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UN Reforms—A Major Step Forward January 1, but Some Challenges Still to Overcome

UN Secretary-General António Guterres was appointed in 2016 on an explicit reform platform. In 2017, we published [commentaries on his reform proposals](#). Now that those reforms that have been approved are moving into implementation, we publish this simple guide to what has been achieved and the potential potholes still ahead.

The secretary-general's much-anticipated reforms are finally underway. The United Nations (UN) has been putting effort into preparing for implementation, with more than 1,900 staff mapped to new positions, 1,400 staff trained, and a major retreat with resident coordinators in November to prepare for the change.

Five steps forward

The reforms promise to achieve the following five major steps towards a UN fit for purpose for the global challenges it faces.

Delegation of decisions to the field

From January 1, heads of entity (this means special representatives in charge of peace operations, resident coordinators, and heads of individual offices supported by the UN Secretariat budget) will receive one single delegation covering finance, procurement, and human resources (HR). This is probably the most important reform for staff in the field. Not all fiduciary functions will be delegated—complex procurement such as medicines, air transport, and fuel will remain centralized—but the majority will be. The difference, potentially, for the UN's operations is enormous. As we noted in our earlier commentaries, the UN's financial and fiduciary systems stem from the World War II era, when all it procured was conference translators and office supplies. Heads of mission were responsible for achieving outcomes, but were never delegated the authority to approve decentralized processes for procurement and financial management. This was supremely inappropriate for field operations, often in emergency situations, that require a fast response informed by realities and trade-offs on the ground. The new unified delegation is an important enabler of decentralization and speed of UN response, and should be ultimately less costly to manage.

The new system is far from resolving all of these problems, but it is an improvement

Continuity of strategy in political and peacekeeping missions

The formation of the new Departments of Political and Peacebuilding Affairs (DPPA) and Peace Operations (DPO) has the potential to solve the UN's longstanding problem of absence of communication between these departments in transition settings. The new structure, with single assistant secretaries-general (ASGs) responsible for countries no matter whether they have political or peacekeeping missions, should be a major step in improving the continuity of analysis, strategy, and dialogue with counterparts and partners.

Increasing the credibility of UN representation in the field

From January 1, the UN's resident coordinators (the most senior officials in the field everywhere except countries with peace operations) will report directly to the deputy secretary-general and, through her, to the secretary-general. This ends the long period where resident coordinators faced a perceived conflict of interest in their dual role heading UNDP, despite the "firewall" put in place—their need to fundraise for UNDP was viewed by many as a block to representing the whole of the system in a credible, neutral fashion. This change also has the potential to improve the resident coordinator's authority over other UN entities, although that shift could go both ways: "delinking" the resident coordinator from UNDP's program resources may improve the independence of the function, but it can also decrease its clout, unless donors move their financing to incentivize other entities to work together under one direction in the field.

Separation of operational management from policy and oversight

The previous system was characterized by both overlapping oversight functions and lack of accountability. In the past, the action of rehabilitating and staffing a small building used by a peace operation was either subject to overlapping clearances in HQ, or at best the subject of at least three different, and difficult to obtain delegation instruments (one for HR, one for procurement, and one for financial issues). In some cases, the same entity could be responsible for executing and approving a transaction, which goes against all good management practice. The new reform should improve accountability through the establishment of a dedicated policy and oversight function separate from operational transactions and support.

A start to implementing a more modernized budget

The UN's current budget process is drawn from the so-called "Napoleonic system" (the term, literally, is because the system was set in place under Napoleon in France). It relies not on estimating expenditure needs to achieve given results, but on specifying numbers of personnel and deriving approved budgets from the approval of each individual staff post. This means that the secretary-general cannot approve a single Secretariat post without explicit General Assembly approval. The new system is far from resolving all of these problems, but it is an improvement. A more modern performance framework will

create elements of the good practice in performance budgeting that is now commonplace in governments worldwide. From the beginning of 2020, the budget will be annual within a three-year framework.

How does the reform stack up in resolving problems on the ground?

These are the main messages on what the reform does. How does it stack up in answering specific problems raised by the UN’s member states and staff who work at the coalface of delivery, often in emergency situations and under very difficult conditions? In December 2017, CIC worked with a group of host nations of peace operations to identify [what reforms they thought were most important to deliver on the ground](#). Here is our assessment of how the reforms will resolve these problems in future:

Problem	Resolved/ not resolved	Comments
Transitions		
The transfer from a special political mission to a peacekeeping operation in Timor-Leste in late 1999–early 2000 was hampered by lack of communication between the Department of Political Affairs and Department of Peacekeeping Operations. The UNTAET deployment did not make the best use of the knowledge gained under UNAMET of Timor’s particular conditions: UNAMET staff were little involved in UNTAET planning, and UNTAET did not participate in a joint assessment mission with Timorese counterparts and donors, which UNAMET had helped establish. The relationships that UNAMET had developed with the Timorese counterparts were not continued in a smooth way during the transition to UNTAET.	Likely to be resolved	As noted above, mission transitions should be much smoother under the new structure because single ASGs are responsible for both special political and peacekeeping missions.
In Liberia, the government reported a lack of ability of the peace operations to link peace and security with external shocks (Ebola/commodity prices and aid patterns). Despite good forward planning by the mission, the host nation reported a lack of continuity in peacebuilding initiatives started by the peacekeeping contingents in Sierra Leone.	Unclear	The Peacebuilding Support Office is moved into the new DPPA under the reforms. Whether this results in more or less ability to work across the UN system and with partners to ensure linkage with developmental and peacebuilding initiatives remains uncertain.
Lack of adequate engagement and support from the UN’s counterterrorism entities, in particular in field coordination in Afghanistan.	Likely to be resolved	The inclusion of the USG for counterterrorism in the Standing Principals Group should assist in this.

Problem	Resolved/ not resolved	Comments
Delegation		
The inability of the Special Representative of the Secretary-General (SRSG) in Timor-Leste to retain high-performing staff who were assisting the local authorities.	Likely to be resolved	The hiring problems should be resolved, with clear delegation to SRSGs to manage the process and make decisions, within the rules. SRSGs should also be able to place on administrative leave with pay staff who have abrogated their functions, for example through sexual harassment.
The inability of the SRSG in Timor-Leste to provide for the basic needs (e.g. mattresses) of Timorese resistance fighters in the cantonment area.	Unlikely at present to be resolved	The problem of using small budgetary allocations for emergency needs critical to peace and security on the ground may not be resolved: the secretary-general has not been accorded by the Fifth Committee the authority to make this kind of small change to adapt to conditions on the ground.
The inability of the SRSG in Liberia to assist the government in transporting payments to civil servants in outlying areas. The inability of the SRSG in Guinea-Bissau to provide for the transport of delegations from Sierra Leone and Liberia to assist in mediation processes.	Likely to be resolved	This should be resolved, with SRSGs having the ultimate sign off, within the rules, on the use of UN assets such as transport.
The inability of the mission in Guinea-Bissau to use locally warehoused street lighting poles belonging to the mission for the benefit of safety in the capital city.	Likely to be resolved	There is significant decision delegation envisaged over this type of question.

Other issues

Host nations also raised issues around the processes for recruitment of SRSGs, the need for a clear two-step mandating process in the Security Council, and the need for strong cross-pillar links. These are not clearly addressed in the reforms, and some of them (Security Council mandates) are clearly beyond the scope of the secretary-general's authority but rest with member states to pursue.

Conclusion—a glass half full, but challenges ahead

In conclusion, the reforms that will roll out in 2019 are significant, and it is a major achievement to have got them agreed in a highly divisive international environment. However, there are some challenges left unaddressed and some implementation hurdles still to clear.

Financing

The compromise over financing the resident coordinator system is not ideal: part comes from a levy on earmarked single agency contributions, part from a doubling of agency contributions, and part from a voluntary trust fund. Current financing is likely to enable the launch of the reforms, but unlikely to be sustainable over time: it will have to be revisited in the next two to three years.

Change management/culture change

Many of the changes—for example the delegation of authority and the resident coordinator change—rely on a cultural change as well as a change in the bureaucratic rules. UN senior staff will need to be more willing to work together, and HQ staff will need to be more willing to view their role as supporting and advising the field rather than as “saying no.” A continued clear change management program will be crucial to deliver benefits of the reforms.

Alignment with financial incentives and governance structures

The UN development system reform, in particular, will only work if voluntary funding, which is by far the majority of funding into the development system, changes modalities to incentivize work across the system and the empowered resident coordinator role. The Funding Compact, which is not yet at a stage where it has clear buy-in from a broad range of actual and potential financing countries, is critical to achieving this. In addition, the UN agencies, funds, and programs are still governed by different boards: ensuring that decisions in each board support the central decisions will be crucial, but taxing for both system and member state coordination.

Showing the cost savings

There should be significant savings that result in increased effectiveness: for instance, the commitment to make 50 percent of the current 2,900 field offices joint offices should result in a cut of approximately 1,000 separate office facilities. Concentrating the location of independent services such as payroll payments, payments and HR could lead to savings estimated at USD\$20-25 million a year once the Global Centers are fully up and running (in 2020, if the proposal, to be presented in March 2019, is approved in a timely fashion). Providing the evidence for increased efficiencies will be an important part of getting continued support for reforms. It is, however, difficult to estimate all savings at a global level now (see Box). Firstly, capturing benefits from common premises and back offices will require investments and significant

Cost savings will happen but are difficult to estimate globally in advance—an illustrative example

To create a hypothetical case: the commitment to common premises case could result in lower rent for three UN agencies in a given country (say UNICEF, UNDP, and UNFPA), while it means increased rent for WHO—because WHO in that particular country had free premises in the Ministry of Health. Within UNDP, the rent is actually paid by seven programs. In this case, the rent savings fall onto UNDP's seven program budgets, and in the case of WHO, the cash saving is actually a government saving as they can use the premises they gave to WHO for free—while, for the WHO, it will result in a cost increase. Variations of this example will play out in many countries.

The practicality of realizing savings will require that each agency adjust budgets and costs—which is why the secretary-general's reform is systemwide in its focus, and partnership with member states sitting in the various agency boards is crucial to realize savings wherever they fall.

reorganization, which means timelines all the way to 2022. Secondly, the cost savings of common premises will fall to UN agencies, their individual programs, UN missions, or governments depending on the situation in each country. The UN is setting up a benefits management database to show savings and effectiveness gains.

The budget

The budget reforms are an improvement on the existing system, but they do not move to full good practice in performance budgeting, including both the right accountability measures and the right degree of flexibility for the secretary-general to manage resources to achieve outcomes. This may need to wait for a future reform process, but it is likely to remain a constraint on the UN Secretariat's performance.

Cross-pillar work

The reform tracks have been taken forward separately and are partial in their coverage: for example, specific mechanisms to strengthen the human rights pillar are not included, despite concern for shrinking human rights space globally. In addition, while there is strong rhetorical commitment to cross-pillar work, it is less clear how the reforms will practically strengthen this. This is a unique comparative advantage of the UN: amongst all multilateral organizations, it has the widest range of instruments in the humanitarian, economic and social development, human rights, and peace and security realms. Ensuring that the UN can realize this advantage in structures that remain quite stovepiped will need strong leadership from the top, and incentives to encourage collaboration at the bottom.

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