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Permanent Mission of
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Mission permanente du
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Allan Rock
Ambassador and Permanent Representative

11 January 2006

Dear Colleague,

Please find attached, for your information, a progress report by the Co-Chairs on Secretariat and Management Reform dated 11 January 2006 in implementation of the provisions of paragraphs 161 to 167 of General Assembly resolution 60/1 of 16 September 2005 on the 2005 World Summit Outcome.

The next informal meeting of the Plenary on Secretariat and Management Reform will be held on Wednesday, 25 January 2006, at 10 a.m. in Conference Room 3, to hear progress in the preparation of the report of the Secretary-General on the review of mandates older than five years originating from resolutions of the General Assembly and other organs, pursuant to our meeting of 15 December 2005.

A further meeting will be held on Monday, 30 January 2006, at 10 a.m. in Conference Room 3, to receive a briefing from the Deputy Secretary-General on progress made in the preparation of the report of Secretary-General pertaining to paragraph 163 (a) of resolution 60/1.

We look forward to seeing you at the next meeting.

Yours sincerely,

Munir Akram

Allan Rock

11 January 2006

**Progress report by the Co-Chairs
on Secretariat and Management Reform**

1. In his letter dated 11 November 2005 addressed to all Permanent Representatives, the President of the General Assembly, His Excellency, Mr. Jan Eliasson, invited H.E. Mr. Munir Akram of Pakistan and H.E. Mr. Allan Rock of Canada, to facilitate the necessary consultations in order to follow up and implement paragraphs 161 to 167 of the 2005 World Summit Outcome.
2. Accordingly in a letter dated 1 December 2005 addressed to all Permanent Representatives (attached herewith), the Co-Chairs suggested consideration of short-term (Group A) issues and longer-term (Group B) issues.
3. At the first informal meeting, held on 6 December 2005, the Co-Chairs outlined the guiding principles of the informal process. Namely,
 - That management reform is not the agenda of any single Government or group of Governments. All Member States have a stake in its success;
 - That the process must be owned and driven by Member States. The UN Secretariat will support the process with information, briefings, and documentation as required, but all political and policy decisions relating to management reform will be taken by Member States;
 - That management reform is not a cost-cutting exercise, but rather a review that takes into account the political and intergovernmental nature of the United Nations, its purpose and proceedings. Above all, that the United Nations is not a commercial corporation.
 - That throughout the process, the role and responsibilities of the Advisory Committee on Administrative and Budgetary Questions, and that of the Fifth Committee, will be fully respected.
4. The Co-chairs noted the **work already in progress** by the Secretariat on five main thematic fronts: Ensuring Ethical Conduct; Strengthening Oversight and Accountability; Updating the Organization; Improving Senior Management Performance, and; Increasing Transparency.

Ensuring Ethical Conduct

5. In this connection, it was pointed out that the Secretary-General had prepared a report (A/60/568) concerning the establishment of an Ethics Office for consideration by the General Assembly. (This report was subsequently transmitted to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee for consideration and action.). Related thereto, the Secretariat had undertaken the preparation of:

- An official Whistleblower Protection Policy;
- A new Financial Disclosure Policy and Conflict of Interest Rules;
- Consolidation of United Nations rules relating to the prevention of fraud and corruption into comprehensive policy;
- Enhanced ethics training for United Nations staff;
- A broader policy on harassment, sexual harassment and abuse of authority;
- A series of measures to enforce the zero-tolerance policy for sexual exploitation and abuse in all field operations and United Nations offices around the world.

Strengthening Oversight and Accountability

6. Related thereto, the Secretary-General has:

- Established a Committee for implementation of oversight recommendations with a mandate to ensure that appropriate management action was being taken to implement the recommendations of the Office of Internal Oversight Services.
- Requested additional funding in his revised estimates for 2006-2007 (document A/60/537) to enhance the capacity of OIOS in audit and investigation;
- Prepared terms of reference for an independent external evaluation of the Organization's oversight system, as requested by the 2005 World Summit Outcome, which was submitted to the Fifth Committee for consideration.
- Developed and submitted to Member States a proposal for the creation of an Independent Audit Advisory Committee, consequent to the 2005 World Summit Outcome.

Updating the Organization

7. Related thereto, the Secretary-General has:

- Established a working group under the chair of the Deputy Secretary-General to develop proposals on budgetary, financial and human resources policies, rules and regulations and measures to enable the Secretary-General to carry out his managerial responsibilities effectively, as requested in the Summit

Outcome Document, for submission to the General Assembly during the first quarter of 2006.

- Provided briefings to the informal consultations on the mandate review called for in the 2005 World Summit Outcome and will prepare a report to Member States to facilitate the review in the first quarter of 2006.
- Collected and is assessing options for the proposed one-time buy out of staff, with a view to submitting a proposal to the General Assembly in the first quarter of 2006.

Improving Senior Management Performance

8. In this connection, the Secretariat has:

- Established a Management Performance Board;
- Established two new senior-level committees chaired by the Secretary-General, one dealing with policy issues and the other on management, to improve the speed and quality of top-level decision-making;
- Established a new transparent selection system for senior officials, as well as new criteria for the selection of senior level field managers in the Department of Peacekeeping Operations;
- Set up mandatory management training and induction for all senior United Nations managers.

Increasing transparency

9. In this connection, the Secretariat has:

- Developed a draft access-to-information policy;
- Initiated both external and internal reviews of the United Nations procurement system;
- Established guidelines regarding pro-bono goods and services offered to the United Nations.

Informal plenary consultations

10. The Co-Chairs convened five informal plenary consultations, on 6, 9, 14, 15 and 20 December 2005. Issues were divided into Group “A” (issues for immediate consideration/action) and Group “B” (issues requiring additional follow up in 2006).

Group “A” issues

11. It was pointed out that the Group A issues, included the request by the General Assembly to the Secretary-General to:

- Submit details on the establishment of an Ethics Office with independent status;

- Submit an independent external evaluation of the auditing and oversight system of the United Nations, including specialized agencies, and;
- Submit detailed proposals on the creation of an independent oversight advisory committee, including its mandate, composition, selection process and qualifications for experts.

12. The report of the Secretary-General on the Group “A” issues (A/60/568) was considered by the Informal Plenary on 6 and 9 December 2005. On 9 December, the Informal Plenary, through a letter from the President to the Chairman of the Fifth Committee (A/C.5/60/19 – attached herewith), requested that these issues be considered by the Fifth Committee and the ACABQ and that a report thereon be submitted to the Informal Plenary on 19 December.

13. On 19 December, the Chairman of the Fifth Committee, in a letter addressed to the President of the General Assembly (A/60/611 - attached herewith), submitted a progress report on the negotiations held by the Fifth Committee on the report of the Secretary-General (A/60/568) and on the related report of ACABQ (A/60/7/Add.23 – attached herewith).

14. On 23 December 2005, the General Assembly, in section XIII of its resolution 60/248, on “Special subjects relating to the proposed programme budget for the biennium 2006-2007” adopted the following resolution in respect of Group A issues:

“The General Assembly,

“Having considered the report of the Secretary-General (A/60/568 and Corr.1 and 2) on the ethics office; comprehensive review of the governance arrangements, including an independent external evaluation of the auditing and oversight systems; and the independent audit advisory committee, and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/60/7/Add.23),

1. *Takes note* of the reports of the Secretary-General (A/60/568 and Corr.1) and the Advisory Committee on Administrative and Budgetary Questions (A/60/7/Add.23);
2. *Recalls* resolution 60/246 of 23 December 2005,
3. *Notes* that the approved resources would provide for the establishment of an ethics office and the undertaking of the evaluation study called for pursuant to paragraph 164 of resolution 60/1;
4. *Decides* to establish an independent audit advisory committee to assist the General Assembly in discharging its oversight responsibilities, and requests the Secretary-General to propose its terms of reference, ensure coherence

with the outcome of the ongoing review of oversight and report to the second resumed sixtieth session on related resource requirements;”

Group “B” issues

15. Group “B” issues include questions of reform of UN rules and regulations, as well as mandate review, which will require further substantive discussions among Member States in following the preparation and circulation of information by the in February 2006.

16. The Informal Plenary held meetings on the Group B issues on 14 and 15 December 2005. At the request of Member States, the Co-Chairs, transmitted, by facsimile, on 19 December, a copy of the speaking points of Mr. Robert Orr, Assistant Secretary-General for Policy Planning (copy attached).

17. On 14 December, discussions focused on the mandate review. These discussions showed that there was consensus on (i) implementing the decision in paragraph 163 (b) of the Summit Outcome; (ii) that the review should be undertaken by Member States, with the Secretariat facilitating the process; (iii) that the purpose of the exercise was not cost-cutting but to improve the efficiency and effectiveness of the Organization; and (iv) that the scope of the exercise should cover not only the mandates of the General Assembly but also those of all principal organs, with each organ conducting the review of its respective mandates.

18. The meeting also made clear that Member States wanted the Secretariat to provide a listing of: (i) all mandates older than five years not reaffirmed since 2000; (ii) mandates older than five years which have since been reaffirmed; (iii) subsequent mandates (i.e., mandates adopted after 2000) which duplicate five year-old mandates; (iv) identification of which intergovernmental body is responsible for overseeing each mandate; (v) identification of which part of the United Nations system provides support or is responsible for implementation; (vi) where possible, what the output of each mandate has been; and (vii) where possible, indication of resource allocations to the mandates;

19. Discussion on overall management reform was held on 15 December. In the meeting, the Deputy Secretary-General, Ms. Louise Frechette, informed Member States of the reform measures already undertaken or being undertaken by the Secretary-General. Initial thoughts on some additional management proposals being considered by the Secretariat for inclusion in the Secretary-General’s report were also outlined.

20. On overall management reform, including review of budgetary and personnel policies, the Secretariat has been asked to provide reports, as early as possible while taking into account the existing reform process on these issues.

Way forward

21. The informal Plenary meeting, on 20 December, reviewed progress made in the follow-up and implementation of the decisions contained in the World Summit Outcome.
22. The Co-Chairs envisage the following work plan for Management Reform:
- Reconvene in January and February 2006 to receive interim updates from the Secretariat on the preparation of reports on mandate review and overall management reform, including review of budgetary and personnel policies, and exchange of views with senior officials of the Secretariat;
 - Expect reports on Group “B” issues by the Secretariat to be submitted in February/March;
 - Schedule further informal consultations on these reports, sub-dividing the subjects, as necessary;
 - Conclude work by mid-June 2006.
23. The Co-Chairs request the Member States to take note of the present report on the follow-up and implementation of the decisions contained in the 2005 World Summit Outcome on Secretariat and Management Reform.
24. The Co-Chairs also request the Member States to take note of the proposed work plan of the plenary for 2006.