



UNITED NATIONS

INVESTING in the UNITED NATIONS for a STRONGER ORGANIZATION WORLDWIDE

EMBARGOED UNTIL PRESENTATION OF THE REPORT TO THE GENERAL ASSEMBLY, EXPECTED 11:00AM, 7 MARCH

PRESS RELEASE

Secretary-General proposes overhaul of UN Secretariat

Plan to realign operations from Headquarters to field targets investment to drive accountability, transparency and productivity

(UNITED NATIONS, NEW YORK, 7 March) The Secretary-General today presents his plan for a radical overhaul of the United Nations Secretariat to bring it more in line with today's new operational realities and better equip the UN to meet the growing demands and expectations of Member States.

The main focus of the overhaul plan, called *Investing in the United Nations: For a Stronger Organization Worldwide*, is on transforming the UN into a more efficient and accountable organization in a way that reflects the fact that more than 70 percent of its \$10 billion annual budget now relates to peacekeeping and other field operations, up from around 50 per cent of a \$4.5 billion budget ten years ago. In doing so, the report outlines a number of specific reforms and targeted investments on how to realign staff skills to meet current and emerging organizational objectives; elevate management accountability and performance; upgrade information technology; streamline budget and finance and explore new, more cost-effective ways of delivering services.

“Our current rules and regulations were designed for an essentially static Secretariat, whose main function was to service conferences and meetings of Member States, and whose staff worked mainly at Headquarters,” the Secretary-General says of his report on *Investing in the United Nations*, which he presents to governments this morning in the General Assembly Hall. “Today, thanks to the mandates that Member States have given us, we are engaged directly in many parts of the world, working on the ground to improve the lives of people who need help.”

In the 16 years since the cold war ended, the Organization has taken on more than twice as many new peacekeeping missions as in the previous 44 years and spending on peacekeeping has quadrupled. Over half of its 30,000 civilian staff now serve in the field – not only in peacekeeping, but also in humanitarian relief, criminal justice, human

rights monitoring and capacity-building, assistance with a cumulative total of more than 100 national elections, and in the battle against drugs and crime.

The Secretary-General's comprehensive reform blueprint was called for in the Outcome Document adopted by global leaders at last September's World Summit in New York. It complements an ongoing review, commissioned by Member States, on how to strengthen the UN's management and oversight systems. It builds on a package of reforms implemented in by the Secretary-General in 2005 to enhance ethics and accountability and address weaknesses exposed by the Independent Inquiry on the Oil-for-Food Programme and evidence of sexual exploitation in certain peacekeeping operations.

While the report identifies a number of areas of potential cost savings and efficiencies, the primary financial message is that it is time to reverse years of underinvestment in people, systems and information technology to address operational deficiencies and ensure that the UN can reach the level of effectiveness expected by Member States.

Mr Annan said that while the UN had made a number of major organizational changes in recent years to keep up with the increasing expectations of Member States, these efforts had only addressed the symptoms, not the causes, of the Organization's shortcomings. “It is now time to reach for deeper, more fundamental change” he said.

Along these lines, Annan's proposals encompass a revamped version of how to recruit, contract, train, assign and remunerate staff, with an emphasis on bringing conditions for field-based personnel up to par with those at other UN organizations in the field. This will include proposals for converting 2,500 existing short-term peacekeeping positions into a new flexible and mobile core of dedicated specialists who can be deployed rapidly in urgent peacekeeping and special political missions.

“Increasingly complex mandates require staff with different skills,” the Secretary-General said today. “We need to be able to recruit and retain leaders, managers and personnel capable of handling large multidisciplinary operations, with increasingly high budgets. As things stand,” he added, “many of our staff – especially the field staff, who serve with great idealism and integrity, often in situations of hardship and danger – are demoralised and de-motivated by lack of opportunities for promotion, and by the frustrations of dealing with a bureaucracy that can seem both excessive and remote.”

The report calls for a streamlining of the Secretariat’s organizational structure with a consolidation of reporting relationships to address logjams associated with the current system, where over 100 agency and department heads and special representatives are directly answerable to the Secretary-General. It also proposes the formal delegation of responsibility for management policies and overall operational matters to a redefined post of Deputy Secretary-General further to help free the Secretary-General to focus on the political and policy dimensions of the Organization’s work.

The report also proposes significant investment in the complete overhaul of the Organization’s information and communications infrastructure by replacing current antiquated, fragmented technology systems with an integrated global platform that should be led by a dedicated Chief Information Technology Officer. Separately, the report identifies significant opportunities to realize cost savings and efficiency gains and recommends the Secretariat to explore options for alternative service delivery, including the potential for relocating core functions from headquarters to lower cost duty stations and possible outsourcing of non-core functions such as printing. One area where investment could yield substantial savings is procurement,

where the report outlines changes that would improve transparency and realize potential cost savings of up to \$400 million. The report proposes a strategic, carefully constructed staff buy-out to facilitate the realignment of staffing to meet the Organization’s priorities, which while generating some additional short-term costs would also realize medium and longer terms savings.

In the areas of budgetary and financial management and governance of the Secretariat, the report outlines changes designed to revamp the current cumbersome and insufficiently strategic reporting mechanisms into a more streamlined, transparent and results-based system. These changes should dramatically increase management accountability as well as improve the overall interaction between the Secretariat and the General Assembly and the report recommends some ways in which Member States and managers might work together more strategically.

“Strong management can only work if it responds to strong governance,” Mr Annan told Member States today. “And successful reform depends on a strategic partnership, based on mutual trust, between you, the governors, on the one hand, and the managers – myself and my colleagues – on the other.”

A number of the proposals fall under the direct authority of the Secretary-General, and those he intends to begin implementing immediately. However most of the fundamental changes, particularly with regard to budget and personnel issues, require approval from Member States. To help ensure momentum for this agenda through the end of his term and to help equip his successor to follow through, the Secretary-General also proposes creating a Change Management Office that would seek to work closely with Member States to drive the implementation of the reforms. ■