
Third regular session 1997
15-19 September 1997, New York
Item 2 of the provisional agenda
UNDP

CHANGE MANAGEMENT: UNDP 2001

UPDATED IMPLEMENTATION PLAN

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I. INTRODUCTION

1. The present conference room paper provides an update on the information concerning the implementation plan presented to the Executive Board at the annual session 1997 (DP/1997/CRP.16) and reports on progress to date in the implementation of change since the annual session. As requested in decision 97/15, the paper provides further developed time-bound and to the extent possible quantifiable targets in the annex.

2. It will be recalled that a three-phase strategy for the implementation of the UNDP 2001 reform initiatives mandated by the Board was drawn up: the launching phase (May-September 1997); the restructuring phase (July-December 1997); and the consolidation phase (January 1998-December 1999). It was proposed to implement change through line units and not to set up a separate structure for change as was done during the design phase (July-December 1996). The aim was to integrate change initiatives into annual work plans, to promote staff participation in and ownership of change and to achieve most of the change initiatives within present budget parameters. The responsibility for the monitoring and coordination of change is being transferred from the UNDP 2001 Project Team, which completed its assignment in August 1997, to the new Bureau for Planning and Resource Management (BPRM), which will become operational in September. BPRM is the appropriate unit to monitor, coordinate, programme and synchronize the implementation of change, given its responsibility for planning and budgeting the human and financial resources entrusted to UNDP. In addition, the Administrator intends to ensure that wide staff participation in the change process will continue by constituting staff and management committees to provide senior management with ideas and perspectives on the implementation of change, taking into account the experience of other institutions.

II. IMPLEMENTATION: LAUNCHING PHASE

3. Key milestones were established for each of the three implementation phases to enable regular monitoring between May 1997 and December 1999. During the launching phase (May to September 1997), four milestones were identified and good progress has been made to date.

(a) The establishment of BPRM and the Operations Support Group (OSG) was set as a main objective because of their role in reforming UNDP planning and operations to respond more quickly and effectively to programme country needs. Terms of reference for the managers of the two units were drafted and advertized throughout the organization, a selection process was held, and managers committed to change have been appointed to these headquarters units. A senior management meeting will be held in October to review the implementation of change. In addition to ensuring that the process is on track and to ensure the full involvement senior management, the meeting will enable BPRM and OSG managers to plan their work processes and flows within their units and in collaboration with other units;

(b) Eight lead units were identified for the implementation of change and detailed implementation plans have been drawn up, in which specific initiatives have been assigned to each unit as part of a compact on change between the unit manager and the Administrator. A first round of discussions has been held with each unit, and the compacts are expected to be finalized and signed in October;

(c) A number of changes that could be carried out quickly were initiated so that staff could feel the immediate impact of the process. To date, an inter-bureaux task force has worked out ways to implement the five day response time to country offices, as well as the headquarters "one-stop shop" for country offices, in order to streamline headquarters-country office relations and promote speed of delivery and responsiveness to programme country needs. These ideas have been discussed extensively with country offices. A survey undertaken on meetings at UNDP headquarters has shown the ways in which better meeting management will result in significant savings in staff time and costs. A proposal for a better meetings programme has been developed; change will

begin at the top with on-site facilitators giving feedback on meeting management to senior managers between September and December 1997. Another initiative is the decentralization of management of non-core staff to country offices; the necessary groundwork has been done for action to be taken before the end of the year. Areas for efficiency gains have been identified in administration, personnel and financial management, and automation. The Efficiency Ombudsperson function is expected to be staffed by the end of the year;

(d) Change initiatives were taken into account in the estimates for the 1998-1999 biennial budget, which is before the Executive Board at the current session (DP/1997/23).

4. In addition, much investment has been made during the launching phase to explain to country offices the background to and implications of the change initiatives mandated by the Executive Board. Meetings of resident representatives and other country office colleagues were held in the Asia, Africa and Latin America regions during July and August, supported by extensive materials to articulate the package of reforms. Resident representatives widely welcomed the initiatives, noting the increased empowerment of and decentralization to country offices, accompanied by greater accountability. They discussed and agreed on measures to implement change in country offices to strengthen their capacity to respond quickly and with quality development services to programme country needs within the sustainable human development framework. There was special emphasis on the need for decentralization within country offices, and from country offices to projects, as well as recognition that the reform could not be accomplished without changes in culture and attitudes leading to staff empowerment and better management of diversity and gender relations. Regional meetings of resident representatives are planned before the end of the year in both the Europe and Commonwealth of Independent States region (October) and the Arab States region (December).

III. RESTRUCTURING PHASE

5. Four milestones were also established for the restructuring phase, scheduled from July–December 1997, during which the responsibility for the management and coordination of change passes from the UNDP 2001 Project Team to BPRM. Progress is well under way in these areas, as follows:

(a) Staffing for the other headquarters units covered by the change process was handled simultaneously with the staffing for BPRM and OSG. Key managerial appointments were made in July. The new managers will assume their responsibilities between September and December and will reshape their units in accordance with the new functions assigned by the change process;

(b) The groundwork for the establishment of the first round of subregional resource facilities (SURFs) was completed in July, the aim being to complete the establishment of the global hub of the SURF system in the Bureau for Development Policy in September. Terms of reference for new posts in the SURFs will be drawn up and advertised internally, and it is expected that the first new facilities will be in place in early 1998. Meanwhile, evaluation was undertaken in August 1997 of two pilot facilities established in the Asia region before the UNDP 2001 change process was launched in May 1996. The results should be available shortly;

(c) The inter-bureaux task force on the one-stop shop and five-day response time also addressed the elements that would be covered in the regional bureau-country office compact. Four main areas were identified: (i) management performance indicators, which have been drawn up by an inter-unit task force and which include delivery and other measurable targets; (ii) programme performance indicators, which are being developed by another task force and which will enable UNDP to improve the monitoring of the impact of its programmes; (iii) indicators on UNDP relations with its partners and stakeholders, including the government, civil society and the private sector in the countries it serves; and (iv) indicators on staff management and performance, building on the first global staff survey, which was conducted in the latter part of 1996;

(d) UNDP has contributed to strengthening the Office of United Nations System Support and Services (OUNS) through inter-agency arrangements in order to carry out further changes in the development sector under

Track II of the reform package announced by the Secretary-General on 16 July 1997, and to support the Administrator in the oversight of the resident coordinator system. A new Director has been appointed and will take up his functions in September. Staff from other United Nations funds and programmes have been seconded and an inter-agency work programme aimed at enhancing and promoting wider ownership of the resident coordinator system is under way. With other agencies, UNDP has contributed to the final text of provisional guidelines for the United Nations Development Assistance Framework (UNDAF) and is actively supporting this new, integrated planning process in its pilot phase. These and related measures will enable OUNS to support the expanded mandate of the Administrator as Convenor of the United Nations Development Group.

6. The consolidation phase of the UNDP 2001 change process is scheduled to begin in January 1998 and to conclude in December 1999. Work is under way on the key milestones established: the second phase of SURFs will be planned and put in place depending on the results of the evaluation of the first phase; preparations have been made for the project to define competencies and consultants have been retained; efforts are under way to streamline all UNDP programme, finance and administration manuals and it is intended to accelerate this process while collaborating with United Nations system partners on common system procedures; solid progress has been made in the development of management and programme performance indicators and the new oversight function of the regional bureaux; and the first staff posts to be redeployed to country offices have been identified in the estimates for the 1998-1999 biennial budget. With the activities undertaken to date, the organization is well placed to carry out and consolidate the package of UNDP 2001 reforms.

7. As noted in document DP/1997/CRP.16, UNDP intends to cover costs associated with change in three ways: (a) by reviewing the workplans of line units to incorporate the new change initiatives; (b) by reviewing the overall UNDP budget in line with new priorities; and (c) through funds made available by donors that support UNDP change efforts. The budget estimates for the biennium 1998-1999 (DP/1997/23) submitted to the Executive Board at its current session, have taken the change proposals fully into consideration. The annex clarifies which areas are planned to be covered by the biennial budget, which areas are being covered by the Swedish Trust Fund for the Implementation of Change, and which areas need further fund-raising. The remaining major costs relating to implementation are the establishment of the SURFs, for which a provision of \$5.8 million has been made in the proposed 1998-1999 biennial budget, and vacancy management, for which a provision of \$4 million has been made in the budget. At this stage, it is possible to say that an additional \$6 million will need to be raised in a few areas (see annex).

Annex

IMPLEMENTATION PLAN FOR UNDP 2001
 IN ACCORDANCE WITH THREE DEFINING CHARACTERISTICS FOR UNDP OUTLINED
 IN DP/1997/16/Add.7

Acronyms

BFAS Bureau for Financial and Administrative Services

BDP Bureau for Development Policy

BPRM Bureau for Planning and Resource Management; BPRM/OHR Office of Human Resources

BREA Bureau for Resources and External Affairs

OAPR Office of Audit and Performance Review

Operations Group Led by Associate Administrator, includes regional bureaux, country offices and Operations Support Group (OSG)

OUNS Office of United Nations System Support and Services

SURFs sub-regional resource facilities

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
A. Country focus strengthened for quick, responsive and high-quality development services to meet SHD needs of programme countries			
1. UNDP country operations empowered and resident coordinator system supported	HQ staff redeployed to the field	Internationally recruited posts at headquarters reduced by 20 in 1998-1999 budget (BPRM)	a/
	UNDP-funded project personnel made to feel an integral part of UNDP, for example by participating in briefings, linking to UNDP intranet, encouraging UNDP staff movement to and from projects	Policy circular to be issued in December 1997 to guide country offices; regional meetings of resident representatives in July-August took steps to promote inclusion (Regional Bureaux/BPRM/OHR)	None
	Approval authority delegated within country cooperation frameworks	Done	None
	Training manuals developed to strengthen country-office capacity to formulate and appraise projects	Programme approach user-guide issued in July; project design workbook planned for October; programme approach materials, case book 1998 (BPRM/OHR, OSG)	(covered by 1996-97 budget) 30,000 a/
	Ratio of country office time spent on administration and programme (60:40) reversed, outsourcing non-strategic tasks, cutting reporting requirements by half	Reporting requirements cut from 183 to 96 in September (2001 team)	None
	Five-day headquarters response	Task force defined	None

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
	<p>time instituted</p> <p>Executive Committee expanded to include resident representatives twice yearly to deal with field issues at strategic level</p> <p>Job descriptions for OSG prepared and advertized, Group established, retreat held</p> <p>SURFs to be established in three phases, depending on results of experience</p> <p>Country offices given quicker access to headquarters-managed funds, guidelines simplified</p> <p>Role of Local National Officers enhanced in planned new charter</p> <p>Capabilities improved in country offices in countries in special circumstances, staff trained and tracked, rapid deployment mechanism in place</p> <p>Decentralize local post classification, management of special service agreements and activities of limited duration</p> <p>Streamlined programme, administrative and financial</p>	<p>approach (2001 team)</p> <p>First expanded Executive Committee planned November 1997</p> <p>Done – senior management retreat planned for October 1997 with BPRM</p> <p>24 posts identified in biennial budget; terms of reference to be advertized in September (Operations Group)</p> <p>Most funds to which country offices have access to move from BDP to Operations Group by end-1997 (Operations Group)</p> <p>Policy paper planned for December 97 (BPRM/OHR)</p> <p>Rapid deployment system being designed; increasing number of staff to be trained and manual produced (BPRM/OHR, OSG)</p> <p>Local post classification being decentralized based on country office capacity to manage; SSAs now decentralized, ALDs to be decentralized (BPRM/OHR)</p> <p>Standard information being placed on CD ROM (BFAS/</p>	<p></p> <p>25,000<u>b</u>/</p> <p>25,000<u>b</u>/</p> <p>5.8 million<u>a</u>/</p> <p>20,000<u>b</u>/</p> <p>20,000<u>b</u>/</p> <p>400,000<u>b</u>/</p> <p>600,000<u>c</u>/</p> <p>None</p> <p>400,000<u>b</u>/</p>
2. Resources mobilized on behalf of programme countries	Act on 1997 delivery strategy and targets	Approvals on target; \$560 million country and regional programme delivery target will be met (Operations Group)	None

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
	<p>Resource mobilization targets refined within context of review and preparation of country cooperation frameworks; support system established; non-core funding agreements simplified and decentralized; guidelines on private sector funding developed; outreach to major and emerging donors improved</p> <p>Incentives established for payment of government contribution to local office costs</p> <p>Round-table mechanism enhanced, participation in Consultative Groups strengthened; expanded consolidated appeals and strategic frameworks supported</p> <p>Public affairs outreach improved by targeting key constituencies and assigning budget lines for reporting on and advocating project results</p>	<p>New Director for Resource Mobilization Division to take up post in September and to take action immediately (BREA)</p> <p>BPRM to take action before end-1997</p> <p>Operations Group to take action before mid-1998</p> <p>Work under way, to be completed before end-1997 (BREA)</p>	<p>60,000b/</p> <p>None</p> <p>1 million c/</p> <p>None</p>
B. Effectiveness and impact ensured			
<p>1. Programme focus enhanced and resources targeted</p>	<p>Programme focus in thematic and functional areas defined to enable targeting of UNDP resources</p> <p>Executive Management Information System established</p> <p>Focus on poorest countries maintained</p>	<p>Focus paper presented at annual session and to be refined by end-1997 (BDP)</p> <p>BPRM to refine and develop model during 1998</p> <p>Reflected in programme resource allocation and in staff and administrative resource allocation in 1998-1999 budget (BPRM)</p>	<p>None</p> <p>See C.4</p> <p><u>a/</u></p>
<p>2. Quality programmes ensured and staff capabilities developed</p>	<p>Core competencies aligned with new mission, through competency definition project to define unit mandates and functions, jobs</p>	<p>Consultants hired to define core competencies to enable staff selection, appraisal, learning tools (BPRM/OHR); consultants hired to define specific requirements of countries in special</p>	<p>60,000b/</p> <p>100,000c/</p>

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
	<p>Programme quality criteria applied and monitored according to standards approved by Executive Board, new results-oriented guidelines issued to monitor and evaluate programmes</p> <p>Headquarters oversight of UNDP country office improved through new two-way compact between regional bureaux and country offices</p>	<p>circumstances (BPRM and Operations Group)</p> <p>Work ongoing through the Programme Management Oversight Committee; monitoring of programme impact to become part of new holistic oversight role of Regional Bureaux as of 1998 (Operations Group)</p> <p>Task force defined compact elements; discussed at regional meetings of resident representatives for 1998 implementation (Operations Group)</p>	<p>None</p> <p>None</p>
<p>3. Organizational learning, results-based management and monitoring strengthened</p>	<p>Global hub of electronic learning network, based on SURFs established, enabling cross-regional packaging and dissemination of lessons learned and best practices</p> <p>Programme performance indicators established, applied and monitored, and evaluated after a year in place</p>	<p>Groundwork for launch of SURFs completed in July; target for global hub September 1997 (BDP); new tools to promote country office and individual learning finalized end-1997 (BPRM/OHR)</p> <p>Work done on basic indicators, to be refined by inter-bureau task force (BDP)</p>	<p>(see also A.1) 720,000b/</p> <p>(covered 1996-97 budget)</p>
<p>C. Efficiency, accountability and management skills enhanced</p>			
<p>1. Efficiency gains achieved</p>	<p>Steps taken for better meeting management at headquarters through on-site expert facilitation, leading to better preparation, agendas, time management, guidelines, video for country offices</p> <p>Efficiency Ombudsperson function staffed, efficiency bulletin board and incentive award</p> <p>Functions of new Bureau for Financial and Administrative Services defined and central services overhauled through process re-engineering and</p>	<p>To be launched for top managers Sept 1997 (BPRM/OHR)</p> <p>To be done when BPRM established</p> <p>Acting director assigned; definition and workplan to be completed end-1997 (BFAS)</p>	<p>100,000b/</p> <p>10,000b/</p> <p>20,000b/ (for preliminary work)</p>

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
	<p>information systems to improve services, reduce transaction costs and shorten response time</p> <p>Work-planning and budget synchronized in time for 1998-1999 biennial budget</p> <p>Change supported in country offices, resource guide developed</p>	<p>1998-1999 budget fully incorporates change proposals to enable planning at unit level (BPRM)</p> <p>Regional meetings held for Asia, Africa and Latin America and Caribbean resident representatives; extensive documentation and visual materials prepared; change package welcomed and next steps at country level decided; resource guide under preparation (Regional Bureaux, 2001 team)</p>	<p>None</p> <p>170,000_{b/}</p>
<p>2. Organizational values, accountability and performance measurement strengthened</p>	<p>On a platform of internal controls suited to the circumstances (ranging from required, to suggested, to tailored) and policy guidance, shift from ex-ante authorization to ex-post monitoring and assessment; implement new accountability framework through training staff on control risk self-assessment</p> <p>Expanded audit of programme and management performance and strengthened OAPR</p> <p>Organizational handbook rewritten</p> <p>Ethical culture established through promulgation of new values statement (done), new code of conduct, training designed and</p>	<p>Management and Oversight Committee to be operational by September; bulletin on oversight lessons learned by October; consultants being contracted to train staff on "control self-assessment", briefings planned for Executive Committee, Board (OAPR)</p> <p>Outposted capacity of OAPR to be strengthened by 16 staff members; audits to be increased as per 1998-1999 biennial budget (OAPR)</p> <p>To be done by end-1997 after restructuring completed (Operations Group, BPRM)</p> <p>Ethics project proposal prepared to develop professional codes of conduct for key groups of jobs in UNDP, incorporate</p>	<p>250,000_{b/} 150,000_{c/}</p> <p><u>a/</u></p> <p>None</p> <p>60,000_{b/}</p>

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
	implemented	ethical considerations into ongoing training programmes, and promulgates UNDP Code of Ethics (BPRM/OHR)	
3. Human resources developed	<p>Enhanced human resource management</p> <p>Career transition programme over and above 3 per cent vacancy rate</p> <p>Global staff survey designed and piloted in 1996</p> <p>Unified nomenclature for all jobs in UNDP, ending distinction between Professional and General Service staff</p> <p>Gender-balance policy redesigned and implemented, identifying high potential women, providing career advice, promulgating new family/work policies</p> <p>New leadership skills created, including development programme for Executive Committee and management skills programme</p> <p>Staff learning enhanced through measures such as self-learning 5 per cent of time established as norm, greater use of sabbaticals, redefined policies</p>	<p>Consultants reviewing staffing procedures for maximum efficiency, including requirements definition for automated systems for vacancy management (BPRM/OHR)</p> <p>Funds set aside in 1998-1999 budget for career transition (BPRM/OHR)</p> <p>Done for 1996, update planned for 1999 (BPRM/OHR)</p> <p>Done in July 1997 (Administrator, BPRM/OHR)</p> <p>Review of 1995 policy and targets done; United Nations, other best practices of diversity studied; new policy being drafted (BPRM/OHR)</p> <p>World Bank Executive Development Programme or similar programme to train UNDP senior executives; BPRM/OHR to prepare proposal, mobilize funds</p> <p>Guidelines on learning to be issued end-1997 (BPRM/OHR)</p>	<p>60,000^b/</p> <p>4million^a/</p> <p>To be defined 1999 budget</p> <p>None</p> <p>None</p> <p>4 million^c/</p> <p>None</p>

Change initiative	Planned activities as listed in DP/1997/CRP.16	Progress to date and future action planned	Estimates (US dollars)
	Shift from entitlements to performance and merit, rewarding outstanding achievement and separating staff who under	Based on submissions to International Civil Service Commission, UNDP will receive guidelines for pilot pay for performance project	20,000 ^{b/}
4. Information systems developed to support critical business processes in 2001	Strategic importance given to information management	Function assigned in BPRM, director designated; funds increased to \$10 million in proposed biennial budget to complete electronic document management system, IMIS, Internet connectivity for country offices by end-1998	^{a/}
	Senior managers' understanding of information technology developed	First sessions organized June 1997	None
5. UNDP HQ reinvented	BPRM established, bringing together budget, planning, OHR and information director, based on new job descriptions, internal posts advertized; OSG established	New managers assigned, BPRM to be fully operational by end-1997, retreat with OSG scheduled October (BPRM and Operations Group)	None
	New functions for Regional Bureaux elaborated and implemented as part of new Operations Group	Work ongoing, to be completed end-1997 (Regional Bureaux)	None
	New functions for policy bureau elaborated and implemented, retreat organized	Work ongoing, to be completed end-1997 (BDP)	30,000 ^{b/}
	1-7 span of supervision adopted as management target	Proposal being implemented (2001 team, BPRM)	None

a/ Costs covered by the biennial budget; figures are not given for the biennial budget where they include both change and ongoing areas;
 b/ Funded from the Swedish Trust Fund for the Implementation of Change (\$1.8 million assigned to UNDP 2001, and \$1 million to related change initiatives);
 c/ funds to be mobilized.