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Review of the efficiency of the administrative and financial functioning of the United Nations

Progress and impact assessment of management improvement measures

Report of the Secretary-General

Summary

The present report has been prepared in compliance with General Assembly resolution 54/236 of 23 December 1999, in which the Assembly endorsed the recommendation of the Committee for Programme and Coordination that a progress report on the review of the efficiency of the administrative and financial functioning of the United Nations be submitted biennially to the Assembly. The report provides a systematic account of progress and impact achieved by management improvement measures and the obstacles encountered in that effort.

The report reviews management improvement measures across the United Nations global Secretariat. The analysis draws on the second round of quantitative data from the Organization's online tool for tracking management reforms, the Progress and Impact Reporting System. In accordance with the requests of the Committee for Programme and Coordination[a] regarding the last report of the Secretary-General (A/58/70), the present report incorporates enhanced methods further advancing the quantitative assessment of impact.

[a] See *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 16* (A/58/16).

* A/60/50 and Corr.1.

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I. Introduction

A. Evolution of progress and impact reporting

1. The present report assesses the progress and impact of management improvement measures within administrative and financial management and augments the quantitative focus that began with its predecessor, A/58/70. Its expanded coverage and enhanced methodology respond to the debate on A/58/70, but retain the merits of that report's approach, which was based on facts, was organized by reform and impact themes to show the composition of the Secretariat-wide effort and was designed to provide semi-quantitative analysis of rates of progress and types of obstacles encountered in the implementation of the improvement measures.

2. A/58/70 itself was considered an advance, and the Committee for Programme and Coordination took note of it with appreciation;[1] however, in the discussions of the Committee, as documented in its report,[2] further enhancement and expansion of the reporting were called for. The Committee's requests for enhancement focused on reporting on impact in more quantitative, including monetized, terms. The data-collection process underlying A/58/70 had addressed impact by asking the reporting offices to categorize measures as having their principal impact on efficiency, capacity-building, knowledge enhancement or culture change. The Committee accepted this analysis as meaningful; accordingly, such qualitative data will continue to be captured and discussed in the present report to show strategic patterns in reform activity, but the Committee indicated a desire for quantitative measures that can be aggregated to allow more objective assessment.

3. An expansion of the reporting was also requested, so as to incorporate actions from the Secretary-General's 2002 reform agenda (see A/57/387 and Corr.1) in the sphere of administrative and financial management improvements. Accordingly, the data-collection tool was designed to also capture information on measures related to the implementation of delegation of authority and improved management of trust funds so that such information could be stored in the database and incorporated in the present analysis.

B. The new methodology

4. The present report, then, represents the response to those requests. Before the presentation of its data and interpretations, a word detailing its evolved methodology follows.

5. In the context of the present report, quantitative assessment can be defined as the assignment, comparison and arithmetical manipulation of numeric values, whether monetary, score-based, ratios and percentages or other types, to deduce some finding about the matter under consideration. The application of this notion to management improvement measures is by no means simple. Certainly, in every commitment and allocation of funds, the Organization invests time, money and intangible human energies with the expectation of a beneficial result.

6. However, given the Organization's lack of a uniform and standardized cost accounting system, it is difficult to establish, track and evaluate the costs and benefits associated with management improvement measures. Further, project

management practices within the Secretariat, including the estimating and tracking of project costs, vary greatly. Finally, not all clearly beneficial results can be reported on in monetized terms.

7. Representatives of Secretariat offices that had previously reported on progress and impact confirmed that it was feasible to collect impact-assessment data as required for the United Nations Progress and Impact Reporting System (PIRS) by utilizing existing information sources, including electronic data. They maintained, however, that for such impact reporting to be sound and effective, the Organization must build capacity in such areas as cost-benefit analysis and cost accounting through the introduction of new policies, tools and staff training. They also expressed strong concern about the current practice of entering the same or similar information into multiple reporting systems, which creates an unreasonable burden on managers. These representatives urged the owners of the various systems to collaborate on the development of an integrated data architecture that would provide a single source for management reporting.

C. Finding the right framework for analysis

8. Given these conditions and constraints, research within the United Nations system and throughout the wider world of public management analysis was undertaken, in a search for methods of analysis that would be both conceptually sound and feasible to conduct within the Secretariat at this point in its organizational development. The creation of the enhanced PIRS analytical framework drew on a wide-ranging set of sources,[3] and was focused principally on the following areas:

(a) Public and non-profit performance measurement, including "balanced scorecard" methods;

(b) Public sector management reform;

(c) Cost-benefit analysis;

(d) Cost accounting;

(e) Operations management.

9. A result of this review of possibilities was the finding that the United Nations management environment did not lend itself to the application of a "cookie-cutter" assessment template, borrowed in toto from outside sources, but rather that an approach needed to be constructed that aligned with the Organization's realities and needs. Ultimately, five methodological elements were combined into a framework customized to report the impact of management improvement measures. This balanced framework incorporates the following elements:

(a) *Time saved* — reductions in the time that clients would otherwise have to wait for services important to their programme success;

(b) *Quality improved* — survey results that document improved client satisfaction with the quality of service delivery or transaction efficiency;

(c) *Value created* — new capacities or options provided as a measurable by-product of an improvement;

(d) *Cost reduced* — the same output for less cost;

(e) On the cost side, the *investment cost* of management improvements.

10. Of course, all management improvements will have associated costs; however, as the report will demonstrate, the applicability of the first four (beneficial) impact elements above to a given management improvement measure will vary according to the type of improvement and the data associated with its impact. For example, an efficiency improvement in service delivery might save wait time (measured in business days) for its clients, but not show a reduction in cost from the prior practice; in addition, there may not have been a quality survey that can be cited during the reporting period to show a documented reaction from the client. The analysis uses the data that are available and applicable. In other words, the fit between the impact framework and a given improvement will determine whether one, two or more of the elements will be applied, and this underlying method will be reflected when the data are summarized across reform areas.

D. Organization of the report

11. The present report is divided into five sections. The introduction provides background on the evolution of the reporting and the methodology used to gather and analyse information on management improvement measures. Section II reviews the entire set of management improvement measures collected by the PIRS reporting tool and provides a strategic view of their distribution among the reform areas, and their means of attaining reform by type of management improvement.[4] Section III focuses on progress towards the mainstreaming of management improvements, the obstacles that are impeding progress and the impact of the improvements as offices report them in qualitative terms. (Sections II and III employ analysis similar to that of A/58/70.) Section IV reflects the enhanced methodology, for the first time assessing impact in fully quantitative terms. Throughout sections II through IV, examples of actual reform projects will be cited to make the discussion less abstract. The concluding section V addresses the overall story of reform as suggested by these data and provides observations as to how this type of results reporting could be strengthened even more.

II. Overview of measures by reform areas

A. Measures reported for 2004

12. For the 2004 reporting period, offices and departments across the Organization reported 74 management improvement measures, comprising 54 from New York Headquarters and 20 from offices away from Headquarters. The measures, systematically collected and assessed, provide a portrait of United Nations managers contributing in 2004 to a continuous effort to improve financial and administrative management. Initiatives documented in reporting in 2001, 2003 and now 2005 indicate clearly that reform thinking and improvement methodologies have taken root in the Secretariat’s management culture.

13. In the present report, the measures will be presented and discussed in two layers. In submitting the data to the Department of Management,[5] not all reporting

offices were able to satisfy the data requirements of the enhanced analysis. Accordingly, the discussion will take up two layers of data — first, the set of 74 measures that are represented by data identical to that of A/58/70 and, secondly, a subset of 38 within that larger group that provided fuller data that supports the enhanced analysis of impact. This differentiation is a by-product of the rigorous approach applied to the quality, completeness and verifiability of the information.

14. Overall, the management improvement measures reflect seven reform areas originating from the Secretary-General's programme for reform.[6]

15. Progress within the reform areas is analysed from two different perspectives and will be discussed in two groups. The first includes functional (or substantive) areas, which reflect the "what" of a measure. These areas comprise:

(a) Creating an electronic United Nations;

(b) Building an expanded and enhanced common services platform;

(c) Strengthening human resources;

(d) Enhancing financial management and introducing results-based budgeting.[7]

16. The second group comprises types of management improvements, also referred to as cross-cutting areas, which focus on the "how" or "means by which" of a measure. As suggested by the label, they are independent of function and can apply to any functions or offices across the Organization:

(a) Promoting delegation and accountability;

(b) Increasing productivity;

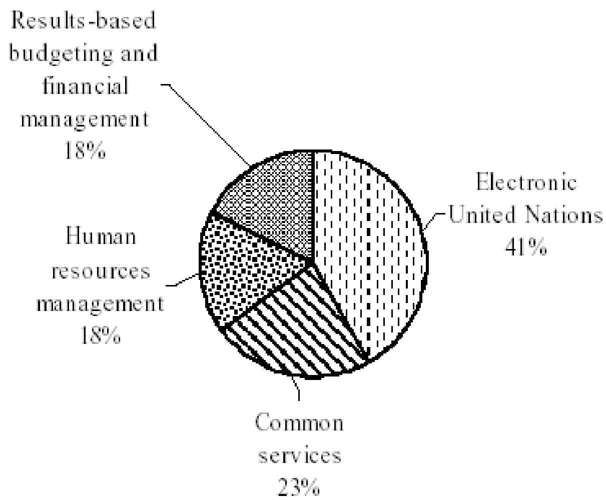
(c) Simplifying processes and rules.

17. The functional and the type-of-management improvement groups provide different perspectives on the improvement measures. Because they view the measures through two distinct lenses, the associated analysis will comprise a kind of "double-counting". For example, an initiative at United Nations Headquarters for the development and deployment of a Web-based United Nations procurement marketplace falls under the common services functional area and represents "simplified processes and rules" as a type of management improvement.

B. Strategic view of the data

18. Of the set of 74, measures dedicated to realizing the vision of an electronic United Nations comprise the largest group (41 per cent in 2004, as shown in figure 1); this reflects the pursuit of technological opportunities for sharing knowledge and exploiting the use of the Web. Other major areas are fairly evenly balanced, with a slight edge to the building of expanded and enhanced common services.

Figure 1
Measures by functional reform area

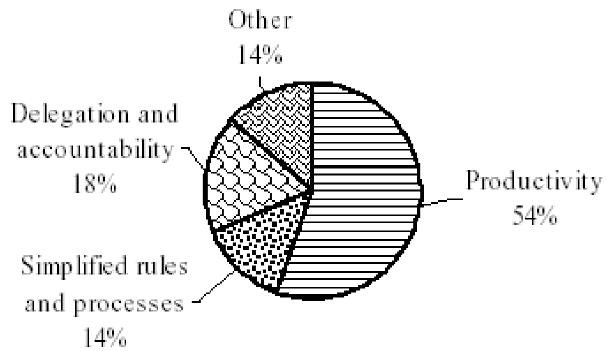


19. The emphasis on an electronic United Nations sustains the effect of the intense legislative focus by Member States on leveraging information and communication technology (see resolutions 54/249 and 56/239). In common services, previously reported initiatives fostered by the Task Force on Common Services at Headquarters in 2001 and 2002 set the example, influencing more recent efforts at the United Nations Office at Nairobi, the Economic and Social Commission for Western Asia (ESCWA) and elsewhere. A detailed and complete look at the range of measures being implemented within each reform area is provided in the annex.

20. In general, the trend in the 2004 data shows diffusion of initiative, with line departments such as the Department of Public Information and the Department for Disarmament Affairs reporting for the first time, and clusters of innovative activities emerging from the United Nations Office at Nairobi, the United Nations Office at Geneva, the Economic and Social Commission for Asia and the Pacific (ESCAP) and ESCWA.

21. Analysis of the types of management improvement provides insight into the ways in which management improvement measures achieve results across offices and functions. Over half of the 2004 measures are focused on productivity (see figure 2).

Figure 2
Measures by type of management improvement



22. This finding shows the Secretariat's continued response to the Member States' demand that it "do more with less". Productivity methods are being promoted through the Department of Management's Productivity Handbook, and offices' productivity innovations are recognized through the UN 21 awards programme.

III. Rate of progress

23. The Secretary-General's report A/58/70 provided information on progress in management improvement measures such that the intergovernmental bodies could assess the overall rate of advancement in implementing measures by reviewing their information using two methods, one focusing on steps towards mainstreaming and the other on achievement of targets. This approach continues to offer value in attaining a rounded view, and it is retained in the present report.

A. First method: steps towards mainstreaming

24. This reporting method employs the following progress steps:

(a) In progress;

(b) Completed;

(c) Completed with implementation mainstreamed;

(d) Completed with implementation mainstreamed and prior practices eliminated;

(e) Discontinued.

(Mainstreaming is assessed on the basis of the degree of completion of measures and the integration of practices that they promote into everyday work processes, displacing older ways of doing business.)

25. From this point forward in the analysis, the focus will be on the subset of 38 measures for which there are sufficient data to support the enhanced analysis of impact. Table 1 shows the distribution of progress steps.

Table 1
Progress in management improvement measures

Reform area	*In progress*	*Completed*	*Completed with implementation mainstreamed*	*Completed, implemented and prior practices eliminated*	*Discontinued*	*Total*
Electronic United Nations	11	2	1	4	--	18
Expanded and enhanced common services	5	—	—	—	—	5
Results-based budgeting and financial management	3	2	1	—	1	7
Strengthened human resources	2	—	—	2	—	4
Other[a]	4	—	—	—	—	4
						38

[a] Refers to measures such as the Office for the Coordination of Humanitarian Affairs strategic planning process, which affects all functional areas.

B. Second method: indicators and targets

26. Most offices include the setting of goals or targets in their project management. This reporting collects and tracks the targets offices set and the indicators that they chose to determine whether or not targets have been met. As promised in A/58/70, the reporting is now able to summarize the actual rates of achievement in meeting targets across the reported measures, as shown in table 2.

Table 2
Success in meeting set targets, 2004 measures

Reform area	Was the target achieved? Yes	No	Does not apply	No response	Subtotal
Electronic United Nations	12	2	2	2	18
Expanded and enhanced common services	4		1		5
Results-based budgeting and financial management	5		2		7
Strengthened human resources	1		1		2
Other	2		1	3	6
Total	**24**	**2**	**7**	**5**	**38**

27. A large majority of projects reported that they had achieved their targets. Instances of "does not apply" refer to measures begun late in the reporting period for which the offices have defined indicators but cannot yet give an answer regarding a target being met or unmet.

C. Obstacles

28. Reporting offices categorized obstacles that they encountered in implementing management improvement activities as one of the five following types:

(a) *Lack of cooperation of other offices and/or organizations*: dependence of a measure's success on offices outside the sponsoring office's formal authority;

(b) *Limited human/financial resources*: such constraints can occur when funding or staff are lacking or when their allocation or continuity is unpredictable;

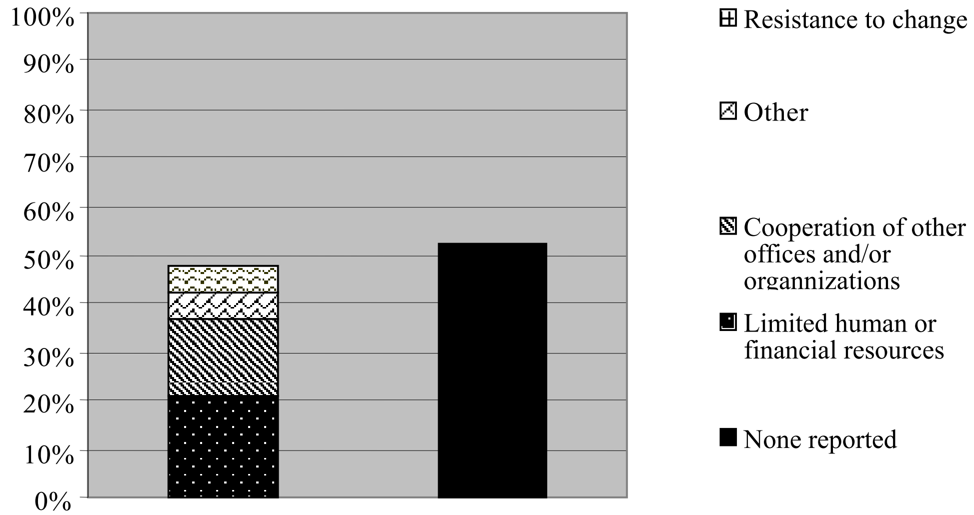
(c) *Resistance to change*: reluctance of managers and/or staff to implement measures;

(d) *Structural impediments*: obstacles arising from incompatibilities between management improvement measures and traditional structures or procedures (none reported);

(e) *Protection of areas of responsibility*: institutional resistance by offices whose functions may be shifted elsewhere or discontinued as a result of reform activities (none reported).

29. Over half the offices (53 per cent) reported no obstacles in the progress of implementing measures (see figure 3).

Figure 3
Types of obstacle and absence of obstacles



30. This suggests significant cooperation among offices, better resource management and improved acceptance of change. Overall, the most predominant obstacle affecting the progress of management improvements measures in this reporting was limited resources, followed closely by difficulties in attaining cooperation among offices.

D. Categories of impact

31. The effective strategic management of large organizations requires an orchestrated approach to driving change. Management reporting should provide insight as to whether or not the reform programme is proceeding in an even-handed and coherent manner. Our approach, carried forward from the previous reporting, requires that reporting offices classify the impact of their management improvements activities in the following four categories:

(a) *Capacity-building*: the measure strengthens the Organization's capabilities to deliver new types of services and/or higher quality for existing services;

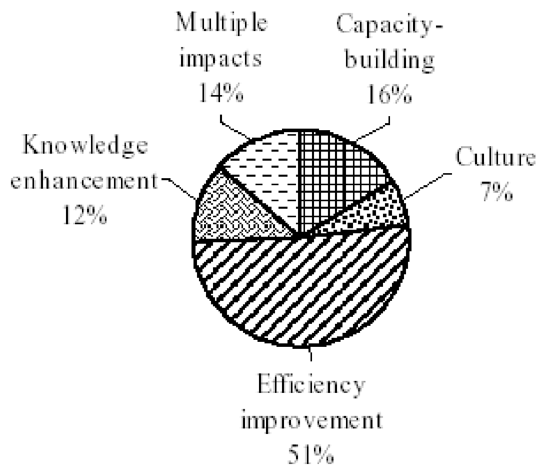
(b) *Culture change*: the measure changes attitudes and promotes innovative ways of accomplishing mandated objectives;

(c) *Efficiency improvement*: the practices introduced by the measure achieve results more quickly or are more cost-effective;

(d) *Knowledge enhancement*: the measure generates and/or shares information to support better decision-making, or new skills to make staff more effective.

32. As illustrated in figure 4, efficiency improvement was the most common area in which management improvement measures exerted their impact, reflecting the Organization's continued efforts to deliver more value to its clients in a timely way.

Figure4
Measures by type of impact



33. The percentage breakdown closely mirrors that of the 2002 data presented in the previous report (A/58/70). One difference is that in 2004 all of the measures to effect culture change were reported from offices away from New York, whereas in 2002 most of the culture change-focused efforts were contributed by the Office of Human Resources Management. This again demonstrates the propagation of common management concerns in a community of practice throughout the global Secretariat.

34. The next section introduces the enhanced reporting based on quantification of impact, which takes up the reported measures in an analytical framework composed of the following elements: client wait-time savings, quality survey ratings, value created, cost reduced and investment cost.

IV. Impact analysis

A. Impact element 1: wait-time savings

Discussion

35. The United Nations Secretariat can be viewed as a network of interdependent client-service provider relationships. A key target of management improvement measures is a reduction in the time that clients must wait to receive a service, such as staff recruitment or software procurement, that is required for them to go forward successfully with their programme activities.

36. Of the 38 management improvement measures in this analysis, 4 reported savings in the turnaround time required to complete processes or provide services

requested by clients. (Only those offices that had collected data for 2004 relative to 2003 could claim impact in this manner.) Total savings reported were 13,108 business days — in other words, over 13,000 days that clients did not have to wait before moving forward with various programme activities.

37. These savings were a direct result of management improvements implemented since the previous year. Savings are claimed only in instances in which minimizing the client wait-time provided a clear benefit to the Organization, that is, when completion of the process or provision of the service was in the client's (i.e., the programme manager's) critical path to achieving programme objectives.

38. Table 3 shows the breakdown of wait-time savings by major reform areas.

Table 3
Wait-time savings, 2004

Reform area	*Office*	*Days saved*
Electronic United Nations	Department of Public Information	776
	United Nations Office at Nairobi (project A)	12 000
	United Nations Office at Nairobi (project B)	180
Results-based budgeting and financial management	Economic and Social Commission for Western Asia	152
Total		**13 108**

39. By way of example, ESCWA developed a reporting subsystem that augments and extends Integrated Management Information System functioning to satisfy its local reporting and information requirements, including such features as common services invoicing, a vendor roster and confidential medical information, and generates 160 reports. In addition to intangible benefits such as enhanced access to information and quality of data, the measure was calculated to have saved 152 business days of internal clients' time, apportioned as 30 per cent for Professional staff and 70 per cent for General Service staff.

40. In another case, the Department of Public Information News Monitoring Unit implemented a new technological approach to the process of coding and storing news bulletins and press clippings from around the world, thereby creating a searchable archive available via the Internet. As a result, the Unit was able to service triple the average number of customers per day, while reducing the annual time required to service their requests by 776 business days.

B. Impact element 2: quality survey ratings

Discussion

41. Within the Secretariat, offices responsible for administrative and financial management have made increasing use of client surveys to measure satisfaction with process efficiency and associated quality of service delivery. This trend makes it possible to incorporate quality survey results into our impact framework. In those instances in which survey questions address client satisfaction with the outcomes of management improvement measures, we can report on the ratings (positive, neutral, negative) and summarize them to provide a profile of quality attainments and shortcomings in measures linked to the reform agenda. The surveys vary in their scoring scales, but most results can be reduced and compiled to support analysis as shown in table 4.

42. Table 4 shows the breakdown of available quality survey ratings by three of four major reform areas and by reporting office in 2004.

Table 4
Quality survey ratings, 2004

		Score		
Reform area	*Office reporting survey result*	*Positive*	*Neutral*	*Negative*[a]
Electronic United Nations	Department of Public Information (+1)	2	—	2
	Office of Internal Oversight Services (-1)			
	United Nations Office at Nairobi (-1, +1)			
Results-based budgeting and financial management	Economic and Social Commission for Western Asia (+1)	3	—	—
	Department of Management (+2)			
Strengthened human resources	United Nations Office at Nairobi (-1)	1	—	1
	Department of Management (+1)			
Total		**6**	**0**	**3**

[a] Negative ratings were reported by offices together with comments that this client feedback spurred them to intensify their efforts to improve service processes.

Examples of quality survey methods and questions

43. In January of 2004, the Department of Management administered a survey on client satisfaction with its services to 384 managers throughout the global Secretariat. Respondents, who ranged from section chiefs to Under-Secretaries-General, were identified as having good knowledge of Department of Management services. The questionnaire was administered electronically, with anonymity guaranteed through the expertise and technology of an external consulting firm. In one question, the respondents were asked to rate the service function of recruiting

staff in terms of the following dimensions: (a) responsiveness to needs, (b) timeliness, (c) good quality and (d) flexibility in delivery. The ratings were favourable for (a) and (c), which are the most general and summary in implication, but were unfavourable for (b) and (d). In reporting this survey result, the reporting office Office of Human Resources Management (OHRM) viewed this as a net positive rating. Its argument was evaluated and accepted, and this survey result was entered as "+1" in table 4.

44. This example suggests that survey ratings must be used with care and that quality assurance in evaluating data collection and screening is critical.

C. Impact element 3: value creation

Discussion

45. In most cases, this impact element answers the question, "If things were done the old way, what would it cost to obtain benefits comparable to those provided by the management improvement?". Value creation can be expressed in terms of:

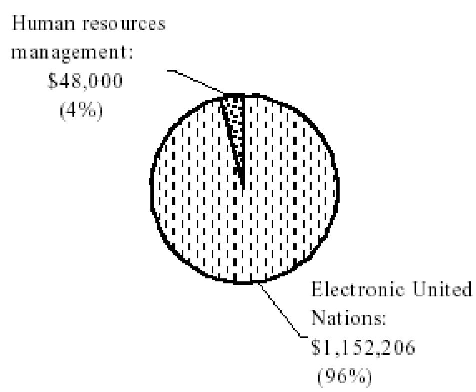
(a) Value that can be appraised on the open market. For example, if improved travel purchasing practices led hotels to offer premium business services for United Nations staff, such as the ability to hold meetings at hotel conference rooms for free, the value created would be the usual cost of renting equivalent conference rooms;

(b) Extrapolation of costs from prior practices. For example, if an information technology system has increased the productivity of health insurance enrolment processing while staff levels have remained the same, the value creation calculation would be based on the number of staff (and corresponding overhead costs) that would have been needed to achieve the same level of output using the old manual system.

46. In some cases, value can also be measured directly, such as when the Organization earns additional interest income on its financial reserves through improved financial management practices. It is important to note that value creation differs from cost reduction in that it measures the benefits generated above and beyond cuts in expenditures.

47. The total value creation recorded for United Nations management improvement activities in 2004 was $1,201,006. Most of the value created in 2004 was in the area of an electronic United Nations, as illustrated in figure 5.

Figure 5
Value creation by reform area



48. By way of actual example, the United Nations Office at Geneva created $683,200 in value through the implementation of the automated Consolidated Treasury System, which increased accuracy and speed in the processing of Treasury transactions and associated bank reconciliation control procedures. The value created reflects the fact that eight additional staff at the G-5 level would need to have been hired to achieve the same results if the previous manual system had been maintained.

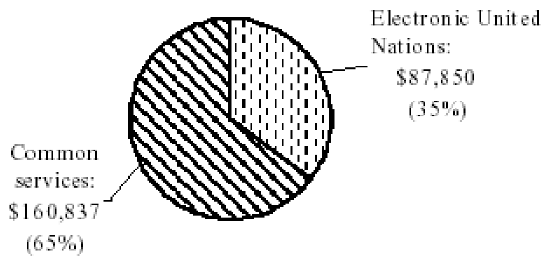
D. Impact element 4: cost reduction

Discussion

49. An important purpose of many management improvements is to re-engineer a process so that it is more resource-efficient. The cost-reduction impact element measures the costs avoided or minimized through implementation of a management improvement measure. Reductions may be achieved through changes to a work process or system so that comparable results are attained at less cost than projected or at less cost than under the previous method. The cost reduction can be one-time or recurrent. The total cost reduction achieved by United Nations management improvement activities in 2004 was $248,687.

50. The costs avoided or reduced in 2004 were in the reform areas of common services and an electronic United Nations, as illustrated in figure 6.

Figure 6
Cost reduction by reform areas



51. As an example of how costs can be reduced, the Economic Commission for Latin America and the Caribbean took advantage of existing information technology infrastructure to begin interviewing many off-site candidates for staff openings via videoconference. This eliminated travel costs, resulting in an overall reduction of annual expenditure for such interviews from $25,500 to $4,500. At the United Nations Office at Geneva, an energy-saving initiative to control consumption of electricity reduced costs by $160,837 from 2003 to 2004.

E. Impact element 5: investment cost

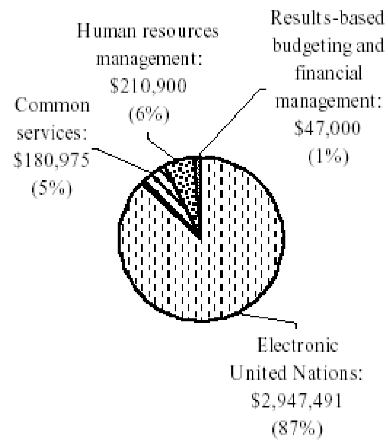
Discussion

52. Investment cost describes the resources invested in implementing management improvement measures during the reporting year. This figure is recorded using standard cost accounting methods, under which the direct costs (such as for consulting services) and the indirect costs (such as for utilization of electricity) of management improvement measures are calculated and summed up.

53. Investment cost does not represent impact in the same sense as the other elements (wait-time savings, value creation, etc.), in that it does not represent a benefit to the Organization. However, it is an essential component of the overall impact framework, as it provides an input to the calculation of net impact. In other words, it addresses a question such as, “If $50 in value was generated by this management improvement, did it cost $10 or $100 to achieve that result?”.

54. The total investment in management reform measures recorded in 2004 was $3,386,366. In the 2004 data, most investment was concentrated in the area of an electronic United Nations, although other areas also show significant investment, as illustrated in figure 7.

Figure 7
Investment costs by reform areas



55. Following are two actual examples of how investment costs were calculated from the pilot exercise data:

(a) ESCAP invested $100,000 in the reporting year in establishing a results-based monitoring and evaluation system. This involved new procedures, staff training (270 staff-days) and training of trainers. Costs were primarily for consultancy fees and training;

(b) The reported investment costs to the United Nations Office at Geneva for the Consolidated Treasury System, totalling $52,000 in the reporting year, were based on the following calculations:

(i) 30 per cent of a P-3 salary for information technology maintenance = $30,000;

(ii) $15,000 in direct maintenance cost;

(iii) 10 per cent of a G-7 salary for production maintenance = $7,000.

F. Integrated analysis: comparing costs and benefits

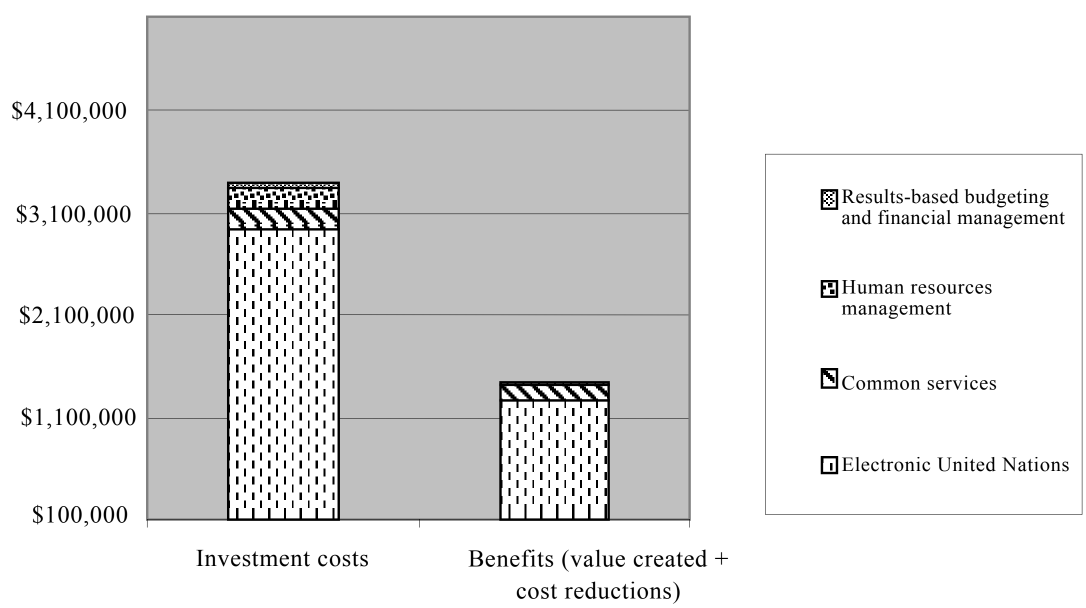
56. Because the impact framework includes both benefits and costs, it provides the potential to calculate the return on investment generated by reform measures. There are two principal factors that impede making such calculations: (a) not all elements of the framework are expressed in common units of measure (e.g., dollars) and (b) return on investment reflects total costs and benefits (expressed as present value through the application of an appropriate discount rate) over the life cycle of a project. Since costs tend to exceed benefits in the early stages of a project and the pattern usually reverses itself later on, focusing on a single year does not provide a representative picture of net benefits. Moreover, PIRS focuses by design on a single year at a time. Therefore, several reporting cycles will be required before the PIRS impact data begin to incorporate sufficient time-series information to allow for calculations of return on investment.

57. With the information currently available, it is nonetheless possible to:

(a) Sum up the figures recorded for impact elements (value created and cost reductions), expressed in dollars in order to arrive at a calculation of total benefits in dollar terms;

(b) Compare these figures side by side with investment costs to obtain a snapshot of the relationship between these elements (while bearing in mind that this does not provide a valid representation of return on investment but rather shows benefits juxtaposed with concurrent investment over one reporting year). This is illustrated in figure 8.

Figure 8
2004 investment costs versus benefits



58. Figure 8 shows that for this single reporting year, the recorded investments in the measures surveyed exceed their monetized benefits by approximately $1,936,673. Significant investment is being made in projects focused on management reform, and significant benefits are being attained.

V. Conclusion

59. The present report offers an enhanced approach to assessing the impact of management improvement measures across the Secretariat. In the body of data analysed here, the dissemination of reform efforts is notable, and their results are presented for the first time in concrete, verifiable units such as dollars and business days. A global exchange of good practices and new ideas is well under way, nurtured by face-to-face sharing, such as at the Department of Management Chief Administrative Officers' retreats institutionalized in 2004, by Secretariat-wide videoconferences, such as the Department of Management monthly Managers

Forum, and by peer competition for excellence, manifested in the submissions to the UN 21 awards programme.

60. As for the capacity of the Organization to attain an even more complete account of progress and impact through such reporting as this, there are both constraints and encouraging signs. The constraints were noted in the introductory section. The absence of a standardized cost accounting system in the Secretariat, lack of knowledge and consistency in the application of cost estimating and tracking in project management, and the burdens of entering the same or similar information into multiple reporting systems all create barriers to the provision of the data essential for impact assessment. On the positive side, expert resources for a major feasibility study on the Organization's adopting a cost accounting system are currently being procured, and this will be reported on during the sixtieth session of the General Assembly. Both classroom and online courses in project management, including cost estimation and tracking, are now being offered. The high-level business case method for advocating and justifying information technology investments before the Information and Communications Technology Board develops data that are well suited for impact reporting and inculcates managers in accepted methods of calculating return on investment.

61. The present document represents an initial effort at an entirely new type of United Nations report. As such, it comprises the first step up a steep learning curve. Future reports will aim to continually improve the methodology and to further extend the coverage of the data. The present report has analysed 74 management improvement measures active in 2004, and 38 of these in an enhanced method of assessing impact. The measures analysed here, which emerge from a basis of organizational learning and from managers' efforts to continuously improve processes, are fashioning a more efficient and productive Secretariat.

62. **In the light of the information reported here, the Committee for Programme and Coordination may wish to take note of the work in progress towards implementing the Secretary-General's reform programme.**

Notes

[1] See *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 16* (A/58/16), para. 30.

[2] Ibid., paras. 17-29.

[3] The sources consulted included Government and trade publications from public sector reform initiatives; publications from United Nations and United Nations agency management reform initiatives; academic references and journal articles; internal documents of the United Nations and United Nations agencies; input from United Nations Secretariat staff in impact assessment workshops; consultations with United Nations and United Nations agency staff; and consultations with delegates.

[4] Referred to as "crossing-cutting reform areas" in A/58/70.

[5] The Office for Management Improvement and Oversight Support of the Department of Management conducted the data collection and analysis.

[6] Six areas are taken directly from the original reform proposals in A/51/950, and the seventh, productivity, stems from the long-term productivity strategy adopted in February 2000 by the Steering Committee on Reform and Management.

[7] By convention, we continue to refer to "the introduction of results-based budgeting"; however, the 2004 range of activity in this area can now be more accurately characterized as "finishing the introduction and realizing the full potential of results-based budgeting".

Annex

Measures by sub-areas within the reform areas

Electronic United Nations

Sub-area	*Number of measures*
E-Services	13
Information and communication technology (ICT) budgetary processes	1
ICT infrastructure enhancement	4
ICT procurement	1
ICT security	2
ICT standards and methodology	3
Sharing the knowledge of the Secretariat internally and externally	4
Other	3
Total	**31**

Common services

Sub-area	*Number of measures*
Archives and records management	1
ICT procurement	1
Personnel services	4
Procurement	4
Transportation operations	2
Other	4
Total	**16**

Results-based budgeting and financial management

Sub-area	*Number of measures*
Analysis	4
E-services	1
Introduction of logical framework	1
Mechanisms to support implementation of results-based budgeting	5
Other	2
Total	**13**

Human resources

Sub-area	*Number of measures*
Career development	1
Competencies and continuous learning	2
Conditions of service	3
Human resources information technology strategy	1
Human resources planning	2
Mobility	1
Recruitment, placement and promotion	4
Total	**14**