



IA 600
LN 1700
17 3038

~~75-0078~~
095810

REPORT TO THE CONGRESS



Numerous Improvements Still Needed In Managing U.S. Participation In International Organizations

B-166767

Department of State and other agencies

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

ID-74-52
095810
102152

JULY 18 1974

095810



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-163767

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on numerous improvements still
needed in managing U.S. participation in international
organizations. Federal participation in the programs of
these organizations is administered by the Secretary of
State with the assistance of other federal agencies. 32

We made our review pursuant to the Budget and Account-
ing Act, 1921 (51 U.S.C. 53), and the Accounting and Audit-
ing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director,
Office of Management and Budget; the Secretaries of State,
Agriculture, Labor, Commerce, and Health, Education, and
Welfare; and the Administrator, Agency for International
Development.

Thomas P. Atkins
Comptroller General
of the United States

BEST DOCUMENT AVAILABLE

C o n t e n t s

	<u>Page</u>
DIGEST	i
CHAPTER	
1 INTRODUCTION	1
Scope of review	3
2 U.S. PARTICIPATION IN AND NATURE OF INTERNATIONAL ORGANIZATION ACTIVITIES	4
Purpose of the organizations	4
Structure of the organizations	4
U.S. representation	5
Resources of international organizations	5
3 EXECUTIVE BRANCH ORGANIZATION FOR MANAGING PARTICIPATION	6
Bureau of International Organization Affairs	6
Other executive branch agencies	8
Conclusion	9
Recommendation	9
4 U.S. POLICY OBJECTIVES AND PRIORITIES	10
General policy guidance	10
Need for further action	11
Policy efforts	12
Priorities	15
UNDP country programs	16
Eligibility for assistance	17
Conclusion	19
Recommendation	19
5 U.S. SYSTEM FOR APPRAISING, MONITORING, AND EVALUATING INTERNATIONAL ORGANIZATION ACTIVITIES	20
Appraisal of proposed budgets and programs	20
Monitoring program implementation	22
Evaluating results of activities	23
Annual U.S. evaluations	23
Other U.S. evaluations	24

BEST DOCUMENT AVAILABLE

	<u>Page</u>
Agency comments and our evaluation	25
Conclusions	26
Recommendations	27
6 ESTABLISHMENT OF U.N.-WIDE REVIEW BODY	28
Joint Inspection Unit and actions to improve it	29
External audits of international organi- zations	30
Internal review and evaluation	31
U.N. Administrative Management Service	31
UNDP Evaluation Division	31
Internal audit	32
Conclusion	32
7 EMPLOYMENT OF U.S. CITIZENS BY INTERNATIONAL ORGANIZATIONS	34
U.S. recruiting system	35
Need to improve central direction	35
Inadequate emphasis	36
Need for innovative approaches	36
U.N. employment policies and proce- dures	37
Agency comments and GAO analysis	39
Conclusions	40
Recommendations	40

APPENDIX

I	Letter dated December 28, 1973, from Deputy Assistant Secretary for Budget and Fi- nance, Department of State	43
II	Letter dated November 27, 1973, from Secre- tary of Labor	44
III	Letter dated January 7, 1974, from Auditor General, Agency for International Develop- ment	45
IV	Letter dated November 30, 1973, from Assist- ant Secretary, Comptroller, Department of Health, Education, and Welfare	46

V Officials primarily responsible for managing U.S. participation in international organizations

48

ABBREVIATIONS

AID Agency for International Development
FAO Food and Agriculture Organization of the United Nations.
GAO General Accounting Office
ILO International Labor Organization
UNDP United Nations Development Program
UNESCO United Nations Educational, Scientific and Cultural Organization
UNICEF United Nations Children's Fund
WHO World Health Organization

BEST DOCUMENT AVAILABLE

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

NUMEROUS IMPROVEMENTS STILL NEEDED IN
MANAGING U.S. PARTICIPATION IN
INTERNATIONAL ORGANIZATIONS
Department of State
and other agencies
B-168767

D I G E S T

WHY THE REVIEW WAS MADE

This review examines the extent to which recommendations from previous GAO reports have been implemented and assesses again how U.S. interests in international organizations are managed.

Previous GAO reports concerned the World Health Organization, United Nations Children's Fund, United Nations Development Program, Food and Agriculture Organization of the United Nations, and the International Labor Organization.

The prior reports

GAO reported that the United States loses control over funds contributed to international organizations and that the Department of State could not assure the Congress that U.S. contributions were efficiently and effectively used.

GAO's principal recommendations for improving U.S. participation centered on

- developing policy objectives and priorities to guide U.S. officials dealing with the organizations,
- acquiring and effectively using information from the organizations,
- arranging for adequate independent evaluations, and

- having the organizations employ more U.S. nationals.

State generally agreed with these recommendations and has taken steps to implement them.

FINDINGS AND CONCLUSIONS

Although increased emphasis on multilateral assistance makes the need to correct the conditions that prompted these recommendations more urgent than ever, progress has been slow and no single recommendation has been put fully into effect. The Department needs to improve in the following areas.

Executive branch organization for managing participation

The Department of State, responsible for managing U.S. participation in international organizations, relies heavily on other executive agencies for technical support and expert assistance.

It has not yet provided the direction and guidance necessary for effective coordination of the total U.S. effort. The bureau responsible for managing U.S. interests in this area lacks adequate staffing and follows a policy of frequent staff rotations. (See pp. 4 and 5.)

Tear Sheet Upon removal, the report cover date should be noted hereon.

U.S. Objectives in International Organizations

U.S. objectives in some international organizations have been more clearly defined since our previous reviews. However, there is still no clear statement of what the United States hopes to accomplish through its membership in all the organizations and of the relative priority it attaches to each of its goals.

A 1972 statement of general policy objectives is helpful but does not adequately address questions of priorities, information needed on activities, or eligibility for receiving assistance. (See pp. 10 through 19.)

The U.S. System for Appraising Proposed Projects, Monitoring Their Implementation, and Evaluating Results

The U.S. system for appraising proposed projects, monitoring their implementation, and evaluating results is not meeting the needs for effectively managing participation in the organizations. Despite U.S. efforts to obtain better information on proposed activities, the quality and depth of information has not perceptibly improved.

Some U.S. agencies, particularly HEW, are making better analyses of the limited information available. Once projects are approved, little is done to monitor their implementation or evaluate their progress.

U.S. assessments of the organizations' activities at the country level have been uneven in quality. Where problems are identified little action is taken. (See pp. 20 through 27.)

More Effective U.N. Review and Evaluation is Needed

Most organization evaluations are either internal reviews, not generally reported to the governing bodies, or fiscal reviews that contain little substance on management and administrative activities.

In striving for a single independent review body, the State Department worked toward strengthening the U.N. Joint Inspection Unit. The Unit's capabilities, however, have not been improved--it remains understaffed, lacks permanent status, and suffers from inadequate leadership and direction.

The importance of an effective review and evaluation system for the international organizations has been recognized in the Foreign Assistance Act of 1973 (Pub. Law 93-189) approved December 17, 1973.

This legislation requires the President to propose and actively seek the establishment of a single professionally qualified group to provide selective examination, review, and evaluation of the programs and activities of the United Nations and its affiliated organizations.

State has responded to this legislative mandate and has developed a proposal to establish an improved review and evaluation function for the United Nations. It intends to pursue its proposal at upcoming meetings of the U.N. governing bodies.

GAO assists State by developing standards and advising on the form of organization to establish for this function. (See pp. 28 through 33.)

Not enough U.S. nationals are employed by the United Nations

Little has been done to increase placement of U.S. nationals in international organizations. The United States remains underrepresented on the organizations' staffs.

The U.S. recruiting system suffers from fragmentation, understaffing, inadequate procedures, and incomplete knowledge of how the U.N. employment system functions. Also, known problems in the U.N. personnel system, such as lack of clear recruiting policies and procedures and the lack of publicity on job vacancies, need to be corrected. (See pp. 34 through 41.)

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of State should:

- Acquire an adequate staff familiar with the functions and operations of these organizations and provide for greater continuity of tenure. (See p. 9.)
- Establish a deadline for developing and promulgating U.S. policy objectives and priorities for each organization to guide personnel managing U.S. interests. Such policy statements should encourage the organizations to establish criteria for granting assistance based on country eligibility and priority needs. (See p. 19.)
- Develop criteria for reporting that will produce sufficient relevant and reliable information on management proposals and performance and enlist the support of other members to get such criteria adopted by the organizations. (See p. 27.)

--Continue U.S. annual evaluations and aggressively attempt to resolve identified problems with the organizations. (See p. 27.)

--Obtain from each of the international organizations a formal statement of personnel policies and selection procedures including details of their recruiting practices and arrange for an assessment of each. (See p. 40.)

--Instruct U.S. representatives to the international organizations to press for needed reforms in the personnel systems of these organizations. (See p. 40.)

--Develop the policies, procedures, and programs for advancing and encouraging participation by U.S. citizens in international organizations. (See p. 41.)

--Establish a range of objectives or goals for the number of U.S. nationals to be employed by each organization. (See p. 41.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The executive agencies have generally agreed with GAO's findings and have concurred in the recommendations made in this report.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is being issued because of the Congress' continued interest in the programs of the international organizations and its concern for how well U.S. interests in these organizations are managed.

CHAPTER 1

INTRODUCTION

In the early 1960s the United States began to shift from providing economic assistance to developing countries on a bilateral basis to relying on multilateral organizations. This trend increased during that decade, and there are indications that multilateral aid will continue to be emphasized in future U.S. assistance programs. The President in February 1972, for example, informed the Congress that "we fully support a strengthened international effort for development through our membership in the multilateral institutions."

Among the multilateral institutions is the U.N. system of organizations to which the United States has contributed about \$5 billion since 1946. Forty percent of this amount, or \$2 billion, was contributed to the five organizations that are the object of this review--United Nations Development Program (UNDP), World Health Organization (WHO), International Labor Organization (ILO), United Nations Children's Fund (UNICEF), and the Food and Agriculture Organization of the United Nations (FAO). Budgeted programs of these five organizations have grown steadily over the past several years, and in 1972 they reached an annual level of about \$435.6 million. U.S. contributions for 1972 amounted to about \$200 million, including contributions to special programs.

U.S. contributions come from funds appropriated to the Department of State, the Agency for International Development, and, to a lesser extent, certain other Federal agencies. However, all contributions require the consent of the Secretary of State who is principally responsible for managing U.S. participation in the organizations.

From early 1969 through the end of 1970, we issued six reports on the management of U.S. participation in the five organizations mentioned above. The reports were:

1. U.S. Participation in the World Health Organization (B-164031(2), Jan. 9, 1969)
2. U.S. Financial Participation in the United Nations Children's Fund (B-166780, July 8, 1969)

BEST DOCUMENT AVAILABLE

3. U.S. Financial Participation in the Food and Agriculture Organization of the United Nations (B-167598, Nov. 17, 1969)
4. Management Improvements Needed in U.S. Financial Participation in the United Nations Development Program (B-168767, Mar. 18, 1970)
5. U.S. Participation in the International Labor Organization Not Effectively Managed (B-168767, Dec. 22, 1970)
6. Comments and Suggestions for Independent Review and Evaluation of International Organizations and Institutions (B-168767, Dec. 4, 1970)

Our reports contain a series of recommendations and suggestions to improve the management of U.S. participation and thereby enhance the opportunities for improving the effectiveness of the organizations. Our conclusions and the need for corrective measures were emphasized by the Comptroller General and the Director of the International Division during 1970 congressional committee hearings.

We recommended that the Secretary of State:

- Realign and strengthen the Department's Bureau of International Organization Affairs.
- Develop and promulgate policy objectives and priorities relative to U.S. support of U.N. organizations.
- Improve the effectiveness of U.S. appraisals of proposed and continuing projects.
- Encourage the establishment of a single U.N.-wide review body to meet the need for effective independent evaluation of U.N. programs and activities. Until an effective internationally constituted means of evaluation is developed, the Secretary of State should arrange to improve the quality of U.S. evaluations by its overseas posts.
- Intensify efforts to increase employment of U.S. nationals by the organizations.

SCOPE OF REVIEW

The objective of this review was to determine the extent to which our past recommendations had been implemented and to examine the progress made by State in improving the effectiveness of U.S. participation in international organizations.

Direct examination of international organizations' internal operations is outside our audit authority. Therefore, we did not examine their operations directly nor make first-hand observations on their internal activities. We did, however, hold limited discussions with some of the organizations' representatives at the country level and at U.N. specialized agency headquarters in Rome, Italy, and Geneva, Switzerland.

Our work was performed primarily at the Department of State and other executive agencies in Washington, D.C. We worked at the offices of U.S. representatives to U.N. specialized agencies in Rome, Italy, and Geneva, Switzerland. In addition, we visited U.S. field missions in Ethiopia, Tanzania, Turkey, Malaysia, Philippines, and Thailand.

BEST DOCUMENT AVAILABLE

CHAPTER 2

U.S. PARTICIPATION IN AND NATURE OF

INTERNATIONAL ORGANIZATION ACTIVITIES

The United Nations finances worldwide assistance programs through such organizations as UNDP, WHO, ILO, UNICEF, and FAO. These organizations carry out a wide range of development and technical assistance activities in economic and social fields. Development assistance is initiated when a member government requests it and is carried out through one of the U.N. organizations, which will assign experts, award fellowships and scholarships, and, to a lesser degree, provide equipment for demonstration purposes. Assistance is also provided for resource surveys and research to locate investment opportunities and for training programs to develop competent personnel to carry on development work.

PURPOSE OF THE ORGANIZATIONS

UNDP and UNICEF were created for assistance purposes by the U.N. General Assembly. Other organizations were founded independently, principally to promote research, set standards, harmonize policy, foster international cooperation, or act as clearinghouses of information in their respective fields. Now, however, these organizations have become principally development oriented.

STRUCTURE OF THE ORGANIZATIONS

The charters or constitutions of the organizations generally state that the work of the organization will be carried out by a legislative body consisting of representatives of member governments and a secretariat comprising the chief executive of the organization and his staff. These two main organs are variously supplemented by executive boards, program and finance committees, and other subsidiary bodies.

The secretariats propose programs and budgets for approval by the legislative bodies and implement approved programs. Officers and employees of the secretariats are internationally recruited and are not to have any ties to their national governments in the performance of their duties.

At December 31, 1972, the U.N. system of organizations employed a staff of about 45,000, of whom less than 3,000 were U.S. nationals.

Legislative bodies establish the policies and principles governing the work of the organizations and approve the programs and budgets proposed by the secretariats.

U.S. REPRESENTATION

The U.S. Government is represented in the legislative bodies of all the U.N. organizations. U.S. representatives and their advisors are drawn from U.S. Government agencies, the Congress, State and municipal governments, and private organizations.

These delegates are guided in their deliberations and voting by position papers prepared within the executive branch and approved by the Secretary of State, who is responsible for directing and coordinating the activities of all U.S. departments and agencies involved. The Secretary appoints and instructs U.S. representatives to the organizations.

RESOURCES OF INTERNATIONAL ORGANIZATIONS

Resources of the international organizations are provided primarily by contributions from member governments, both on a voluntary basis, as in UNDP and UNICEF, and through assessments levied against the member governments, as in WHO, ILO, and FAO. Voluntary contributions are generally in response to certain goals or pledging targets set by the organizations. Assessments, on the other hand, are usually levied according to a member's ability to pay.

In addition to the regular budgetary funds provided through assessments, such organizations as WHO, FAO, and ILO administer substantial extrabudgetary resources which are provided primarily by UNDP.

CHAPTER 3

EXECUTIVE BRANCH ORGANIZATION

FOR MANAGING PARTICIPATION

The Secretary of State has the responsibility for planning, formulating, and implementing U.S. policies and coordinating technical positions throughout the Government concerning international organizations. He approves U.S. contributions to the organizations and appoints U.S. delegations to their governing bodies. He is charged with determining how participation in the organizations can best serve U.S. interests, identifying priority program performance areas for evaluation, and recommending improvements.

The Secretary's responsibilities are carried out through the Department of State's Bureau of International Organization Affairs. Liaison activities with the United Nations and its specialized agencies are carried out through six U.S. Missions--to the United Nations in New York City; International Organizations in Geneva, Switzerland, and Vienna, Austria; the United Nations Educational, Scientific, and Cultural Organization in Paris, France; FAO in Rome, Italy; the International Civil Aviation Organization in Montreal, Canada.

U.S. delegations to the organizations' governing bodies are furnished papers outlining U.S. positions on an array of topics proposed by the organizations. This includes such items as programs, budgets, and proposed changes in the policies and operations of the organization.

Over the years State has come to rely heavily on other executive agencies for technical support and expert assistance in preparing these papers and otherwise meeting its responsibilities. This reliance, however, has not been accompanied by clear and firm direction by State. As a result, there are varying degrees of coordination and cooperation.

BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS

It was apparent during our past reviews that the Bureau's structure had not kept pace with the growth of international organization activities. The structure that existed did not

provide clear lines of responsibility and authority, either between offices within the Bureau or with other executive agencies. We felt that, without improvements in the structure, State would not be able to effectively carry out its assigned responsibilities of direction and coordination.

During 1971 the Bureau was reorganized, much along the lines suggested by GAO. The central features of the reorganization were:

- Creating a specialized staff to monitor and evaluate the multilateral development activities of the U.N. system and to coordinate U.S. participation in those activities.
- Centralizing in a series of agency directorates the responsibility for dealing with individual international organizations while developing and pursuing U.S. objectives.

Although the reorganization was a major step toward strengthening State's capacity to orchestrate U.S. participation in international organizations, failure to adequately staff the Bureau and constant rotations of staff have tended to defeat its purpose.

Despite a nearly sixfold increase in U.S. contributions managed by the Bureau for the 20 years since 1952 and despite the increased number and complexity of international organizations and programs, Bureau staffing has decreased. Consequently, Bureau officials and representatives have stated in the past and continue to state that staff is not available for many of the tasks that we have suggested.

Bureau personnel responsible for overseeing individual organizations are drawn from the Department's foreign service corps and are rotated every 2 to 3 years. For example, the official responsible for ILO matters has held that position since October 1971 and expects to be rotated in October 1974. The official responsible for FAO matters has held that position since July 1972 and expects to be rotated by July 1974. This makes it extremely difficult to build the continuity of experience needed to effectively manage U.S. participation. In our opinion, by the time individuals become experienced with the activities of the organizations and could make their

most important contributions toward improving U.S. management, they are rotated and few individuals must learn the system.

State agreed that there was a need for greater continuity of tenure in the Bureau. It did not believe its personnel policy was in conflict with this objective. It said that personnel assignments are planned in such a way as to harmonize the needs of the organizations, on the one hand, and the best career interests of the Foreign Service officer, on the other.

It also said that many of the Bureau's jobs have been reclassified as Foreign Service Reserve Unlimited positions which, when filled, will permit the incumbents to spend most of their careers in Washington. At the time of our review, however, only a few of these reclassified positions had been filled. Thus more effort is needed to achieve the desired job continuity.

OTHER EXECUTIVE BRANCH AGENCIES

The most formalized system for coordinating U.S. participation in any of the organizations is the U.S. FAO Inter-agency Committee. Established by the President in 1946, the Committee is chaired by the Secretary of Agriculture, or his nominee, and is composed of representatives from the Departments of Agriculture; Commerce; Defense; Health, Education, and Welfare; the Interior; Labor; State (including the Agency for International Development); and the Treasury, and the Office of Management and Budget. Much of the Committee's work is carried out through ad hoc working groups established to prepare position papers for various FAO meetings or to carry out other required tasks. Periodic meetings are held, wherein members report on specific FAO activities or discuss topics affecting U.S. participation.

Coordination of U.S. participation in the other international organizations is less formal. The various U.S. agencies have staffs to provide the technical support needed to manage U.S. participation in the international organizations and State draws heavily upon these staffs.

Despite the recent reorganization, which was designed to foster better working relations with other agencies and to provide more rapid coordinated decisions on matters

concerning the international organizations, State has not given any clear, firm direction to the activities of other U.S. agencies. The problem is further compounded by the lack of clear cut statements of policies and objectives to guide personnel in managing U.S. interests. This problem could be alleviated with proper policy statements as discussed in chapter 4.

CONCLUSION

State has attempted to strengthen its role as leader and coordinator of U.S. participation in the international organizations through a reorganization of its Bureau of International Organization Affairs. Although this reorganization has undoubtedly improved the Department's ability to carry out its assigned responsibilities, the Department remains handicapped in its efforts to effectively manage U.S. interests.

While other U.S. Government agencies should indeed supply the primary technical input for U.S. participation, State should develop a greater continuity of expertise on the activities of the organizations than it presently has. This would strengthen its position in dealing with the international organizations, as well as with other U.S. agencies, and provide a significant measure of control over the reviews and approvals of proposed budgets and programs.

RECOMMENDATION

We recommend that the Secretary of State take the necessary steps to acquire an adequate staff familiar with the functions and operations of these organizations and provide for greater continuity of tenure in these positions.

CHAPTER 4

U.S. POLICY OBJECTIVES AND PRIORITIES

During our previous reviews, adequately defined U.S. policy objectives and priorities to guide U.S. officials and technicians looking after U.S. interests in international organizations had not yet been established. Such guidance is necessary to effectively appraise an organization's proposals, measure its performance, and arrive at optimum levels of U.S. support. Therefore, we recommended that the Secretary of State, with other U.S. departments and agencies, develop and promulgate policy objectives and priorities.

State agreed with our recommendation and has given increased attention to developing policy statements embodying U.S. objectives and priorities for each of the international organizations in which the United States is a member. While U.S. objectives in some of the organizations have been more clearly defined, there is still no clear-cut statement of what the United States hopes to accomplish through its membership in all of the organizations and of the relative priority it attaches to each of its goals.

GENERAL POLICY GUIDANCE

In April 1972, State issued a statement of general U.S. policy toward budgetary, administrative, and management practices of the international organizations.

"* * *In considering the budgets of International Organizations the U.S. is bound by the White House Directive of January 8, 1970, 'That the budgets and programs of International Organizations in which we participate receive the same searching scrutiny that is applied to our own Federal programs.' Austerity is the guiding principle for Federal expenditures. We must apply it equally to International Organizations."

The Department called for U.S. delegations to join with other delegations to insure that (1) members receive full value for their contributions, (2) built-in inefficiencies accepted as the price of doing business multilaterally be reexamined and eliminated wherever possible, and

(3) automatic escalation be abandoned in favor of a period of rationalization, consolidation, and managerial stringency.

The statement offered general guidance on a number of issues. These include.

- Keeping expenditures at previous-year levels. Unless the growth is stopped, congressional action to impose legal ceilings on U.S. contributions could be expected. (This materialized with the passage in October 1972 of Public Law 92-544 which imposed a ceiling of 25 percent on the United States contribution to the assessed budgets of the United Nations and the Specialized Agencies.)
- Supporting proposals for new programs, only if older programs of lesser priority are eliminated. One objective for careful U.S. examination of new program proposals is to eliminate duplicating activities among the organizations.
- Opposing salary increases.
- Curtailing the flow of documentation.
- Reducing the U.S. assessment rate for contributions.
- Seeking to require UNDP financing for all technical assistance activities. Financing technical assistance activities from the agencies' regular budgets distorts their constitutional mandates.

U.S. missions complied with the Department's request to make these positions known to agency heads, international organization secretariat officials, and other delegations.

Need for further action

The U.S. policy statement, though pointing out the need to eliminate low-priority programs, did not address the question of how priorities were to be established or how the UNDP country programming procedures now implemented should relate to country priorities.

In calling for a documentation curtailment, the statement ignores the need for more comprehensive and better quality information on the organizations' operations. Any future requests for a better accounting of activities and use of resources could conceivably be viewed as conflicting with this objective.

The statement pointed out that anticipated increases in U.S. voluntary contributions to the UNDP would be unlikely if the other organizations continued to finance the present level of technical assistance activities from their regular budgets. It was not emphasized, however, that future U.S. contributions would be conditioned upon demonstrations that projects are responsive to the needs of less developed countries and can be efficiently and effectively carried out--a recommendation we previously made regarding U.S. participation in the UNDP. To this recommendation State answered that financial threats set a bad precedent and have a tendency to be counterproductive. State has instead stressed to UNDP officials that continued confidence by donor countries depends largely on implementing reforms.

We believe also, that the policy issues in the 1972 statement need to be adapted for inclusion in policy statements regarding individual organizations and that the question of priorities and country eligibility for receiving assistance should be considered.

POLICY EFFORTS

A clear-cut statement of U.S. policy objectives for each international organization in which the United States is a member has not yet been developed. For those agencies involved in our review, adequate policy statements were not available for the WHO and UNDP. Some actions, as described below, have been taken on ILO, FAO, and UNICEF.

ILO

The Secretary of State approved U.S. policy objectives in 1965 to guide participation in ILO. The objectives, political in nature, are broadly defined and are not easily susceptible to measurement. A more definitive and representative statement of U.S. objectives has not been developed although we had recommended it.

A joint study by the Departments of State, Labor, and Commerce of these objectives was prepared for the White House in February 1971. The study identified short range U.S. goals and explored problems confronting the United States as a participant in ILO. It offered several immediate alternatives for action, including withdrawal from the organization, but did not provide the comprehensive policy statement needed to guide U.S. participation.

A decision was reached from this study to continue U.S. participation, but called for another assessment the following year. No responsibility for making the followup study was assigned, and we found no plans for making it.

The State official handling ILO matters told us that congressional release of funds for contributions to the organization insured U.S. membership through 1974 but that the future of U.S. participation was still in doubt.

UNICEF

A paper stating U.S. policy objectives in UNICEF was prepared after we had inquired into the matter during our current review. The paper seems to be more of a justification for past decisions rather than an attempt to define the U.S. role and objectives in UNICEF. It had not been circulated to other U.S. agencies involved in UNICEF affairs, nor had it been presented to UNICEF as U.S. policy. It bears no endorsement by the Secretary of State or other high-level U.S. officials.

FAO

Our November 1969 report recognized that efforts had been underway since 1965 to establish a national policy paper on FAO. No such paper yet exists, but a new effort is underway.

An internal paper examining U.S. objectives in FAO was prepared in January 1973. It recognized that FAO was essentially a U.S. creation promoting U.S. interests and that the United States had guided the organization's growth and competence and had constantly tried over the years to achieve greater efficiency, effectiveness, and relevance in the organization.

The paper stated that determining U.S. objectives should be:

"* * *part of a wider general effort to upgrade the quality and effectiveness of U.S. participation in the FAO and WFP (World Food Program). Other important aspects of this effort are (1) evaluation of both regular and field programs, (2) improvement in systems for obtaining information and developing procedures necessary for making adequate analyses of FAO and WFP activities, and (3) improving U.S. participation at the national level."

The paper noted that efforts over the past several years to clarify U.S. participation in FAO have been sporadic, largely uncoordinated, and ineffectual. It identified 12 special efforts, including our 1969 report, aimed at clarifying and strengthening U.S. participation but acknowledged that:

"* * *None of these efforts have had any appreciable effect in establishing an effective working system for determination of U.S. objectives, improvement of U.S. participation, development of information or evaluation of field and regular programs."

The paper does not attempt to develop U.S. objectives or other studies problems associated with the task and asserts that establishing objectives is a function of U.S. foreign policy interests. These interests, as they affect agriculture, are identified as trade, disposal of surplus agricultural commodities, development programs, multilateral institutions, and other general areas. The paper also explores whether FAO should be development oriented or policy oriented and examines questions of priorities, performance, evaluation, and information needed to make policy judgments. It concludes that an immediate effort should be made to develop a complete and succinct statement of U.S. goals and objectives and to recommend courses of action for achieving them.

This new attempt to deal with U.S. policy objectives and priorities is commendable. We agree with the intent of the approach but do not think enough attention is given to the role of WFP and the effects current country

programing procedures would or should have on FAO's field program priorities. The paper favored neither an action-oriented nor a policy-oriented role for FAO but suggested that a decision be made on this point. Also FAO, as an action-oriented organization, is at the mercy of such major agencies as UNDP. It must be considered that U.S. policy seeks to have technical assistance activities financed by UNDP rather than from the regular budgets of the other organizations.

We discussed this with the State official who prepared the paper. He said that, if FAO is to be an action-oriented agency, country programs would have to be the dominant consideration in establishing priorities. In his viewpoint, FAO's regular budget should be used primarily to support FAO's role as a development agency. He said there were various opinions on this issue in the U.S. Government and within the FAO itself.

PRIORITIES

During our previous reviews, the international organizations generally had not established priorities in terms of a country's greatest needs. Over the years there have been numerous criticisms of projects carried out by the organizations. Projects were often small scale and widely scattered, had little impact, and frequently did not fill a priority need of the developing countries. For example, the 1969 "Study of the Capacity of the United Nations Development System," made by a group of experts headed by Sir Robert Jackson of Australia, asserted that 20 percent of all UNDP projects were not essential to the recipient countries' development.

The organizations still do not have any identifiable priority system governing resource expenditures. Governing bodies request their respective directorates to give priority to first one area and then another without stipulating to what extent resources must be channeled into any given area. To comply, the directorates must spread resources over an ever-increasing number of programs, potentially lessening the benefits to all and with the added consequence that assistance projects continue to be financed in low-priority areas.

The UNDP country programing process, if successful, could go far toward resolving the problems of establishing priorities.

UNDP country programs

Acting on recommendations from the 1969 study of the U.S. development system, UNDP is establishing development assistance programs based on existing country development plans or national development priorities and objectives. Responsibility for the plans or the priorities and objectives belongs to the country. UNDP provides a framework of planning figures for the magnitude of UNDP resources expected to be made available during the program period.

In planning a country program, UNDP should consider not only the priorities and objectives but also other multilateral and bilateral inputs and the institutional capacity of the country to use the assistance effectively. The process includes an evaluation of ongoing UNDP projects, analyses of the country's economic and social situation, and sector-by-sector statements of development objectives and the needs arising from them.

In the country programs approved by the UNDP governing council through 1972, the foregoing procedures do not appear to have been followed. Though some of the programs seem to conscientiously try to correct country development problems, many others appear to be shopping lists of projects without any quantification of sector priorities or priorities within sectors. Neither do they indicate any apparent attempt to coordinate the program with other sources of development assistance.

An April 1972 Department of State airgram identified a rather comprehensive list of problem areas in the country programming process. Officials have solicited support from U.S. missions and overseas posts and are working within UNDP's governing council for corrective measures.

A State-AID appraisal of these initial programs indicated that they were prepared in haste and that quality would improve as experience is gained. Perhaps the greatest constraint on success will be reliance on individual countries to set their own priorities and to coordinate assistance from outside donors with UNDP. The U.S. position regarding priorities has always been that assistance should be consonant with national development plans and needs.

Establishing a country's priorities for accomplishing its development objectives involves many considerations,

such as acquiring enough reliable statistics on existing economic and social conditions to permit adequate analyses. It can also be dependent on the relative influences wielded by country officials in competing for budgeted resources. Also, project requests for outside assistance may reflect the background and experience of a particular official. For example, a country's health minister who has been a practicing psychiatrist may press for projects in this field when the country's primary health problem is an inordinate death rate of children under 5 years of age.

We recognize the futility of an international organization attempting to force assistance into areas where a country has no interest and will not support projects. This does not, however, preclude an international organization, such as UNDP, from developing its own views on a country's needs and reserving its approval of assistance requests accordingly. This, in our opinion, would be a better approach than using resources on scattered projects having little impact and priority.

When recipient countries refuse to coordinate assistance or to permit coordination among donors, there should be no mandate for approving that country's program submissions. These two points are no doubt politically sensitive issues, but in the interests of better resource utilization they must be faced.

State Department suggested that these issues can be resolved by incorporating appropriate coordinating methods into the standard operating procedures of U.N. country programming. We agree that this is a worthwhile approach and should be attempted.

Eligibility for assistance

We suggested in our report on U.S. participation in UNDP that the practice of responding to assistance requests from all countries should be discontinued and that the organization's limited resources should be concentrated in the less developed countries. From 1965 through 1969, \$100 million of UNDP assistance had been granted to relatively developed countries. Since that time (1970-72), \$51.8 million in UNDP assistance has been granted to these more developed countries and another \$115 million is planned for the 5-year period from 1973 through 1977.

In November 1971 the U.N. General Assembly approved a list of 25 countries that had been classified as "hard core" least developed countries. The Assembly called on other international organizations to initiate action-oriented programs within their respective fields of competence favoring these countries. The Assembly also called on the organizations to take the special needs of these countries fully into account when formulating programs and selecting projects to finance.

From 1970 through 1972 these countries received \$86.7 million in UNDP assistance. Another \$250.8 million is planned for their assistance for 1973 through 1977. This amount shows a 73.7 percent increase in annual UNDP assistance to these least developed countries and compares quite favorably with the 33.1 percent planned for developed countries. We continue, however, to have reservations over assistance granted to countries considered capable of providing for themselves.

State agreed that concessional assistance should be directed toward less developed countries and should be reduced or eliminated for countries which are relatively developed. State suggested, however, that our estimates of the amounts involved may be overstated, since some of the recipients are also donors. We did not consider this factor because we do not believe it is relevant to the basic point, which is that many countries which do not need UNDP assistance get it. Donations are not made in consideration for receiving UNDP assistance. Nevertheless, even on a net basis the amount of UNDP resources provided to developed countries is large, amounting to \$35 million for the 3-year period 1970-72.

The Department said that the UNDP governing council was considering a resolution to freeze the levels of assistance for countries whose per capita income exceeded \$500 and that recent adjustments in the formula for computing planned levels of assistance for the 1977-81 period insured at least 25 percent of the total amount would go to the 24 less developed countries.

BEST DOCUMENT AVAILABLE

CONCLUSION

We commend State for developing and issuing the 1972 statement of general U.S. policy objectives toward budgetary, administrative, and management practices of the international organizations and the efforts in defining U.S. policy objectives in some of the international organizations. We believe, however, that U.S. statements of policy objectives are required for each of the organizations in which the United States holds membership. U.S. officials have attempted too long to manage U.S. interests in these organizations without benefit of such guidance.

RECOMMENDATION

Therefore, we recommend that the Secretary of State establish a deadline for developing and promulgating U.S. policy objectives and priorities toward each international organization in which the United States is a member. Such statements of policies should encourage the organizations to establish criteria for granting assistance based on country eligibility and priority needs.

BEST DOCUMENT AVAILABLE

CHAPTER 5

U.S. SYSTEM FOR APPRAISING, MONITORING, AND EVALUATING INTERNATIONAL ORGANIZATION ACTIVITIES

We reported in the past that the U.S. system for appraising international organizations' proposed programs, monitoring their implementation, and evaluating results faltered from insufficient information. Neither were U.S. officials making adequate use of the information they had. Consequently, they had few tangible bases for arriving at sound judgment on U.S. support for international organization programs.

Though better information has been requested and U.S. officials are making more critical examinations of what they have, we have noted little perceptible change in the quantity or quality of documentation provided by the secretariats to organization members. A body of knowledge, regarding the general content and directions of international organization activities, can be acquired from analysis of available documents, but the information is generally too sketchy and incomplete to make firm assessments on what the agencies are doing and planning to do or how effectively they are operating. This opinion is generally shared by U.S. officials responsible for reviewing documentation and preparing U.S. positions.

APPRAISAL OF PROPOSED BUDGETS AND PROGRAMS

Member governments, including the United States, have the opportunity to review and approve budgets and programs proposed by international organization secretariats. The documents presented, however, do not contain the objective information necessary to form sound judgments on the proposals. As a result, members do not have a firm basis as to whether proposed budgets and programs should be supported or what alternative course of actions should be sought.

Speaking on FAO's proposed Program of Work and Budget for 1972-73, the U.S. delegation to FAO's governing council criticized the program's lack of clearly defined and quantifiable objectives.

The delegation's comments included:

"* * * To state that the objective of a program is to assist governments to undertake certain management and organizational steps is to indicate only in a very general way how the money is to be spent and what the general thrust of the program will be. This statement does not tell us what is expected to be accomplished. It does not provide us with the means for measuring performance or progress. With this kind of statement of objective we will never be able to determine whether the program is succeeding or failing or even if it is accomplishing anything. * * * Program managers must have the authority to demand such statements, and those who propose technical activities must be obliged to supply them. To extent that such statements are not provided, we must suspect that the ultimate objectives of the program are not clearly identified."

The delegation suggested improvements in future budget presentations:

- Some explanation as to what alternative program blends or mixes the Director General had considered and why he had chosen one and rejected the others.
- Cost estimates for the various subprograms.
- Greater precision and clarity on whether budget increases were due to inflation or to program increases.

The secretariats of WHO and ILO have also been asked to improve the content of their program and budget presentations. There have not yet been any visible results, but WHO is supposed to expand the information content of its budget by the 1974 sessions of the Executive Board and World Health Assembly. Also, U.S. officials, recognizing the lack of information in UNDP country program submissions, unsuccessfully sought additional supporting information from that organization.

Appraisals are necessarily superficial and comment on such items as unusual expenditures, assignments of personnel,

project mix, or role of the organization. The technicians involved recognize that there may be sound explanations for the questions raised but can base their appraisals only on the limited information contained in the documents. Consequently, the U.S. approach to influencing the rising agency budgets has been one largely of fashioning budget positions in terms of acceptable ceilings.

The problem with this is the United States, despite being the major contributor, is relatively powerless when it comes to voting on budgets and programs and must convince other members, primarily the large group of lesser developed countries, that efficiency of operations and tight budgets are in their interest too and that the United States is not trying to harm essential programs. The United States must be able to demonstrate that program add-ons, without elimination of marginal activities, and program expansion, without regard to capacity, are contrary to the interests of all members--both lesser developed and developed.

U.S. officials are trying to do more with the limited available information than they have in the past. For example, they attempted to study the health priority needs of 20 Latin American countries and relate these needs to the health assistance projects financed by the Pan American Health Organization, a regional office of WHO. They found in 14 countries that the correlation of health assistance to country needs was poor. The results were inconclusive, however, since it was not known to what extent the countries might have been meeting their priority needs from other sources of assistance.

These officials also compiled a list of projects from WHO's budget that had been in process for 10 years and longer and raised questions on whether they should be continued. The project listing and comments were provided the Director General, but no response has been received.

MONITORING PROGRAM IMPLEMENTATION

A major weakness pointed out in our previous reports was that U.S. officials did not follow the progress of international organization projects and programs once they had been approved by the governing bodies. We found that either no operational reports were made available to member governments on the organizations' ongoing activities or that information

provided was not adequate to judge how well programs and projects were being implemented, including such important areas as status of funding and progress toward objectives.

There has been little improvement in the operational data being made available. Though current data presents an overview of the work being carried out by the various organizations, it does not provide the information needed by members to adequately follow progress. Officials with whom we discussed the problem agree that this is indeed an area of concern and that there is little real knowledge of agency programs.

The inability to monitor program progress and achievements is, of course, a direct result of the way proposed programs are presented for approval; that is, lacking clear, precise, and quantifiable statements of objectives. As the U.S. delegation to the FAO governing council noted, without such statements of objectives, "we will never be able to determine whether the program is succeeding or failing or even if it is accomplishing anything."

EVALUATING RESULTS OF ACTIVITIES

There are several evaluation activities carried out by or under the auspices of international organizations. As discussed in chapter 6, however, these efforts do not adequately meet the needs of member governments.

Annual U.S. evaluations

In 1966 State, recognizing the need for information, requested an assessment of international organization activities from its overseas posts. A number of posts did not respond to this and subsequent requests. Also, some replies were so general that conclusions on the effectiveness of U.N. programs were all but impossible. Consequently, we recommended in previous reports that, until an effective internationally constituted means of evaluation was developed, the Secretary of State should arrange to improve the quality of U.S. evaluations of U.N. organization activities through its overseas posts.

Some 1972 reports from overseas showed a marked improvement and others a continued lack of quality. Again some posts did not respond at all, and 23 Embassies did not

forward copies of their reports to U.S. missions at the international organizations' headquarters as instructed.

Our inquiry at one U.S. mission showed that no action had been taken on those evaluation reports received. A mission official said that he does not act unless specifically instructed by Washington.

Both State and AID officials in Washington see these annual U.S. field evaluations as valuable sources of information when preparing for sessions of governing bodies, reviewing UNDP country programs, and appraising proposed projects.

A State official told us, however, that understaffing had precluded devoting adequate time to the reports. No one has been assigned the responsibility of following through on problems disclosed in the reports, and no official responses have been received from U.S. missions on actions taken at the international organizations' headquarters. The official also said that no inquiry had been made of the U.S. missions, but that he understood some of the missions had virtually ignored the reports forwarded to them.

The importance and potential usefulness of these field evaluations are illustrated by the content of one of the better evaluations. The report presents a detailed examination of U.N. programs and provides specific information which can be followed up at headquarters level and at governing council sessions. If reporting from other countries was of an equivalent quality, much useful data would be available to officials responsible for overall management of U.S. participation in international programs.

State officials subsequently told us that U.S. missions to the international organizations were instructed March 22 and April 27, 1973, on actions to be taken on these annual reports.

Other U.S. evaluations

Other requests have been made for evaluative information. For example, information was requested during 1971 and 1972 from selected overseas posts on the United Nations Industrial Development Organization (UNIDO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) activities and from all posts on UNICEF activities.

However, the quality of results varied and the problems identified were similar to past deficiencies.

In addition, U.S. teams originating in Washington have made field visits over the last 2 years for the specific purpose of evaluating multilateral assistance activities. A report on one country showed that its capacity to absorb and capitalize on assistance was "taxed to the limit" in terms of the country's human and institutional resources--there was no development assistance program, it was short on planning and the will to take actions in its own behalf, and there was no coordination among donors. As a result, AID personnel were only slightly aware of international organization assistance programs.

Sector goals and objectives did not exist in sufficient detail to permit project evaluations. The report stated that, if the success of projects would be measured by whether the government carried on alone after the experts left, then most programs would have to be considered failures. The opinion of U.N. advisors, according to the report, was that programs flounder after the experts leave, studies are filed and forgotten, organizations dissolve, and projects lapse.

The report identified the government as the weak link in the development chain and stated that UNDP was not capable of prodding the government into needed reforms.

AGENCY COMMENTS AND OUR EVALUATION

State generally concurred in our findings concerning the management and evaluation of United Nations activities. It pointed out that recent internal U.N. actions in establishing program budgeting systems, initiating a computerized management information system, and reorganizing the Office of the Commissioner for Technical Cooperation could improve both U.N. and U.S. management capabilities. State also noted that a UNDP tripartite project review system with the host government, a UNDP representative, and a representative of the executing agency jointly assessing project performance would contribute to improved UNDP management.

State also mentioned that U.S. reporting on UNDP country programs has been improved and stronger procedures have been established for better utilization, analysis, and

distribution of information produced by annual and special U.S. evaluations. Additional field personnel have been assigned to improve analysis of headquarters and field operations of U.N. organizations operating from Paris, Geneva, and Rome.

We agree that these actions, most of which have been recently initiated, are useful and should produce management improvements. However, all of these functions or procedures are not yet fully operational and much effort, attention, and followup will be needed to mold them into effective management instruments. For example, the U.N. program budgeting system, initiated in January 1974, is far from being an effective management tool. Its shortcomings include a lack of program definition and no system of priorities. Also, the UNDP project evaluation system is not fully functioning. The procedures establishing this system were distributed in September 1973. Although some reports have been made, it is not known whether the system is operational in each of the countries receiving UNDP assistance. Also, the system's effectiveness is subject to question because of the absence of basic project design criteria which precludes meaningful evaluation. The need for improvement in this area is generally recognized as an essential prerequisite to effective evaluations and improved management. Unless there is a major revamping of project design/evaluation methods within UNDP, the tripartite reviews will be of limited usefulness.

CONCLUSIONS

Implicit in our previous recommendation for improving U.S. appraisals was the need to obtain enough information to assess whether a proposal met a priority need, contained measurable objectives, was well planned financially and logistically, and was economical from the recipient's standpoint. This required information on current and past activities to allow comparison and contrast with new proposals.

Despite U.S. efforts, the depth and quality of information obtained from the international organizations on proposed activities has not perceptibly improved. Neither has enough information been acquired nor a suitable system established for following the progress of the organization's approved activities and for evaluating results.

Unilateral evaluations by U.S. personnel are helpful in generating awareness of the actual international organization activities at the country level, though we believe the results could be better analyzed and used more effectively by State. Nevertheless, the present situation is far superior to that of a few years ago when this area received little, if any, emphasis at all.

The quality of the U.S. evaluations has been mixed and, we believe, will tend to diminish in individual countries as U.S. bilateral aid is curtailed and overseas staffs are reduced. It should be remembered too that the results have been impressions acquired from discussions with host country and/or international organization personnel. Though evaluations by U.S. overseas posts are no substitute for an adequately functioning independent evaluation unit, such efforts should be continued.

The more thorough U.S. officials can be in their assessments of the organizations' activities, the more convincing and effective the United States will be both in dealing with the secretariats and in garnering the support of other member governments. This latter point is especially important for, despite the significant financial support it provides, the United States is relatively powerless when it comes to final voting on budgets and programs unless it can convince others to support its proposals.

RECOMMENDATIONS

In order for the executive branch to make more meaningful assessments of proposed activities and to remain informed on the progress of previously approved programs and projects, we recommend that the Secretary of State:

- Develop criteria for reporting that will produce sufficient, relevant, and reliable information on management proposals and performance.
- Enlist the support of other members to get such criteria adopted by the organizations.
- Continue U.S. annual evaluations emphasizing their importance to overseas posts and aggressively attempting to resolve identified problems with the organizations.

CHAPTER 6
ESTABLISHMENT OF
U.N.-WIDE REVIEW BODY

Past reports emphasized the need for better evaluations of U.S. programs and activities. They also identified the evaluation efforts made, including internal evaluations, external audits of financial statements, audits by the U.N. Board of Auditors, and reviews by the U.N. Joint Inspection Unit. We felt that none of these were effectively meeting member governments' needs for information on how well resources were being used by the organizations and whether approved objectives were being satisfactorily accomplished. To meet these needs, we recommended that State encourage the establishment of a single independent U.N.-wide review body of appropriate size and competence.

State instead chose to devote its efforts to improving existing inspections and review groups--the U.N. Joint Inspection Unit and the U.N. Board of Auditors. Neither of these units qualify as an independent evaluation body capable of carrying out the comprehensive examinations necessary to provide member governments adequate information for deciding their continued support of the organizations' programs and activities.

The importance of an effective review and evaluation system for the international organizations has been recognized in the Foreign Assistance Act of 1973 (Public Law 93-189) approved December 17, 1973. Section 9(1) requires the President (acting through U.S. representatives) to propose and actively seek the establishment by the governing authorities of such organizations of a single professionally qualified group of appropriate size to provide an independent and continuous program of selective examination, review, and evaluation of the program and activities of the United Nations and its affiliated organizations.

State has begun to implement this legislation. It has developed a proposal and has held discussions with representatives of various member governments. It expects to pursue its initiatives further at a July 1974 meeting of the United Nations Economic and Social Council and at subsequent meetings. GAO is assisting by developing standards and advising on the form of organizing to be established.

Current review and evaluation activities are discussed below.

JOINT INSPECTION UNIT
AND ACTIONS TO IMPROVE IT

The U.N. Joint Inspection Unit was established in 1967 and began operating in January 1968. It is a temporary organization and its term must be renewed periodically. The latest renewal extended its tenure through 1977.

Although the Unit has done some worthwhile comprehensive examinations of management operations and program performance, it is not able to adequately cover the vast and diverse programs and operations of the annual \$1.2 billion U.N. program. The Unit has only eight inspectors. It does not have a diversified professional staff of experienced accountants, auditors, economists, and management analysts which a properly functioning review and evaluation unit needs. The Unit's lack of performance and independent financing and the absence of centralized direction and control also impair its effectiveness.

In 1971, partly as a result of our recommendations, State began upgrading the capabilities and characteristics of the Unit. Officials circulated to the U.N. membership a staff paper entitled "Suggestions of the United States to Strengthen Inspection and Evaluation." The objective was to stimulate thinking of member governments before the 1972 session of the General Assembly.

The paper outlined a number of factors which could, in State's opinion, improve the Unit's effectiveness and expand its capabilities. Although the objectives established were generally good, the paper, in our view, omitted some relevant considerations and contained one important provision which we found objectionable. The omissions involved the failure to provide an independent source for financing the Unit and the absence of a strong position toward increasing the size and professional background of its members. The objectionable feature of the paper was a suggestion to limit the Unit's authority. The paper states that:

"The Joint Inspection Unit should not assume, either explicitly or implicitly, the financial auditing or internal management review functions of bodies established especially for those purposes, nor should those bodies assume any of the functions which are the primary responsibility of the Unit."

State officials said that, rather than limit the powers of the Joint Inspection Unit by this wording, they had intended to eliminate duplication. We believe, however, that adoption of this provision could relegate the Joint Inspection Unit to a superficial position without any real evaluative responsibility or authority. International organizations have their own internal review groups that are supposed to review operations and report to management. Their internal reports are not, as a rule, made available to member governments. If the Unit ignores these areas, the member governments will have no assurance that internal reviews are effective or that management is responding appropriately to the recommendations.

Work should not be duplicated; but an effective external evaluation unit needs to do enough work in the same functional areas as internal review groups to determine the appropriateness and effectiveness of operations, not only to assess the adequacy of internal controls but also to establish the scope of their own work. We suggest this matter be considered more fully in future efforts to improve evaluations.

Notwithstanding State's initiative, the U.S. delegation to the United Nations 27th General Assembly, held in the latter part of 1972, did not actively seek adoption of the suggestions for improving the Unit and establishing it as a permanent organization. Officials informed us that they did not pursue this matter aggressively because they had more pressing priorities. Consequently, basic issues concerning the competence and capabilities of the Unit will remain undecided for a period of 4 years.

INTERNAL AUDITS OF
INTERNATIONAL ORGANIZATIONS

Financial regulations call for an annual audit of international organizations by an outside party appointed by the

governing body. Such audits for the United Nations and some of its affiliated organizations, such as UNDP and UNICEF, are carried out by the U.N. Board of Auditors composed of national auditing authorities of three member governments. These auditing groups generally confine their work to fiscal matters, and do not undertake comprehensive management reviews.

INTERNAL REVIEW AND EVALUATION

Internal review organizations within the U.N. system include the U.N.'s Administrative Management Service, various internal audit groups, and the UNDP's evaluation division.

U.N. Administrative Management Service

The U.N. Administrative Management Service reports directly to the Under Secretary General for Administration and Management. This unit was under the Office of the Controller until the Secretary General reconstituted it in July 1969 with new responsibilities.

The initial task of the unit was to survey manpower utilization in the Secretariat. As of December 31, 1973, this survey was still underway. The results are reported annually in very general form and little information is provided on the detailed findings, conclusions, and recommendations made. Thus the work of this organization is of limited use to member countries.

The Administrative Management Service is a permanent unit scheduled to undertake further surveys and analyses of management questions after its initial task is completed. It has not been established whether the full results of its work will be publicized to member governments.

UNDP Evaluation Division

Our past report showed that UNDP had established an evaluation division in 1967. Reports growing out of the division's work were not to be made available to the governing council, though the Administrator was to report evaluation results and followup actions. However, the Administrator had made no reports to the governing council as of December 31, 1972.

An AID official of the U.S. Agency for International Development told us they assisted UNDP's evaluation division in developing operating procedures and guidelines. He had no knowledge of the evaluation division's progress toward implementing these procedures and felt it would be some time before any UNDP evaluation system could become fully operational.

Internal audit

The international organizations' internal audits are geared primarily toward accounting, financial, and administrative controls. Their responsibilities include the audit of accounting and administrative records to insure compliance with the organizations' policies, procedures, and regulations. The results of their work are not generally available to member countries.

CONCLUSION

Since internal review reports are not normally available to members, and considering the general lack of substance regarding administration and management issues in external audit reports, these groups do not seem particularly well suited to providing members the information needed on international organization activities. Only the Joint Inspection Unit seems to possess a broad enough mandate to meet this need.

State, however, in choosing to promote the Unit rather than establishing a new body to meet evaluation needs has not been able to reform and strengthen it. The Unit's independence can still be questioned, considering its lack of permanence and the fact that its operations are financed by the organizations it is charged with reviewing. Moreover, inspectors are not bound by any central guidance within their own group. This, coupled with the Unit's small size and lack of professional diversification, renders it incapable of adequately covering the range of programs and activities which should be continuously reviewed and reported on.

The U.N.-wide independent review and evaluation group being sought by the Foreign Assistance Act of 1973, if successfully established and functioning under appropriate auditing and reporting standards, should provide to the

United States and other member countries valuable information for assessing the efficiency and effectiveness of programs carried out by the organizations of the United Nations system.

We are making no recommendations with respect to the review and evaluation group but will assist State in developing auditing and reporting standards to be included in the U.S. proposals and will closely monitor the implementation of the legislation.

BEST DOCUMENT AVAILABLE

CHAPTER 7

EMPLOYMENT OF U.S. CITIZENS

BY INTERNATIONAL ORGANIZATIONS

Though we recommended in 1970 that the executive branch do more to increase the employment of U.S. citizens by United Nations organizations, the United States still remains underrepresented on the organizations' staffs. This underrepresentation is illustrated in the following table which contrasts the percentage of U.S. nationals employed in professional secretariat and expert positions in 1967 and 1972 by seven major organizations with the percentage of funds the United States contributed to the organizations' budget.

<u>International organizations</u>	<u>1972</u>		<u>1967</u>	
	<u>U.S. staff</u>	<u>U.S. contributions</u>	<u>U.S. staff</u>	<u>U.S. contributions</u>
	(as a percent of total)			
U.N.	15.0	31.5	14.4	31.9
UNDP	19.5	32.2	17.4	37.3
UNICEF	21.8	34.9	23.5	38.8
FAO	8.9	31.5	10.1	31.9
ILO	8.9	25.0	6.4	25.0
UNESCO	9.2	29.8	8.7	30.0
WHO	11.4	30.8	10.4	31.2

Some progress has been made, however, in increasing the number of Americans employed in professional positions in the Secretariats of the U.N., UNDP, UNESCO, and UNICEF. From 1967 to 1972 Americans holding professional jobs in the United Nations increased from 18.8 to 19.68 percent. In UNDP the number of American professionals has increased from 17.38 to 19.45 percent, an increase from 66 to 128 positions. Also, numerical increases were achieved in UNESCO and UNICEF.

Nevertheless, U.N., as well as U.S., officials recognize that U.S. nationals are not adequately represented. It is difficult to determine all the underlying reasons for underrepresentation, but we did note a number of factors in both the U.S. recruiting system and the hiring practices of the U.N. organizations that contribute to the condition.

U.S. RECRUITING SYSTEM

The U.S. recruiting responsibilities are fragmented among several Federal agencies or offices and suffer from inadequate emphasis and a lack of innovative approaches.

Need to improve central direction

State has the primary responsibility for managing U.S. recruitment. In 1964, and again in 1970, the Secretary of State was directed to develop policies and procedures to advance recruiting. In addition, each agency head was requested to actively assist in finding qualified U.S. candidates and encouraging their employees to accept assignments with international organizations.

State, however, has not followed up with formal policy guidance and has not established any specific procedures to be followed. Under present arrangements, State recruits personnel for the U.N., UNDP, regional economic commissions, UNICEF, U.N. technical assistance programs, secretariat positions of UNESCO, and some secretariat positions for FAO.

Candidates for field positions in UNESCO are recruited by the Department of Health, Education, and Welfare (Office of Education). The Department of Health, Education, and Welfare (Public Health Service) also recruits for both the field and secretariat levels of WHO as does the Department of Labor for ILO and the Department of Agriculture for FAO. Other agencies are involved, but these cover the major recruiting effort.

Each agency involved in the recruiting process carries out its program as an independent effort and, with guidance from State, develops its own procedures for handling personnel transfers. As a consequence, efforts vary widely--from an extensive program including outside advertising, published circulars, and recruiting trips in one agency, to a small internal one-man operation in another.

No requirement exists for recruiting offices to maintain formal records of recruiting activities or to prepare formal reports on the number of vacancy announcements received, candidates submitted, and positions filled. It is not possible to tabulate the number of U.S. citizens offered employment nor to categorize the reasons why any employment offer may have been rejected.

Inadequate emphasis

Various studies since 1963 have recognized the need for giving more emphasis to recruitment, if the goal of increased U.S. representation is to be achieved. It was recognized that more publicity of the President's policy of recruiting American citizens was necessary and that the numbers of U.S. personnel assigned to recruiting had to be increased.

We found that very little publicity was given to recruitment and the number of persons assigned to recruiting had decreased rather than increased. It seems apparent, also, that some U.S. recruiting officials are not motivated toward increasing U.S. representation. Some U.S. officials overseas involved with recruiting told us that they were satisfied with the current level of U.S. employment and were not in favor of filling the quotas established for the United States. For example, in one instance, we were told that it would be inappropriate for the United States to have 30 percent of the jobs in one international organization even though this was the quota allocated to our country.

State acknowledged that the number of personnel assigned to recruiting duties had decreased and stated that it was taking steps to correct this. It also expressed surprise that some overseas recruiting officials were not properly motivated to increase U.S. representation and has informed the heads of missions of the need to give a high priority to this objective.

Need for innovative approaches

It seems obvious that innovative procedures or programs are essential to achieve an increased level of U.S. employment in international organizations. State has, until recently, paid little attention toward identifying and trying innovative approaches.

The associate expert plan is one such approach. Several European countries apparently use this plan successfully; but U.S. agencies, except for the Department of Health, Education, and Welfare, do not. Under this plan, a country sends young professionals to an international organization and pays for their training. Some eventually become direct hire personnel and go on to assume responsible jobs in the organization.

State told us that it had considered this approach but had been unsuccessful in obtaining funds for this purpose.

Another approach was to contribute limited additional amounts beyond assessed or required contributions for the specific purpose of hiring U.S. experts. An agreement was signed November 7, 1973, for AID to provide funds to the United Nations for the employment of up to 20 U.S. experts on transfer from AID, to serve under U.N. auspices in the least developed African countries.

If the United States is to obtain a larger representation in the international organizations, greater use of these plans and other reasonable innovative approaches should be considered. State officials agreed there was a need for innovative approaches but questioned how they would fund such programs as the associate expert arrangement. They also pointed out that to find new approaches requires time to study and develop and that this is beyond the capacity of the present recruitment staff in view of its limited personnel resources.

U.N. EMPLOYMENT POLICIES AND PROCEDURES

The Charter of the United Nations states that "Due regard shall be paid to the importance of recruiting staff on as wide a geographical basis as possible." Accordingly, the U.N. has set for each member state a desirable range for professional secretariat positions. If the number of employed nationals falls within this range, the member state is considered adequately represented. Each member's range is based primarily on percentage of contribution and size of population.

The other international organizations generally recognize this principle, but there is no common system being followed. Of the other organizations, only FAO and UNESCO had established firm desirable ranges for employing member country nationals at the secretariat level.

In only one of the three organizations, the U.N. Secretariat, did the United States fall within the established range during 1972.

	<u>Desirable range for United States</u>	<u>Actual U.S. employment in 1972</u>
U.N. secretariat	410-604	445
UNESCO secretariat	179-238	86
FAO secretariat (note a)	20%	13%

^aFAO uses a system weighted according to grade levels.
These percentages are not reducible to specific numbers

Practically all overseas U.S. recruiting officers contacted said they had no formal written procedures from the international organizations explaining how their selection process works. Most officers had an informal understanding of the process which, according to them, usually involved a formal selection committee for headquarters position and either a selection panel within the organizations' operating division or a project manager's determination for field positions. The host country where field projects are carried out has the authority to accept or reject proposed project staff experts.

The Joint Inspection Unit completed a report on personnel problems for the professional category in July 1971. Though this report deals only with the United Nations and not the specialized agencies, some of the recommendations in it may be of interest to all U.N. members. Essentially, the present U.N. personnel situation is characterized by general dissatisfaction with personnel operations, problems resulting from expanded growth, recruiting difficulties, and the need for modern management techniques. The solution, according to the report, is to modernize personnel policy methods so that the secretariat will be more efficient, more flexible, and more in keeping with the needs of the member countries.

With the exception of interpreters and translators, the report shows that no systematic clearly defined criteria are applied when deciding what posts are to be filled by external recruiting. Also virtually no publicity is given to secretariat-level vacancies, and recruiting procedures do not provide for consideration of enough candidates per post. In most cases reviewed, only one candidate was considered for each vacant position. Though a recruiting roster of

pective candidates is maintained, virtually no use is made of it, and there is not enough active prospecting for candidates. Conclusions reached pointed to the need for a long-term recruiting plan which would use statistical forecasting, lay down precise standards, and establish clear personnel policies.

AGENCY COMMENTS AND GAO ANALYSIS

State said that it considered the level of positions held by Americans in the international organizations to be important and that their primary objective was placing their best people in key posts. The emphasis was on quality rather than quantity, though due regard was paid to the latter as well.

For the seven organizations discussed in this report, the State noted that Americans head two of them (UNICEF and UNDP), and hold the Deputy Director posts in two others (UNESCO and FAO). In WHO, the Assistant Director General for Administration is an American as is the Director of the Division of Administrative Management and Personnel. In the United Nations itself, Americans hold over 20 percent of the Director-level posts, as well as one Under Secretary-General and two Assistant Secretary-General posts. But, in ILO the U.S. is seriously underrepresented at the highest management levels.

State also stated that it had done much to establish procedures for the transfer and detail of Federal employees to international organizations and to stimulate other Federal agencies to identify candidates for international organization employment. In particular, it informed us that it had been instrumental in obtaining the passage of Section 502 of the Foreign Assistance Act of 1969, P.L. 91-175, approved December 30, 1969 (80 Stat. 425, 5 U.S.C. 3343) which establishes an incentive for U.S. Government employees to transfer to international organizations by providing for salary equalization.

We agree it is important to hold a representative number of the key posts. It is, however, equally important to be adequately represented at the middle management and working levels of the organizations. A balanced approach is essential and the U.S. objective should be to obtain our representative share of U.N. jobs at all levels.

We also agree that State has done much to facilitate and increase transfers and details of Federal employees to international organizations. Nonetheless, the U.S. recruiting effort is still essentially fragmented and there is a need to standardize procedures and practices followed by the different agencies involved.

CONCLUSIONS

The United States has not succeeded very well at improving the percentage of U.S. citizens employed by the international organizations. There are a number of factors contributing to this lack of success.

State has not effectively assumed its role of providing leadership and coordination, nor has it developed policies, procedures, and programs to advance and encourage participation by U.S. citizens in international organizations. It has not applied enough emphasis to achieve a higher level of U.S. representation and has not developed sufficient innovative approaches.

In addition, according to a report by the U.N. Joint Inspection Unit, there are inadequacies in the recruiting and hiring procedures of the international organizations which should be corrected.

State officials point to internal staffing shortages and believe that with the required resources they could improve U.S. representation.

RECOMMENDATIONS

To establish a workable system for a continuing overview of the U.S. recruiting effort and to improve the level of U.S. representation on the staffs of the international organizations, we recommend that the Secretary of State:

- Obtain from each of the international organizations a formal statement of personnel policies and selection procedures, including details of their recruiting practices, and arrange for an assessment of each.
- Instruct U.S. representatives to the international organizations to press for needed reforms in the personnel systems of these organizations.

- Develop the policies, procedures, and programs necessary to guide other Federal agencies in advancing and encouraging participation by U.S. citizens in international organizations.
- Establish a range of objectives or goals for the number of U.S. nationals to be employed by each organization.



DEPARTMENT OF STATE

December 23, 1973

Mr. James A. Duff
Associate Director
International Division
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Duff:

I am replying to your letter of October 26, 1973, which enclosed a copy of the draft General Accounting Office Report: "Further Improvements Needed in Managing U.S. Participation in International Organizations" and requested the Department's comments. I am enclosing the Department's comments on the report and its response to the specific recommendations. The Department agrees with the objectives of each proposed recommendation and in most instances already has initiated the required actions.

We appreciate the opportunity to review and comment on the report.

Sincerely yours,

A handwritten signature in cursive script that reads "Richard W. Murray".

Richard W. Murray
Deputy Assistant Secretary
for Budget and Finance

Enclosure

GAO note: Detailed comments are reflected in appropriate sections of the report.

APPENDIX II

U S DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

NOV 27 1973

Mr. George D. Peck
Assistant Director
Manpower and Welfare Division
U. S. General Accounting Office
Washington, D. C. 20548

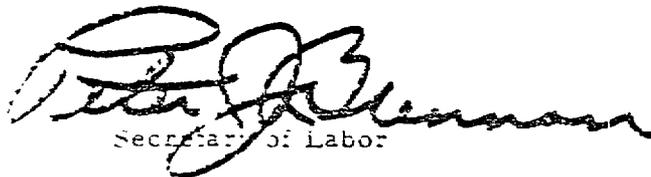
Dear Mr. Peck:

Thank you for your letter of October 29 enclosing copies of the draft report on your follow-up review of U.S. participation in international organizations.

I have asked our Bureau of International Labor Affairs to analyze the report with care. We believe it provides an important framework within which to strengthen our efforts, with the Department of State, to improve U.S. participation in the International Labor Organization. We plan to work closely with the Department of State to that end.

I appreciate your thoughtfulness in making copies of the draft report available to us.

Sincerely,


Secretary of Labor

BEST DOCUMENT AVAILABLE

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

JAN 7 1974

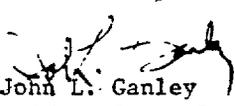
Mr. James A. Duff
Associate Director
International Division
U.S. General Accounting Office
Washington D.C. 20548

Dear Mr. Duff:

The reply from the Department of State dated December 28, 1973 to the draft GAO report: "Further Improvements Needed in Managing U.S. Participation in International Organizations" included substantive comments which were provided to the Department of State by the Agency for International Development. Consequently the reply referred to above represents joint Department of State-A.I.D. views.

We appreciate the opportunity given us by your letter of October 26, 1973, to the Acting Administrator, to review the report in draft. We found it to be thorough and constructive.

Sincerely yours,


John L. Ganley
Auditor General

BEST DOCUMENT AVAILABLE

APPENDIX IV



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON D C 20201

NOV 30 1973

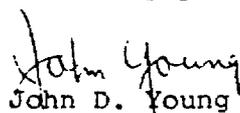
Mr. Ronald Lauve
Assistant Director
Manpower and Welfare Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Lauve:

This refers to your letter of October 29 which transmitted copies of a draft GAO report to the Congress on U.S. participation in international organizations, for our information. We have some comments on your report which you may wish to consider when you prepare the final version. They are enclosed.

Thank you for letting us review this report in draft form.

Sincerely yours,


John D. Young
Assistant Secretary, Comptroller

Enclosure

BEST DOCUMENT AVAILABLE

APPENDIX IV

COMMENTS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
ON A COMMITTEE REPORT ENTITLED, "FURTHER IMPROVEMENTS
NEEDED IN MANAGING U.S. PARTICIPATION IN INTERNATIONAL
ORGANIZATIONS"

Pages 3 and 45 - Statement that the U.S. remains "under
represented" on the World Health Organization's (WHO) staffs.

We question that statement. In the case of WHO, no determination has been made by State or HEW as to the optimum representation, or by WHO as to "quota percentage" of various nationals working in the World Health Organization. It is questionable, in fact, whether it is even desirable that the percentage of Americans on WHO's staff should be as high as the U.S. quota assessment (30%), which the report implies. We feel the more desirable goal is for Americans to be placed in positions commanding areas of influence. Indeed, of Secretariat positions P.5 and above -- the areas of policy-making -- the U.S. commands the largest percentage. Numbers of individuals, alone, will not influence programs as greatly as that of having individuals in key positions.

Page 30 - First paragraph, last sentence referring to "inability to monitor program progress."

This statement is inaccurate since, as a result of the U.S. (HEW) review, the WHO Director-General's Staff Review Committee, composed of the Assistant Director-Generals, provides an annual analysis of all projects of 10 years' duration or longer. This report is submitted to the Executive Board of WHO and to the World Health Assembly.

Page 48 - Statement concerning the "expert Associate plan."

The statement that the United States has not used this approach is inaccurate. Actually, the PHS has been providing personnel on a non-reimbursable basis to the World Health Organization for a number of years. While we may not refer to this arrangement as an "expert associate plan" it has in fact been used. Within the last two years, for example, we assigned two PHS career development officers to WHO, one in the environmental health program and the other in the nursing activity. The officer assigned to the environmental health program remained to work with WHO an additional year as a direct-hire employee, paid by WHO. Currently, the PHS has assigned three young professionals from the Center for Disease Control, paid by CDC, to WHO's Smallpox Eradication Program to receive epidemiological training while providing assistance to WHO.

APPENDIX V

OFFICIALS PRIMARILY RESPONSIBLE FOR MANAGING
U.S. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS

	<u>Appointed or</u> <u>Commissioned</u>
SECRETARY OF STATE:	
Henry A. Kissinger	Sept. 1973
William P. Rogers	Jan. 1969
ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS:	
William B. Buffum	Feb. 1974
David H. Popper	June 1973
Samuel DePalma	Feb. 1969
U.S. REPRESENTATIVE TO THE UNITED NATIONS:	
John A. Scali	Jan. 1973
George W. Bush	Oct. 1973
Charles W. Yost	Feb. 1969
UNITED STATES REPRESENTATIVE TO THE EUROPEAN OFFICE OF THE UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS:	
Francis L. Dale	Jan. 1974
Jules Bassin (acting)	Apr. 197
Idar Rimestad	Sept. 1961
ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT:	
Daniel Parker	Oct. 197
John A. Hannah	Mar. 1969
<u>UNITED NATIONS CHILDREN'S FUND</u>	
U.S. REPRESENTATIVE TO THE UNICEF EXECUTIVE BOARD:	
Michael N. Scelsi	Mar. 1973
T. F. Dellaquadri	June 1961

APPENDIX V

Appointed or
commissionedUNITED NATIONS DEVELOPMENT PROGRAMU.S. REPRESENTATIVE TO THE UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL AND UNDP
GOVERNING COUNCIL:

Clarence C. Ferguson, Jr.	May	1973
Bernard Zagorin	May	1971
Glenn Olds	Apr.	1969

FOOD AND AGRICULTURE ORGANIZATION

SECRETARY OF AGRICULTURE:

Larl L. Putz	Dec.	1971
Clifford M. Hardin	Jan.	1969

ASSISTANT SECRETARY OF AGRICULTURE FOR
INTERNATIONAL AFFAIRS:

Vacant	Jan.	1974
Carroll G. Brunthaver	June	1972
Clarence D. Palmby	Jan.	1969

COUNSELOR FOR FAO AFFAIRS, ROME, ITALY:

Paul J. Byrnes	July	1970
Robert Rossow	Aug.	1964

WORLD HEALTH ORGANIZATION

SECRETARY, OF HEALTH, EDUCATION, AND WELFARE:

Casper W. Winberger	Feb.	1973
Elliot L. Richardson	June	1970
Robert H. Finch	Jan.	1969

SURGEON GENERAL, PUBLIC HEALTH SERVICE:

S. Paul Ehrlich, Jr. (acting)	Jan.	1973
Jesse L. Steinfeld	Dec.	1969

APPENDIX V

Appointed or
commissioned

INTERNATIONAL LABOR ORGANIZATION

SECRETARY OF LABOR:

Peter J. Brennan	Nov.	1972
James D. Hodgson	July	1970

SPECIAL ASSISTANT TO THE SECRETARY OF STATE
AND CO-ORDINATOR OF INTERNATIONAL LABOR
AFFAIRS:

Dale E. Good	Apr.	1973
Daniel L. Horowitz	May	1971
George P. Delaney	Mar.	1963

DEPUTY UNDER SECRETARY OF LABOR FOR INTERNA-
TIONAL LABOR AFFAIRS:

Joel Segal	July	1972
Vacant	Dec.	1971
Donald M. Irwin	Sept.	1971
George H. Hildebrand	June	1969

SECRETARY OF COMMERCE:

Frederick B. Dent	Feb.	1973
Peter G. Peterson	Feb.	1972
Maurice H. Stans	Jan.	1969

DEPARTMENT OF COMMERCE REPRESENTATIVE AS
SUBSTITUTE DELEGATE TO ILO CONFERENCE:

Allen R. Delong	June	1969
-----------------	------	------

EMPLOYER DELEGATE TO INTERNATIONAL LABOR
CONFERENCE:

Edward P. Neilan	June	1966
------------------	------	------

WORKER DELEGATE TO INTERNATIONAL LABOR
CONFERENCE:

Bert Seidman	June	1972
Rudolph Faupl	June	1958

BEST DOCUMENT AVAILABLE