



**UNITED NATIONS**  
**ECONOMIC AND SOCIAL COUNCIL**

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Distr.  
GENERAL  
E/ESCWA/14/11  
29 March 1987  
ORIGINAL: ENGLISH

**ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA**

Fourteenth session  
4-5 April 1987  
Baghdad

Item 12 of the provisional agenda

FOR ECONOMIC AND SOCIAL COUNCIL  
FOR WESTERN ASIA

14 APR 1987

SECRET

**IN-DEPTH STUDY OF THE UNITED NATIONS INTERGOVERNMENTAL  
STRUCTURE AND FUNCTIONS IN THE ECONOMIC AND SOCIAL SECTORS**

Note by the Executive Secretary





**UNITED NATIONS**  
**ECONOMIC AND SOCIAL COUNCIL**

Distr.  
GENERAL  
E/ESCWA/14/11/Corr.1  
(English only)  
30 March 1987  
ORIGINAL: ENGLISH

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LIBRARY & DOCUMENT SECTION

**IN-DEPTH STUDY OF THE UNITED NATIONS INTERGOVERNMENTAL  
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Corrigendum

Page 2, 3rd paragraph

Delete 1st sentence and insert The complement to this background paper is the document which served as provisional agenda and organization of work for the first meeting of the Special Commission, which was held in New York from 2 to 6 March 1987 (see document E/SCN. 1 of 23 February 1987).

Page 4, footnote 3, first line

For resolution read resolutions



BACKGROUND PAPER

The financial crisis:

Reform and restructuring proposals under consideration

By its decision 1987/112, entitled "In-depth study of the United Nations intergovernmental structure and functions in the economic and social fields" adopted on 6 February 1987, the Economic and Social Council established a Special Commission of the Economic and Social Council on the In-depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields and requested all its subsidiary bodies "to submit to the Special Commission, within thirty days of the conclusion of their forthcoming sessions, their views and proposals on achieving the objectives envisaged in recommendation 8 of the Group of High-level Intergovernmental Experts regarding their functioning and that of their subsidiary machinery (emphasis added)."<sup>1/</sup>

By the same decision, the Economic and Social Council decided

"To request the Special Commission to consider, in the context of the in-depth study, the relevant provisions of recommendation 2 of the Group of High-Level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations".<sup>1/</sup>

Finally, by separate instruction of the Director-General for Development and International Economic Co-operation, the secretariat of the Economic and Social Commission for Western Asia was asked to provide the Office of the Director-General with legislative decisions at the regional level on the implementation of General Assembly resolution 32/197, "Restructuring of the economic and social sectors of the United Nations system", adopted on 20 December 1977.

Thus, the views of the Economic and Social Commission for Western Asia are being sought on:

(a) Recommendation 8<sup>1/</sup> - the role of the intergovernmental machinery and its functioning;

(b) Recommendation 2<sup>1/</sup> - the frequency and duration of meetings of intergovernmental and other bodies;

(c) General Assembly resolution 32/197 - the "restructuring resolution" and the more general topic of centralization vs. decentralization in the economic and social sectors.

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<sup>1/</sup> See Report of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, Official Records of the General Assembly, Forty-first Session, Supplement No. 49 (A/41/49).

The following information is provided to serve as a background for the Commission's deliberations:

(a) Recommendation 8 - The intergovernmental machinery

(b) Recommendation 2 - Frequency of meetings

The General Assembly by its resolution 40/237, "Review of the efficiency of the administrative and financial functioning of the United Nations" adopted on 18 December 1985, established the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations. The report of the Group,<sup>1/</sup> along with the related report of the Fifth Committee,<sup>2/</sup> was considered by the General Assembly at its forty-first session. The Assembly, in its resolution 41/213, "Review of the efficiency of the administrative and financial functioning of the United Nations" adopted on 19 December 1986, decided, inter alia, that "the Economic and Social Council, assisted as and when required by relevant organs and bodies, in particular the Committee for Programme and Co-ordination, should carry out the study called for in recommendation 8."

The annex to this background paper is the document which served as provisional agenda and organization of work for the first meeting of the Special Commission, which was held in New York from 2 to 6 March 1987. The annex provides in addition the texts of recommendations 2 and 8 and specifies the channel through which the views and proposals of the intergovernmental bodies of the Economic and Social Council and its subsidiary organs should be forwarded to the Special Commission for its consideration.

From the annex it will be noted that, as far as recommendation 8 is concerned, what is expected of the Commission is an expression of views and submission of proposals. The views and proposals should cover measures to rationalize and simplify the ESCWA intergovernmental structure, the development of criteria for establishment and duration of subsidiary bodies, the definition in precise terms of areas of responsibility for the various bodies and improvement of the system of reporting from subsidiary to principal organs. The Commission's views would also be solicited on the advisability of setting up a single governing body responsible for the management and control, at the intergovernmental level, of all United Nations operational activities for development.

As regards recommendation 2 of the Group of High-level Experts, the Commission has before it, for consideration, under item 6 (b) (xii) of the provisional agenda of the Technical Committee, Commission resolution 153(XIII), "Amendment of the provisional rules of procedure of the Economic and Social Commission for Western Asia" adopted on 24 April 1986. In the resolution, the Commission raised the question of holding its sessions on a biennial rather than an annual basis. The report of the Executive Secretary

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<sup>2/</sup> See document A/41/795.

with regard to follow-up action on this resolution (E/ESCWA/C.1/14/5/Add.12) contains arguments in favour of such a proposal, to reduce the costs associated with the preparation and the holding of such meetings and to focus them more sharply on the new budget preparation cycle outlined in the annex to General Assembly resolution 41/213.

(c) General Assembly resolution 32/197 - the "restructuring resolution"

Of more direct relevance to the future of the regional commissions and their ability to work appropriately and efficiently have been the issues raised in the past few months in connection with the review of the structures and functioning of the economic and social sectors as such, mandated by recommendations 24 to 29 of the report of the Group of High-level Experts<sup>1/</sup>.

Recommendation 27 of the Group's report<sup>1/</sup>, which deals specifically with the regional commissions, includes the suggestion that issues related to the work of the commissions should be dealt with within the context of the Special Commission to be set up under recommendation 8. However, the United Nations Secretariat has been active in carrying out measures and studies necessary both to meet the immediate financial crisis and to achieve the longer term streamlining and restructuring of the Organization as a whole that would ensure a more effective and cost-efficient delivery of programmes.

As reported at its thirteenth session and in an effort to meet the objectives outlined above, ESCWA completed and submitted for approval to United Nations Headquarters a comprehensive restructuring proposal. The proposal involved grouping together interrelated programmes and activities, and redeploying resources to give greater emphasis to priority programmes, particularly to the ESCWA social development programme. At this time, this proposal has not been acted on by Headquarters pending the overall review of the economic and social sector.

However, it is already apparent that further organizational changes will need to be introduced to attain greater rationalization of the use of resources and to increase the capacity of ESCWA to act as a "centre of excellence" for the region as well as to respond more directly to needs specific to the region. Further, organizational changes will be mandated by the request from Headquarters, pursuant to General Assembly resolution 41/213, for departments and offices to submit a phased plan of a 15 per cent reduction in established posts by end-1989. Finally, such changes will need to be introduced to respond to the request made of regional commissions that they re-examine their internal arrangements to rectify the imbalance that now exists between expenditures on management, administration and other common services and expenditures on substantive programmes.

All these changes will have to take place within the framework of the discussions also taking place on decentralization and delegation of authority.

After a long process of debate and trial, decentralization was formally adopted by the General Assembly in its resolution 32/197 as the optimal organizational method for the United Nations to deliver its economic and

social programmes at the regional level. Along with General Assembly resolution 33/202, "Restructuring of the economic and social sectors of the United Nations system" adopted on 29 January 1979, which accorded the regional commissions executing agency status in their own right, resolution 32/197 provides to this day the policy framework for the mandates and operations of the commissions. However, only limited decentralization has been effected despite repeated appeals by the regional commissions<sup>3/</sup>. There is, in addition, ample evidence to illustrate the continuing validity of the decentralization provisions of resolution 32/197 and the comparative advantage of the regional approach to development-- advantages that deal with proximity, cost-effectiveness and the possession of specialized, regional expertise. ESCWA efforts to respond to the immediate issues and problems of the region are amply illustrated in documents before the Commission and in the modifications introduced in its work programme, to a limited extent already in 1987 and 1988/1989, and in a much broader sense in the 1990-1995 Medium-Term Plan.

As indicated above, the views of legislative bodies are being sought concerning the implementation of resolution 32/197. It is the opinion of the ESCWA secretariat that there should be strong support to continue the mandate of the regional commissions to carry out the tasks assigned to them in resolution 32/197.

The secretariat further believes that support would also be justified for the concomitant to any successful decentralization--appropriate delegation of authority from Headquarters to the regional commissions, under all necessary controls, that would enable them to manage and administer their operations and support activities in the most efficient way.

The financial crisis has brought into sharper focus the fact that for many years an unacceptably high percentage of the Organization's resources has been spent on management and support services. It is the experience of the regional commissions that this is partly due to the fact that decentralization has not resulted in the creation of core bureaucracies in the new offices with concomitant reduction in the central administrative cadres, but instead the creation of parallel bureaucracies, the main function of which is to check and balance each other.

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<sup>3/</sup> See in this respect the following ECWA resolution: 69(VI), "Implementation of General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system" adopted on 1 May 1979; 80(VII), "The restructuring of the economic and social sectors of the United Nations" adopted on 22 April 1980; and 105(VIII), "Defining and strengthening the functions of the Commission within the context of the restructuring of the economic and social sectors of the United Nations system" adopted on 6 May 1981.



It is the judgement of the secretariat that this situation is not the result of too much delegation of authority but, on the contrary, of inadequate or incomplete delegation of such authority and of the non-development of the respective controls and procedures that would ensure its responsible exercise. It is, therefore, also the belief of the secretariat that it is only when, in this era of extended communications, the United Nations begins to operate as a genuine global institution, taking advantage of technologies that allow the efficient functioning of organizations operating globally, that it may hope to streamline its administrative machinery and significantly reduce the cost of its operations without losing control over them.

The Commission may wish to include in its response on the issue of decentralization a statement of support for a genuine delegation of management authority.

