

Secretary General's Town-hall meeting to introduce his Management Reform Initiative

26 July 2017, 9:30am, Room 4
Staff Council Secretary, UNSU

On the podium: Secretary General António Guterres, Chef de Cabinet Maria Luiza Viotti, USG for Field Support Atul Khare (Co-Chair of the International Review Team on Management Reform), USG for Management Jan Beagle (moderating).

Via videoconference: Alicia Bárcena, Executive Secretary ECLAC (Co-Chair IRTMR)

The Secretary General began his presentation on a humorous note, stating that heading reform projects was his least favourite part of the job - he was a lot more comfortable solving problems and helping to minimise suffering around the world. However, he felt we need to improve, for we are under a moral obligation to do as much as we can as best we can. There is a meaningful campaign with important stakeholders involved saying that the UN is not effective, wasting money, not delivering and unable to stop conflicts. We must project the idea that we are taking the criticism seriously and doing what we can to improve. Reform at the present moment is an essential instrument for the protection of the UN in a complex context.

His philosophy is simple: there is currently a horizontal and vertical fragmentation between the pillars of UN work. For instance, in the peace architecture: prevention, conflict resolution, peacekeeping, peacebuilding and long-term development are approached separately. This leads to a lack of continuity in the UN's actions on a single country. Given this need for better horizontal and vertical integration, his reform is conceived as a whole, with different actions in different areas.

The SG described some of the immediate measures he had adopted upon assuming office:

- Terrorism has become a major concern. He launched an immediate small reform to reorganise the UN's counterterrorism structures.
- Immediate initiative on SEA, both in peacekeeping and across the organisation.
- Move towards gender parity: prolongation and new appointments resulting in 50-50 parity in top officials.
- Improvement of whistle-blower protection, including discussion with staff bodies.

Beyond those immediate measures the three main strands of reform are the Development system, Management reform and the Peace and Security Architecture, led by different internal review teams working together.

His reform of the Development system intended to achieve greater coordination and accountability in how agencies are working on the ground. He had submitted a first report to ECOSOC with a roadmap for consultation with Members States and also with staff. He would do

"whatever is necessary" with staff in terms of consultation. Development system reform, however, was unlikely to have a dramatic impact on the Secretariat.

On the Peace and Security Architecture, all the relevant operation dimension had been incorporated into the Management reform. Other aspects are still under discussion and a consultation process with MSs and Staff would follow in August.

He then moved on to introduce the bulk of his Management reform which, he stressed, was not inspired by the outside (i.e. he hadn't brought in consultants!) He had established an internal review team headed by Atul Khare and Alicia Bárcena, with guidance from his Chef de Cabinet. He also stressed that Management reform is not about cost reduction or post cuts. (Not to be confused with the efforts under way to reduce costs in Peacekeeping, as imposed by Member States through the budget.) On the contrary, the idea is to organise ourselves better in order to better deliver on our mandates.

His central idea is that we are a field-based organisation. That's where we do what we do, and where 2/3 of our staff work. Our Management system, however, is completely centralised.

An analysis of shortcomings had revealed six areas of concern that required changes to the organisation's processes, policies and structures:

- slow unresponsive service delivery
- fragmentation in management structures
- weak performance management culture
- trust deficit with member states and staff
- inadequate resourcing and ineffective implementation of mandates
- lack of transparency and accountability

His reform is based on the concept of two contracts:

1.) A contract between the SG, department managers and structures in the field. He envisions a "massive" delegation of authority to the field, with a condition of transparency and accountability. This transfer will require preliminary testing and capacity building. He aims for an effective decentralisation of the SG's responsibilities in order to take resource management decisions much more quickly.

2.) A contract with Members States, who over the years have developed a system of micromanagement through the GA and 5th Committee. He currently can't move a post between duty stations or between services without going through the ACABQ and C5. He will be asking them for more freedom with some rules (e.g. no transfer of resources between pillars, concerns of regional diversity, plus transparency and accountability mechanisms).

He wishes to attain:

- more freedom of movement
- more decentralisation
- more nimbleness and effectiveness
- all the above with transparency and accountability

All this requires changes to the central Management structure, in order to overcome the current overlaps between DM and DFS. He will propose to MSs a structure with 2 departments:

- one charged with policy, compliance, governance and oversight (defines the rules, globally manages the budget, with delegation of authority dimension, ensures oversight)
- another charged with operational support services, not only for Peace Operations, but for all areas (ensures efficient implementation, without having to refer back to HQ)

He has begun a process of consultations with Staff Unions, with staff through town-hall meetings, and with MSs, including a retreat this week. He will submit to the GA an initial strategic document (a proof of concept) to be approved in 2017. Later a detailed costed breakdown will be submitted for the GA to approve each aspect of the reform package. Delegation in authority can be done in parallel with no need for GA approval. He hopes to have the whole new system in place by 1 Jan 2019. Cost saving is not a priority, but resources will be reshuffled. Many positions will be realigned. Training and preparations will therefore be required for SMs to see the changes as an opportunity and not as a penalty.

Examples of things that will be important in the consultation roadmap:

- improvements to the staff selection system (it currently takes 239 days to recruit someone)
- reversing the progressive reduction of incentives for hardship locations
- career prospects for locally recruited staff - barriers that block national Gs from moving to P or I staff
- Mobility: there was a huge mobilisation of resources with a small number of staff actually moving. Staff unions have called for a pause to see how we can refine the system
- streamlining emergency deployments
- rosters - are they reliable and effective?
- contractual arrangements: are they too rigid or do we need greater stability?
- performance management (and performance of managers!) - he is in favour of a 360 approach
- GSDM - he will be following SMC consultations closely

A number of reform areas will affect staff directly, so we need a consultation roadmap in order to find the best possible solutions. Consultations will go on over 2017/18 for the system to be fully operational by 1 Jan 2019.

Questions and Comments:

Manuel Guerrero Pérez (ESCAP Staff Council): Local staff in Bangkok is demoralised by pay cuts, pay freezes and an unfair dual salary scale imposed by the ICSC. He called on the SG to take measures to reverse this situation. What reform opportunities are available to ensure transparency, integrity and accountability in the way salaries and conditions of service are set?

James Ohayo (President, Nairobi Staff Union): Celebrated the SG's pledge to increase the number of women in key positions. Praised the SG's openness to engage with staff, since their active buy-in is critical to achieve reforms. Raised the need to facilitate the transition of GS and NPO staff to IP posts. Concerns about significant cuts recommended by the ICSC. Management and staff must stand together to push back against anachronistic ICSC salary review methodologies.

Stephen Towler (President, FSU): Will budget cuts affect the safety of staff in the field? Many staff members are operating in what could be aptly described as peace-making missions or even war zones. Called on the SG to support the Field Group in ensuring that the definitions of Hardship / Family Duty Stations adequately reflect issues such as suitable housing, hospitals, schools, high levels of crime, isolation, etc. Alternatively, suitable methods must be found for staff members to deploy without their family under a different compensation package. Called for as much reassignment between missions as possible in these times of downsizing, as well as reinstating agreed termination for those who have to leave.

SG's replies:

- The issue of salary scales is real and problematic (cf. situation in Geneva). However: "we have no authority", since the ICSC takes decisions on behalf of Member States. A committee of experts had analysed the decisions and called for a suspension of the ICSC's methodology. We have a problem that requires interaction with Member States and faster responses.
- We need to facilitate mechanisms from G to NP transitions. Reliance on NPs is growing. G to IP should also be facilitated - he would exert pressure on the GA to this end.
- On security, he admitted missions are operating in places where there is no peace to keep. He has told the Security Council that in some situations it is better to have a partnership with local actors (e.g. AU and Sahel G5) for them to make peace, with support from assessed contributions, and have the UN take care of peacekeeping proper. However, it was undeniable that a cost reduction in PKOs was required, due to 5th Committee cuts.
- On Hardship and Family DS he would attempt to reopen the dossier, but it will ultimately depend on the ICSC and past experience is not encouraging.

Bibi Sherifa Khan (President, UNSU NY):

Fully supported a reorganisation of the UN system to meet the SDGs and accepted that a reform of the Development pillar and Security architecture were necessary. However, she had concerns regarding the Management reform. Our governance structures must be functional; many of our internal committees and boards are defunct or non-functional. There is a trust deficit between staff and management - more transparency and accountability are required. We are looking at an essential change to the character of the international civil service. Our system of recruitment

and promotion lacks transparency and is unfair. The same applies to the manner in which GSDM is being implemented, particularly in relation to DFS taking over operational aspects of management. DFS relies heavily on contractors, and many services contracts are managed fully by UNOPS. We have serious concerns about implications for UN Secretariat staff. Are we moving towards an outsourcing of most of our jobs?

Many staff members are eager to transfer to the field, but Mobility doesn't work due to DFS's insularity. There is no facilitation for transfers from Secretariat locations to the field.

We need a reform of our internal justice system to make it transparent and accountable to staff. Complaints are filed by staff members against the SG; so OLA's focus is to defend the SG. We need a reform of the internal justice system so that OLA works to support plaintiffs and the SG in their complaints against those responsible.

GS staff's salaries in NY have been frozen for 5 years. They need some relief.

The Pension Fund has lost money under current management, with no accountability. Please ensure that our retirement is protected in its current form.

Young UN Group (online question): Asked the SG for 5 words he would use to describe the UN today and 5 words he would like to use at the end of his term.

Carlos Haddad (Director of Administration ECA): ICSC's new compensation package will exclude boarding schools at post-secondary level. This is problematic for parents in certain duty stations.

SG's replies:

- Acknowledged a problem of trust, which requires transparency, accountability, participation and dialogue. We should work towards that.
- The reform is not about DFS and DM alone. The two departments will be very different from what they are now. Facilitating transfers to the field will be a priority. The objective is not to reduce posts or outsource jobs, but to do things in the most effective way. That's where dialogue between management and staff needs to be permanent.
- Salaries are determined through a dialogue within the ICSC.
- On the Pension Fund: he has advertised the post of SG's representative on the Board. He was also assured that the assets fully cover liabilities.
- 5 words: nimble, effective, transparent, accountable, decentralised (not that we aren't all of those things already, just not enough!).
- On education, will ask DM to suggest measures for a more structured dialogue with the ICSC.

Fraser Macilwraith (President UNCTSU, from ICTY): Welcomed initiatives adopted so far. Concerns about the way the Pension Fund is being run and its ability to serve its clients. Its annual meeting has just begun in Vienna, where the Fund will take important decisions. The Board

CEO deemed that 2 of 6 elected Staff Representatives could participate because they were Fund staff members. DM had mediated but the Fund CEO rejected their suggested solution. The Board CEO is disenfranchising 86.000 staff members.

Ian Richards (President CCISUA, from Vienna):

- Consolidating administrative jobs under one group could imply offshoring. More details are required.
- Greater delegation of authority can be good - but there is a limit (to avoid nepotism and fraud, and in order to ensure gender and geographic balance in hiring)
- The Management reform will be overshadowed by the festering issue of pay cuts. A Committee of Experts had found mistakes in the ICSC's calculations, but ICSC has refused to go back on their decision. An investigation is required
- The pension fund is dysfunctional and not paying recipients on time.
- Umoja keeps breaking down on a daily basis.
- Thank you for the pause on Mobility. It is clunking, slow and expensive.

Mahamat Saleh Annadif (Deputy Special Representative MINUSMA): MINUSMA is operating in an environment of asymmetric warfare, with a great concern about the safety and security of staff, both military and civilian. Internal mobility for civilian staff within the mission is essential. Local staff are qualified and could make a greater contribution to the mission. Concerns over certain contingents' lack of compliance with MoUs. HQ must ensure compliance, for the life of deployed contingents depends upon it. Some contingents are more concerned with complying with their national legislation than with abiding by UN standards. Lack of access to equipment and support due to administrative constraints. Need to support women in uniform. Only 2% of staff in uniform are women. TCC/PCCs should be encouraged to include more women in their contingents.

SG's replies:

- Pension Fund - will consult with DM to see if he has the authority to intervene. He is concerned about the proper management of assets and speed of disbursements.
- Umoja is here to stay. Let's do our best to make it work effectively.
- He will call for a pause in Mobility but not to undermine it, only to make it work more effectively.
- Expressed condolences for the recent loss of lives in Mali. Pressed the SC to support a Sahel G5 counterterrorism operation. Regretted the Council had not invoked Chapter VII. Clear example of a situation that requires the involvement of other actors to ensure an adequate response in a complex environment.
- Nimbleness and removing administrative obstacles is the central aim of reform.
- A closer dialogue with some TCCs is certainly required, but all country's contributions are praiseworthy.
- Concern with smoothing barriers between local and national staff.

Georges Younes (President, Staff Council ESCWA): Suggested an immediate review of the timeline of GSDM working group and management team, since their proposals to the GA could come as soon as mid-August and not be in line with the SC's reform proposals. Also suggested that the next town hall meeting take live questions from the audience.

Irka Kuleshnyk (President, Staff Council UNOV, UNODC). Welcomed initiatives already taken. Staff had been assured that introduction of the unified salary scale would not leave anybody worse off. That was clearly not the case. A number of other changes have been implemented in recent years. Will anything be done to offset the negative effects of these changes? How can we trust that further reforms, including GSDM, will have a positive impact on the organisation and its staff?

Jeremiah Kingsley Mamabolo (Joint Special Representative UNAMID from El Fasher): In view of drawdowns, please give consideration to national staff's concerns.

SG's replies:

- GSDM must be in line with new reforms - there should not be interference.
- PKOs face serious situations of reduction. He agrees fully that as many people as possible should be reassigned. Asked for all necessary measures to be taken. Mission experience should be able to contribute to other situations. Same applies for national staff.
- There are budgetary implications for agreed terminations, but it is an instrument that is required whenever there is a mission termination.
- He cannot turn down the legacy of what he has received, nor change what was done in the past. Let's take advantage of the positive and minimise the negative impact of reforms that were perhaps not as well prepared as they should have been.

Ricardo Jordán (President, Staff Council ECLAC): Thanked SG for engagement with staff. Welcomed that Development reform will empower regional commissions. However, it seems GSDM implementation is adopting the opposite approach: a centralised view of the UN that will have a big impact on staff. Proposed aligning the reforms with GSDM as a starting point, dismantling the idea of "monster hubs" for the UN.

(Deputy Chief of Mission, Colombia): Question about mission startup. The SPM in Colombia started with an expectation of a short lifetime, with concurrent activities covered with inadequate support structures and human resources. How can reform make it possible for the organisation to be more agile in its operations on the ground?

Floor: We've been talking about accountability and lack of trust for decades. There's a disparity between what is said at meeting and what is done. Change is often entrusted to the people most interested in preserving the status quo. Call for an open conversation on the issue of race at the UN. There is no accountability without personal responsibility. When a manager makes a poor decision, they must be the respondent in the judicial system. The UN operates in a judicial wild

west. If we cannot get our own judicial system to work, then staff members should be allowed recourse to national courts. Racism, discrimination and abuse of authority are not protected activities under the UN privileges and immunities.

SG's replies:

- Delegation of authority should allow for decentralisation of decision making. That doesn't mean that repetitive back office tasks cannot be centralised.
- Defended move of UNHCR back office from Geneva to Budapest, as a necessary move that allowed for a gain in efficiency. It was done taking care of all staff members affected.
- Delegation of authority is currently done on a case by case basis. The aim is to apply it across the board, so it does not need to be requested at every instance.
- Race, discrimination and accountability: is working to improve the whistle-blower protection system to make it state-of-the-art.
- Making huge efforts in terms of regional diversity.
- We need to improve the legal system. It was not his priority in view of the recent reform, but he will look into it again. Recourse to national courts is not a solution, but rather to improve our own system.
- Asked staff associations to be seized of any issue of racial discrimination and to bring them to him directly.