordinators: they were appointed by the Secretary-General on the proposal of the Administrator and, in most cases, were resident representatives. The developing countries were in no way excluded from that process and the Under-Secretary-General for Economic and Social Development took on the functions delegated to him: in that way, he had the reports of the resident coordinators before him.

STATEMENT BY THE SECRETARY-GENERAL OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

78. Mr. STRONG (Secretary-General of the United Nations Conference on Environment and Development) noted that the preparation of the Earth Summit had been an extremely constructive process, however arduous. Admittedly, as was often the case, the media had not failed to highlight the existing differences of opinion, and it was true that major problems had yet to be resolved. However, it was equally important to draw attention to the substantial work that had been accomplished. More than 95 per cent of the proposals prepared by the Preparatory Committee had been adopted by consensus ad referendum, a fact which was very encouraging. Moreover, having participated in a series of high-level international meetings since the last session of the Preparatory Committee, he estimated that more than 130 Heads of State and Government would be present at the Conference: it would therefore be the most important summit conference in history. It was also true that such a high level of participation might not necessarily yield lasting results. The success of the Conference would largely depend on the extent to which Governments agreed to the proposals made by the Preparatory Committee. In that regard, there were many grounds for thinking that divergences of view could be overcome. Similarly, the representatives of the major industrialized

countries seemed to be willing to commit themselves in principle or, more specifically, in respect of financial support. Ultimately, in connection with the implementation of the results of the Conference and the "Agenda 21" programme, it was to be hoped that the developing countries would have access to the new resources and technology they needed to enable them to devote all their energies to a sustainable revitalization of their economy and to participate in creating a viable global society.

79. As far as the future was concerned, the Rio Conference would not produce any real results unless countries implemented the decisions adopted and unless United Nations bodies, in common with the other participants, also played the role expected of them. He stressed his appreciation of UNDP's role over the previous two and a half years, and paid a special tribute to the field offices staff and the resident representatives, who formed a link that was vital for the follow-up to the Conference at the country level, and expressed the hope that their role would be strengthened. The national reports, to which their contribution had proved to be extremely valuable, had not only provided important components in the preparations for the Conference, but also constituted an essential basis for integrating decisions in country programmes and projects. The team operating in Brazil, which represented the mainspring of the preparatory work at the local level, had done an outstanding job. That kind of partnership should be maintained after the summit, and the institutional arrangements which would be established by the General Assembly on the recommendation of the Conference would be of crucial importance in ensuring concrete and lasting results.

80. As far as UNDP was concerned, the most important section of Agenda 21 was chapter 37, which related to national mechanisms and international cooperation for capacity-building. The Programme already played a leading role in that field, but no one could ignore the fact that the efforts made by all the bilateral and multilateral donors still fell far short of real needs. Chapter 37 represented an international consensus aimed at redressing that situation by the following means: the preparation by the developing countries of long-term capacity-building strategies, with the assistance of UNDP and cooperating regional organizations; the submission of requests for sectoral assistance within the framework of those strategies, an assessment of the technical cooperation process by donors and recipients, under United Nations auspices and in cooperation with all the parties concerned; the need for the developing countries to have at their disposal an effective management system and better coordination; improved relations between the United Nations system and all its partners, particularly the developing countries, in order to back up capacity-building activities; and finally, the establishment of new assessment procedures at the regional level, including evaluation by counterparts in neighbouring countries. In that regard, the trend towards regional cooperation systems should be stepped up with a view to implementing the decision which would be taken at Rio. The 175 nations which had participated in the preparatory process for the Conference wanted genuine improvements in the methods of cooperation.

81. In that context, he welcomed the proposal submitted to the Council for an extension in the scope of UNDP's activities in the fields of environment and sustainable development, and for increased assistance, both on the ground and at the level of the new units established at headquarters by the Administrator. He invited members of the Council to take due account of the significant repercussions which Agenda 21 would have on UNDP and its future role.

82. As far as the institutions were concerned, the Global Environment Facility (GEF) was a major component in the cooperation between the Bretton Woods institutions and other agencies within the United Nations system. It was to be hoped that the role assigned to UNDP and UNEP would be strengthened and that UNDP would become one of the principal channels for the resources needed for technical cooperation and capacity-building.

The meeting rose at 1.20 p.m.