



# World Chronicle

UNITED NATIONS

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**GUEST:** Catherine Bertini  
UN Under-Secretary-General  
For Management

**JOURNALISTS:** Tony Jenkins, *Expresso*  
James Wurst, *UN Wire*

**MODERATOR:** Michael Littlejohns

**“UN MANAGEMENT: BUDGET, REFORM, SECURITY”**

The job of managing the United Nation’s human and financial resources was given in 2002 to Catherine Bertini, an American citizen who had served for ten years at the head of the world’s largest international humanitarian agency, the World Food Programme. In this edition of **World Chronicle**, Ms. Bertini – now UN Under-Secretary-General for Management – addresses a wide range of questions, including: How will the new security environment—after the terrorist attack on the UN in Baghdad – change the work of the Organisation? How can the ageing of the UN in New York be addressed? What is the current situation with the UN budget?

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**ANNOUNCER:** From the United Nations in New York, an unedited interview programme on global issues. This is **World Chronicle**. And here is the host of today's **World Chronicle**.

**LITTLEJOHNS:** I am Michael Littlejohns and this is **World Chronicle**. If being UN Secretary-General is the most impossible job in the world, maybe the next most impossible job is that managing the organization's Human and Financial Resources. It is a task that falls to today's guest, Catherine Bertini, the UN Under-Secretary-General for Management. Joining us in the studio are Tony Jenkins of Portugal's Expresso, and Jim Wurst of UN Wire. Ms. Bertini welcome back to **World Chronicle**.

**BERTINI:** Thank you.

**LITTLEJOHNS:** I say welcome back because you were on the program a number of times, in your capacity as head of the World Food Programme, which I must say, speaking personally, I'm sure it's general knowledge that you did a wonderful job and for which you got a well deserved award. And this new job, relatively speaking new, it is such a far cry from distributing food. What are the main challenges that you found in your new incarnation?

**BERTINI:** Well, the main challenge of course in an effort to carry on the Secretary-General's responsibilities as the chief administrative officer of the organization, my main challenge is his arm to do that, I think is to help direct our work toward the service provision that we should have, and make sure that our work is efficient and effective as we work to support those people who are carrying out the UN's mission. The people working in peacekeeping, the people working in different funds and programmes, our job is to support them by making sure we have the right kind of personnel assistance that are quick and efficient, that we have a budget that is reasonable to work with and has enough flexibility to be able to move when necessary, and that we have the right kind of facilities that protect our staff and offer the services necessary.

**LITTLEJOHNS:** People are always talking about – critics, that is - always talking about abuse, laziness among the staff, corruption, wasted money, etc. When you came into the UN, with your considerable experience of public service, did you find that these criticisms had any validity?

**BERTINI:** I think that people here are extremely dedicated. I mean, always in any organization there are a few people who are just punching the clock, so to speak. But in the UN, people come because they are very dedicated to the purpose, they want to help make the world better, they want to help people to be able to improve their lives and their livelihoods, and

even if their jobs are in this tall building where they are working to organize systems, they're still organizing a system that is going to ultimately be useful to some people somewhere in the world who need assistance, and I think the people here are very dedicated.

**LITTLEJOHNS:** We also hear that this dedication, which goes way back to the beginning of the UN, has greatly diminished and that morale is not what it used to be.

**BERTINI:** I don't have anything to compare it to, having only been in the UN now for eight months, but I do think there is a very, very strong commitment. I'll give you an example: we had this terrible tragedy on the 19<sup>th</sup> of August with the bombing in Baghdad, something perhaps we'll talk about later, but here in New York, where people are mostly providing support services, really literally hundreds of people went out of their way to work the night shift from 12 to 8, to be sure that families looking for information could find someone to answer the phone, to go visit families of the deceased to be sure that someone was visiting those who were injured and that they had the proper medical care. People went way out of their way in order to be sure that we were providing the support service they needed, and you know if you just didn't really care about much of your job, you would not really care much about the people either.

**JENKINS:** But, you said earlier that we might go on to the subject of security. I suspect that is probably one of the hot potatoes that you are handling at the moment. There'd been accusations by the staff union that security precautions weren't as good as they should have been in Baghdad. How far have you progressed with that inquiry? I mean, it's the sort of situation where in a building like this where you have people who are dedicated as you are say, and who lost people they deeply cared about, there are rumors that are going around, reports. Its hard sometimes to sort out what is true from what isn't. I've heard people state unequivocally that the first responders weren't really up to the task and that more people could have survived. Have you had a chance to look into those kinds of allegations? Has there been any initial indication on that?

**BERTINI:** Well first, security of staff is absolutely critical. We can't, none of us can do our job unless we are in a reasonably secure environment, and certainly when I was at WFP, this became one of the hallmarks of my work there, and I remember coming to New York at various times, pounding the table about what we needed to do globally in terms of supporting security of staff, so it's critically important. And I think the UN system does take it seriously and in the last few years has made many strides under the Secretary-General's leadership in order to improve the system. Now, specifically in Baghdad, there had been different security reviews in order to really ensure that the facility was appropriate. Obviously, it is a terrible thing to have

to look after the fact to see what could have been improved, but in fact that is now part of at least what is happening. It is also happening all around the world where we're reviewing the security measures and the security situation everywhere in the world. As far as the immediate aftermath of the bombing, my understanding is that, the coalition forces were there almost, I mean within minutes literally, and people who were well-trained, having had to do with unfortunately too many other tragic issues in Iraq already, and they in fact, I'm told plus a few people enters the UN, probably did save many lives and certainly helped limit some of the injuries that could have been harmed in a worse way, and people could have been harmed in a worse way.

**JENKINS:** So, are you going to be publishing a report of the formal investigation? How is that been conducted?

**BERTINI:** There are several things happening: one was, there was a minute review of the security situation in Iraq in order to upgrade and make sure that people were safe; second, is a review, a technical review of what happened and why, and what could have avoided it; and third, is an independent review because those were all from some experts relative to the UN, a third and independent review by an independent expert that the Secretary-General is appointing, in order to ensure broad over-all review about all aspects of the situation, not only to be able to know what went wrong, but also, to be able to have lessons learned for the future.

**LITTLEJOHNS:** Was there any truth to the story that the UN declined security from American forces because they did not want the Iraqis to feel that they were sort of "in bed" with the United States or the coalition?

**BERTINI:** I think that was everybody being extremely sensitive at the time about whose responsibility this is, I mean clearly over-all responsibility for safety and security in the country is, is the responsibility of the coalition. But specifically about the UN, a facility, the UN as far as I understand, the UN didn't ask for more protection than it had, nor did the coalition offer more protection than it had. So I don't think anybody can point a finger one way or another on that score.

**JENKINS:** Sorry, just to finish up on this, the SG has made quite clear that he is not going to send back a large contingent of UN personnel until the security situation is so much improved. How do you perceive that? Has it improved at all? Are we a long ways off yet from being able to return the personnel?

**BERTINI:** It is not improved since then, and there is not an imminent proposal to send more personnel back. It is a core group right now, both in the central and south, and in the north, and it will continue to be a core group until the security is more assured for the staff.

**WURST:** What sort of impact are these new security concerns and the events of August 19th having on your plans here at headquarters in New York, not only in terms of this building but the major project on your plate is the master plan to basically build a new building and then rebuild this one, I mean, how is the new sensitivity on security have an impact - affecting your work here in New York?

**BERTINI:** I think there was a consciousness-raising on security, at least three different times for the UN. One was - I think now three years ago - when the Secretary-General proposed increased security measures worldwide. Primarily we are all involved in the field and the General Assembly approved most of his recommendations, which resulted in the strengthening of the Field Security Operations which is called UNSECOORD in UN speak, and the hiring of a senior person to head that, Tun Myat. And then second, after September 11<sup>th</sup>, there was a renewed interest in security particularly New York, and the General Assembly allocated significant additional resources for improved security arrangement in New York and in other headquarters locations, and now I believed there will be a third round after the tragedy in Baghdad where -- because as I mentioned security is being reviewed all around the world, is continue to be reviewed in New York as well, we also liaise closely with New York City and state and federal authorities in formal security perspective. So, I would expect that there will be additional security proposals coming forward. Having said that though, in the capital master plan to which you have referred, which is the refurbishment of the UN headquarters and the building of an additional building offered by the city of New York, there are a lot of security components built in to that process, but of course that takes time, and we have to ensure, as we believe we have, that people are safe now.

**WURST:** Going on then to the capital master plan in general: very ambitious, a lot of money, you're counting on something like a 1.2 billion dollar interest - free loan from the United States. Are you on track for this? This is major, this is even bigger than the original construction center basically building a new building and rebuilding the old one.

**BERTINI:** Yes, In fact they reviewed all sorts of options in the past even including whether or not one should start all over, which I decided no well..(laughter), no its impossible, this is an icon, its world renowned its.. we can't do that. But we do have to change the inside. It was built 50 years ago. It's filled with asbestos. It doesn't meet the basic safety codes. There are

lot of things need to be changed in this building. So, yes its just over a billion dollars that is required for this project over time to refurbish the building, and the general understanding between the host government, the U.S., and the member states is that the host government will be playing a major role in terms of the funding of that. There is a proposal on the table that the U.S. will be providing an interest-free loan and the U.S. is looking at whether or not they can do that, or whether or not there some other option for them to propose. So, during the course of the General Assembly debate this fall, I think there will be a lot of discussions about this between the host government on one hand, the member states on the other, and the Secretariat and it's needs, kind of a tripartite discussion about what we need in order to go ahead. Time wise, in order to stay on time, we actually need the first significant contribution from the U.S. by the end of 2004.

**WURST:** I'd just like to follow up. The whole Iraq debate that dominated, still dominates the UN right now, and the UN – U.S. relations, is that having a negative impact on your reception both in the Administration and Congress? Do you get a sense that people - they want to take revenge at the UN, and by not promoting the loan?

**BERTINI:** I don't think so at all, but I am an optimist. You can't work against hunger for ten years and now be an optimist in your work, but I don't think so and I'll tell you why. First of all, the administration has not formally proposed to the Congress a specific amount of money, so it's not really a congressional issue. However, we have, the Secretary-General has, I have talked to different members of Congress about this and about that eventually coming to their desk, and have gotten no opposition so far, I mean we got people, "oh yes that's interesting, oh yes I'll support it ". So I think the door is open for a realistic conversation in Congress, so there's not been a negativity in Congress, but yet it's not on their plate. On the administration side, the Secretary-General met with the President in July. I accompanied him in that meeting, and again we talked a lot about this whole project, and the President was very receptive to hearing all about the project and what the needs are. So we're optimistic that there would be actually a significant next step from the U.S.

**LITTLEJOHNS:** That's a question I was going to ask. This is World Chronicle and our guest is Catherine Bertini, the UN Under-Secretary-General for Management. Tony?

**JENKINS:** I'd like to stay on this Capital Master Plan which to some of the people who watch this programme, who aren't insiders, must sound like a deadly boring exercise but it is 1.2 billion dollars, and in fact I'm wondering if there has been any thought given to spending the money in such a way as to be able to cement the UN better into its community? I mean, in

other words the UN is sometimes a bit like a foreign country plunked down on the East side of Manhattan. It doesn't really blend in with the community very much. Is there any proposal architecturally in design terms, in terms of reception areas? We see a lot of visitors come into this building, they're nearly all foreigners, a few American school parties, but otherwise its tour groups from Germany and Japan and places. Has there been a thought given to that?

**BERTINI:** That's a great question Tony. I view this project as kind of a three-pronged project. Because one is the refurbishment of this building, which as I mentioned for safety reasons is really required. One is the building a new facility, which New York City has offered to build, and that facility would be is just across the street from the UN, and it would be, its primary purpose ultimately would be a place to accommodate the UN offices, which are not in the Secretariat because, believe it or not, we're not all in the main building, where the UN rents space all around the area, and eventually all those people....

**LITTLEJOHNS:** At great expense I suppose.

**BERTINI:** Yes, at great expense. And eventually all those people would move into this building, which New York will build, would sell bonds in order to build, and then essentially we would pay rent to the city of New York until the bonds are paid off and then the building would be owned by the United Nations. It's wonderful for the UN from the city of New York, so but this building would also have a use before that because it would be the sling space, in other words, when we move people out of the secretariat, we'd move them into this new building so that we can refurbish the secretariat. The third piece, is a visitor's center, and yes the UN is a great resource, and I think it's a great resource for the UN, for the world community and also for the city of New York, for tourists who come through, and we should have the visitors experience, a 21<sup>st</sup> century visitor's experience, and so there's an organization called UNA for USA, United Nations Association of the United States of America, which is a volunteer, privately-funded organization, and they have offered to build a Visitor's Experience Center. And so, the three of these major entities, combined: private sector, public sector, meaning US government plus member states for the refurbishment, and then the City of New York, would I think really bring a strong renewed commitment to the UN, would change the skyline, and would make it all more friendly to visitors.

**JENKINS:** The building is going to go up on what is currently an asphalt playground. I'm told that in exchange for taking away what is park and recreation space from the city, the UN is negotiating granting access across the riverfront so that the city can complete a bike park. Is that accurate?

**BERTINI:** Yes, that's accurate. The UN has offered a space along the riverfront, which would be park space, and yes, this is the only space I learned from reading one day in the New York Times, this is the only part of Manhattan, the part by the UN that you can't bike around, so it would connect all of Manhattan, so we have 'bikers unite' for this project..(laughter).

**LITTLEJOHNS:** Are you a biker?

**BERTINI:** Not much. No.

**WURST:** Move on to another money matter, which is the budget. Your predecessor, Mr. Connor, would often give briefings often quite breathless, to say.. 'we've got this much money, we need this much money, if we don't you know we're on track not, you know in the red in the end of the year. We've had to borrow money from the peacekeeping budget to take care of the regular budget, etc...'. Are you finding it easier or harder now? Had things changed that balancing the book doesn't involve, you know, stealing from Peter to pay Paul? Are you satisfied with your balances?

**BERTINI:** Well, we're much better off now than we were before, and the major reason for that is because the U.S. arrears, the most significant part of the U.S. arrears, were paid. And as a result the begging and borrowing that was required for several months right around now, each year, that was done in the past has not been done to the extent that it was. This is the critical month though to look at the books because this is the most problematic month because the U.S. still doesn't make its payment until October of the calendar year, the UN dues are due the first month of the calendar year. But some years ago, the Budget Director, I think it was then David Stockman, decided in order to save some money in the US budget to defer all of the UN dues, not just the UN dues, but the dues of specialized agencies also, to their next fiscal year, which starts in October. So, therefore, the UN dues still, although all are now paid as they should be paid in the annual assessment are still not paid until the fourth quarter of the annual year for the UN. So that's one issue that we'd like to address in order to have us not come to a September where we still have a difficult budget situation. And this is another place where Congress has been supportive of this, in fact members of Congress at the senior level have said to me, "well, when we are going to start moving back this money to be paying the UN on time?" So that's an ongoing issue, but anyway, the situation before, when all the dues weren't paid even at anytime during the year, exacerbated the UN budget problem. I gave a report to the member states in May where I said that the budget situation was significantly improved over past years. It was still possible that we would have to do some borrowing from



peacekeeping, but that would be for a very short period of time and relatively small amounts of money.

**LITTLEJOHNS:** What effect has the depreciation of the dollar vis-a-vis other hard currencies had on the financial situation?

**BERTINI:** It's going to be particularly problematic in our next budget because our next budget is put together. For instance, we put together a budget of 2.9 billion dollars for the next two years, that's being considered now by the General Assembly and its committees, and that will be re-costed based on the value of the dollar – it could go up higher than 3.2 billion dollars in terms of the amount of money that actually would have to be assessed, so it is significant.

**LITTLEJOHNS:** I've heard that you've lost as much as 80 million dollars on paper, is that right?

**BERTINI:** It's probably more than that over-all, but I don't have the figures listed in front of me.

**JENKINS:** So, I've forgotten the question I was going to ask. You're going to have to help me out guys.

**LITTLEJOHNS:** Let me ask you a question about reform. This Secretary-General came in on the idea that he was going to reform the organization, his predecessor having been dumped because the United States didn't feel he'd done enough. What's happening on the reform front?

**BERTINI:** Well, first of all, Secretary-General Kofi Annan's reform proposals in 1997 were really quite sweeping I believe, and especially from where I sat at the time, running a fund and programme, at World Food Programme. I could see significant changes in management that helped bring the UN together and make us more of a team and more directed toward the mission of the UN, what we're trying to achieve together. Those were very significant. He has another package of reform proposals that are under consideration, and those proposals are important too, they're important in order to streamline and improve the budget process, to make it more oriented toward results based budgeting rather than what it is now which is okay. This is what we've been doing now, and now we want to add this, rather than well, but what really should we be doing?, and this is what we're trying to move to over the long term. We've made significant steps in this new budget process. We have -- and also some significant steps in terms of human resources to try to improve the....

**LITTLEJOHNS:** Staff cuts?

**BERTINI:** Cuts per se, no. But different rationalization, yes, for instance: there are some areas of the budget where it's been proposed to decrease the staff in favor of other areas that

are higher priority for the budget. So the end result does not result in a difference in the over-all numbers of staff, but there are less in some areas and more in others. One example of that is, in the UN Information Centres in Europe where the proposal is that Europe in general could be better served by a consolidation of the offices in many different countries, to put one country or one office based in Brussels, of course in the Geneva office, which is the UN Office.

**LITTLEJOHNS:** Is the concept of an International Civil Service -- is that being changed at all?

**BERTINI:** The Secretary-General has said that all staff members are international civil servants, there's kind of artificial description of civil servants as general service and professional staff members, which is kind of strange, because everyone is a professional that works here. And so there is an effort to try to decrease the split essentially between the staff, and after all I mean we all work here, we're all living and breathing, we all make commitments, we all have jobs and careers.

**JENKINS:** So there's a class divide isn't it? I remembered the question I was going to ask you which is, is the budget that you are trying to get through now a continuation of the net zero growth that Joe Connor pursued -- was forced to pursue for so many years?

**BERTINI:** The budget is I think 15 million dollars higher than the last budget money..

**JENKINS:** It's a drop in the bucket, really. It's tiny. And, in terms of trying to consolidate stuff or what have you, I'm wondering this whole move of the Capital Master Plan and moving from one building to another, is that a situation that gives you an opportunity or perhaps even forces you to reconsider the whole structure of your staff, and how different units work together? You have to think about where you're going to seat them physically in office space. Is that leading to a conceptual rethink of how they go about their tasks?

**BERTINI:** We will have to rethink obviously, yes how people are organized, but I think the conceptual rethink is something we'll do even before we move people to another building because it's another thing the Secretary-General has asked me to look into. Lets better rationalize how these organizations are built and what it is they...

**JENKINS:** Because there is an overlap, and you know from your days in WFP there's often heard of overlap between that and FAO and other subsidiary organs of the United Nations, it happens in many different humanitarian areas where there is a great deal of overlap. Is that something you feel capable of tackling?

**BERTINI:** Well, we'll first concentrate on Secretariat issues and Regional Commissions and some of the agencies that are directly funded by the budget of the UN.

**LITTLEJOHNS:** Miss Bertini that's all the time we have. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been Catherine Bertini, the UN Under-Secretary-General for Management. She was interviewed by Tony Jenkins of Portugal's Expresso, and Jim Wurst of The UN Wire.

I am Michael Littlejohns, thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

**ANNOUNCER:** Electronic transcripts of this programme may be obtained free of charge by contacting World Chronicle at the address on your screen:

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