

## 3 THE NEW UNDP

### 3.1 Our Vision

We see a future UNDP that is **country driven with a central programme focus**. We suggest that the focus should be on governance for human development and poverty eradication, but we recognize that the devil is in the definition and the detail – stakeholders must be clear on exactly what the term means and does not mean. It

does not mean a narrow focus only on human rights and democracy, and it certainly in no way implies conditionality in any of UNDP's activities. It is about building capacities to formulate and operationalize policy, and likely involves specific social, political and economic dimensions, including environment, gender and the crisis and post-conflict area.

At the same time governance must not be interpreted too broadly: it cannot become simply a label for all or most of UNDP's existing activities. Change will not occur unless the focus on governance has operational implications. Programme countries, donor countries, UNDP managers and other stakeholders must be clear on what the future UNDP does – and doesn't do.

The concept of governance and its operational implications for tomorrow's UNDP needs further refining, including the special governance role the organization may be able to play in countries in conflict and post-crisis situations. We know that this process of further refinement has already begun with recent workshops in Stockholm and New York, and that will continue at a third workshop with CSOs in El Salvador in December.

We see a future UNDP that has very different operations depending on the country, but is everywhere **recognized for the governance lens through which it views human development and poverty reduction**. It remains active in areas such as gender and the environment but it concentrates on their governance dimensions. It continues to do projects, but only in so far as they have a demonstrable impact on national policies. Instead of being measured on how many families they raise out of poverty, projects will be measured by their impact on policies and processes. We recognize that in some cases results will be slow in coming and difficult to measure (not to mention less photogenic), but we believe that appropriate criteria can be devised.

"Big ideas, not big pockets."

-Administrator

"Governance does seem to provide the compelling logic that UNDP needs to explain itself - but it doesn't yet provide a good filtration system for deciding which projects to do."

- Resident Representative

"We must be the firsts post-project agency, the first policy agency."

- Administrator

We see a future UNDP that continues to be a **strong advocate for human development** at the global, regional and national levels, and that builds upon and strengthens the links between its HDR and its NHDRs. We see it as a mediator in assisting countries to translate global development targets into meaningful policies, and a monitor and bench marker to track progress.

We see a future UNDP with a **dynamic network of results-driven country offices** that have a dual focus: they provide demand-driven governance advice, backed up with projects that help programme country governments build smart policies and sound institutions; and they have mainstreamed management practices pioneered in Latin America to achieve unrivaled efficiency, flexibility and speed at delivering a range of 'development services' more effectively than competitors. These services – including resource mobilization – allow country offices to 'punch above their weight' with programme country governments.

"UNDP should be a think tank for us - policies to push the pro-poor agenda."

- Programme Country Government

We see a future UNDP whose country offices are backed up by **lean and efficient Regional Service Centers (RSCs)**. These centers cluster groups of services, including key human resource, administrative, training, and policy support functions, at the regional and sub-regional level. By bringing these services closer to the COs, the overall system becomes more efficient, more cost effective -- and more accountable.

We see a future UNDP that plays a **strong coordination role** at the country level, and in full partnership with sister UN agencies. The pool of talented potential Resident Coordinators (RCs) from throughout the UN system and beyond has grown. UN common services on the ground and UNDP's support to the RC function have been strengthened. UNDP Deputy Resident Representatives (DRRs) have a clear role in assisting RCs to combine their RR and RC responsibilities. Regional bureaus provide support to the Development Group Office (DGO) to identify and promote best practice, including on coordination in crisis and post-conflict situations.

We see a future UNDP that plays a **central role in the international community's response to crisis and post-conflict situations**. We see a vital role in supporting programme countries' own efforts to prevent crisis and speed recovery. UNDP can use its local presence and knowledge, in conjunction with partners, to assess needs, provide collaborative services and strengthen capacities to enable countries to get back on their feet. In situations where governmental authority is absent, we see a UNDP working with international partners to support development and governance initiatives that contribute to peace building.

We see a future UNDP that is **staffed by dynamic, entrepreneurial development professionals, both national and international**. These are gifted professionals who combine idealism, enthusiasm and strategic skill. They are physically and electronically

"UNDP staff must move from project administrators to change agents."

- Administrator

accessible to the UN family, CSOs and the private sector. They are idea brokers, expert at building networks and leveraging partnerships to bring ideas and resources to bear on issues of concern to programme country governments.

We see a future UNDP that is a **leader in information management**, both for its in-house operations, and as a **learning organization** able to capture and share the collective wisdom of its global reach. We also see this UNDP as a pioneer in helping the developing world to harness the power of the Internet.

We see a UNDP that is **amply funded**, not because it has any 'entitlement' to resources, but because it is an attractive investment for donors and partners committed to achieving results.

Finally, we see a UNDP that is a **stimulating, rewarding and fun place to work** that has little difficulty attracting and retaining talented individuals from across the world.

### ***3.2 Getting There***

We have painted an ambitious portrait of the future UNDP. In some places the broad brush strokes are already in place and merely need refining. In others the canvas is almost bare. Clearly there is a major task in front of the organization.

We have identified five 'levers of change' that we believe will help UNDP reach its goals. The first three – policy, profile and partnerships – are about creating tomorrow's UNDP. They are the central elements in our vision of a new organization, but we recognize that more work is required to bring them into sharper focus. We do not suggest we to know exactly how UNDP should define and operationalize its focus on governance, or what the partnership, branding and communications strategies around this new focus should be. Our suggestions in these areas are therefore broad, and generally point in the direction of the work that remains to be done. Although we do not have all the answers, our message is that policy, profile and partnerships are key for transformational change.

If policy, profile and partnerships are about our vision of the new UNDP, the remaining two levers – people and performance – are about ensuring UNDP has the capacity to get there. They are about the engine it will need to make the step-change successfully and to operate the new organization effectively. Our recommendations in these areas contain considerably more detail, including suggestions for immediate implementation.

The timeframe envisaged, as well as the budget and human resource implications of all our recommendations are summarized in the 'Transformation Roadmap' in the Implementation section of this document.

### 3.2.1 Policy

The new UNDP will require both a tighter policy focus and new mechanisms to ensure that policy work and programme activities support each other. Currently, UNDP's policy expertise is thinly spread over a wide range of issues. Its overall focus is unclear – and unmemorable. Internal and external understanding of UNDP's policy objectives is low.

Policy expertise is not primarily aimed at responding to the practical needs of programme countries or of the country offices which are servicing them. Field offices complain that they receive little policy support. BDP spends a great deal of time servicing UN and General Assembly demands for information. Greater importance is attached to normative work than to responding to country office needs. While the HDR is globally recognized as a flagship publication, much of UNDP's other policy work --with a few notable exceptions such as in the global public goods field-- is relatively unknown.

Insufficient distinction is made between work to clarify and contextualize global development issues – for example, relating to 1990s Conferences and their follow up – and work to support the field. In short, UNDP suffers from a disconnect between its policy work and its operational activities.

UNDP could be doing much more. It has one foot in the global development arena and the other placed firmly in the hard reality of the field. This positions UNDP to help governments strengthen national ownership of international development mechanisms, and to strengthen national capacities to monitor and evaluate progress. UNDP can also support programme countries' concerns in global fora.

UNDP's universal field presence and impartial and multicultural character allow it to reach parts of government and society that no other development agency can reach – and to respond to governments' needs in politically sensitive areas, such as legal and security sector reform, democratization and statistical work. Its global presence gives UNDP an edge in identifying best practice and formulating policies to address the growing number of natural and man made crises around the world, many of which highlight shortcomings of, and opportunities to strengthen, national and local governance arrangements.

Furthermore, the Secretary General has underlined the importance he attaches to strengthening the coherence of the system at the country level. UNDP's responsibilities as manager of the Resident Coordinator system provide it with an opportunity to respond to programme countries' resource mobilization and aid coordination needs, as well as to support collaborative arrangements and frameworks within which donors' and the UN family's assistance can most effectively be used.

In terms of advocacy, the Human Development Report, National and Regional Human Development reports are vehicles which, judiciously used, provide UNDP with a powerful human development tool – a gong which, effectively struck, could reverberate with dramatic effect, nationally and globally.

The task now must be to ensure that this expertise is realigned behind clear policy objectives in a structure which is responsive to our clients' and country offices' needs – supporting them with road maps and guidelines for operational use, evaluating experience, identifying and sharing best practice. This, we believe, will also provide a firm basis upon which UNDP can influence the global policy agenda.

Depending upon how they are counted, there are over 140 policy professionals at headquarters, divided between BDP and the bureaux. In our view, policy resources at headquarters should be now rationalized, trimmed and policy expertise shifted closer to the field – to Regional Service Centres and, where appropriate, COs. Headquarters policy units should be assessed against their effectiveness in supporting the field.

### **POLICY RECOMMENDATION 1:**

#### **Focus on Governance**

On the basis of our situation analysis, of programme country needs, and UNDP's actual and anticipated competencies, we recommend that UNDP concentrate its policy activities in three inter-connected areas:

- ***Governance for human development*** - specialising in specific economic, social, political, environmental, and gender equity fields. These are currently being identified on the basis of UNDP's track record, competitive advantage, and of emerging demand. As suggested above, the word 'governance' itself needs to be refined to embrace both outcomes and process – both as a framework of institutions and practices and the inclusive, open-ended process of design that shapes the framework.
- ***Governance in crisis and post-conflict situations*** - focusing on the contribution UNDP can make to the broader international community's efforts in pre- and post-crisis situations, whether natural disasters or conflicts, particularly in the area of capacity building, effective policy processes and strengthening of governance arrangements.
- ***Development effectiveness*** – the overall objective being to support governments' own capacities to access, manage and coordinate development assistance, including by assisting governments to qualify for and service existing large income streams such as the Global Environment Facility (GEF) and Montreal Protocol; by developing new income streams; and by providing coordination services to the donor community and UN family.

We believe programmes undertaken by UNDP around the world should have an upstream, policy impact in these three areas – otherwise the disconnect between UNDP's role as an advisor and advocate and as a development service provider will be perpetuated.

Further work is now needed to define which programmatic areas clearly fall within the focus areas

"We need to have a well-defined limited menu of options which can be adjusted to the needs of particular governments. We need to say "no" when asked to go beyond it"

- Resident Representative

above. This should be undertaken with the COs whose activities are most concentrated in the governance, crisis/post-conflict and development effectiveness areas. An appropriate forum to address the correspondence between the current SRF and proposed focus and outcomes needs to be identified – possibly the EEC, or a group formed as an input to the Global Res Rep meeting which will take place in early 2000.

Country offices will need to continue to respond to demand for services in the broader human development/poverty eradication field where UNDP has a local competitive advantage. However, we recommend that COs be assessed in light of their progress in making measurable advances in the focus areas. Over time, the SRF and ROAR mechanism will need to be modified in light of this focus to allow more accurate assessment of programme content.

Current areas of policy expertise in UNDP are already being reviewed for possible realignment in light of the above. Existing centers of policy expertise that do not fit should, over time, be migrated to other parts of the organization, or out of UNDP altogether, ideally in a manner that strengthens the UN system's overall policy capacity and that builds upon and strengthens the comparative advantages of UNDP and its partners. This should not be interpreted as downgrading UNDP's commitment to these areas, but as an attempt to build on respective institutional strengths.

We believe, for example, that the Private Sector Development Programme should be merged into the new Bureau of Strategic Partnerships, and that policy support to the General Assembly should be trimmed and transferred to the Division of External Relations or its successor. We believe that there is also scope for migrating the Forestry, Food Security, Water and Energy & Atmosphere Programmes out of UNDP with a view to strengthening partnerships with FAO, DESA and possibly UNEP. The feasibility of transferring UNSO to the Secretariat of the Convention on Desertification needs to be studied. We should consider the outsourcing of the Gender-in-Development Programme and HIV/AIDS expertise to UNIFEM and UNAIDS respectively, with arrangements made for the latter to provide policy, programme support and evaluation services to UNDP, whether at the field or HQ levels. Such arrangements could be accompanied by a strengthening of the 'focal point' system within UNDP on key issues such as gender.

We recommend that the review process which has already begun on these and other issues should be accelerated in the coming weeks, driven by BDP, HDRO, ERD and OSG, with the involvement of regional and functional bureaus. It goes without saying that final decisions should be taken in close consultation with our UN partners, and that a phased approach over the coming two years is required to support a migration strategy.

**POLICY RECOMMENDATION 2:  
Reconfigure Policy Support**

At headquarters, we recommend the creation of a leaner and more focused policy arrangements.

***POLICY RECOMMENDATION 2, OPTION 1:***

***Create a new policy entity***

This could be headed by an individual with strong advocacy and development economics credentials, with the possible title of the Human Development Advisor. S/he would be expected to be the public face of UNDP's policy work.

The Human Development Advisor would be responsible for both the HDR, a NHDR Support Office, and for three units covering each of the policy focus areas described above (subject to a decision about the crisis and post-conflict unit). Each of these units would primarily be responsible for supporting field operations, but retain the role of generating policy output for headquarters and advocacy purposes; this latter function, however, needs to be reviewed and reduced. In addition, a small research and development unit would report to him/her. The Human Development Advisor would also be responsible, liaising with the Bureau for Strategic Partnerships, for policy partnerships with other UN entities and the broader research and academic community – both in the private and public sectors.

Responsibility for operational activities should be removed from the new policy entity (again, subject to a decision about the crisis and post-conflict unit). We recommend that the Regional Bureaux no longer have policy posts, but that the bureaux draw upon the policy entity, including policy staff in Regional Service Centres, for programme analysis, sharing of best practices, planning and policy services. Clear accountability guidelines need to be agreed between the policy entity and the bureaux to this end.

Ideally, project funds should not be used for line functions in the new entity, though exceptions might be necessary or expedient. We recommend that funds and projects (e.g. GEF, Capacity 21, the Global Programme, etc) be clustered and report to an operational entity, subject to which structural options for UNDP at headquarters are pursued.

The policy entity at headquarters should consist of 30-35 professionals and support COs through Regional Service Centres, in which up to a further 12-14 policy professionals should be located. The basis upon which this is done needs to be discussed between BDP, the bureaux and COs. This redeployment of policy staff along these lines would represent a reduction in staff at headquarters and a net saving of \$3.6m from the annual core budget.

***POLICY RECOMMENDATION 2, OPTION 2:***

***Strengthen and refine existing arrangements***

An alternative to the above would be to keep policy support for the field and global policy and advocacy work separate. Under this option, the Chief Development Advisor would be responsible for the HDR, the NHDR support office and the R&D unit. The head of the new 'Policy Support Bureau', would

direct units covering the three policy areas. His/her objective would be to provide practical support to the field directly and through RSCs, and to ensure that best practice is captured and disseminated.

The advantage of this option is that a clear distinction would be made between UNDP's global advocacy work in influencing and interpreting the global policy agenda, and its work in providing policy support to the field. However, arrangements would need to be made to ensure that policy support to the field and UNDP's work on norms and standards remain linked, and that the implications for the autonomy of the HDR are well thought through.

A decision to make the HDR the motor of UNDP's work on the global development agenda in the three proposed focal areas would certainly enhance UNDP's policy credibility and capacity, but it would also change the nature of the HDR and possibly its value to the broader development community as an independent vehicle able to rove across a wide policy terrain (see below).

**POLICY RECOMMENDATION 3:  
Strengthen the HDR**

A stronger connection should be established between the HDR and the NHDRs. By 2002, this should be substantiated by NHDRs having as an integral part, sections which address, from a national perspective, HDR's annual theme. This will furnish UNDP with an unrivalled, powerful policy and advocacy tool.

From an organizational point of view, the connection between HDR and NHDRs should not take the form of the HDRO having overall responsibility for NHDRs: responsibility for them must rest with the relevant country offices and bureaus, and HDR's independence should not be complicated by taking on managerial responsibilities. However, we propose the establishment of a small NHDR support unit. This unit would be answerable to the head of the policy entity, liaise with HDRO and other parts of the Policy Bureau (depending upon the annual theme), and provide guidelines and support to country offices for the preparation of NHDRs.

**3.2.2 Profile**

UNDP's advocacy and coalition building work, its success in generating demand for its services, mobilizing resources and attracting the best and brightest to work for and with it, depend upon it projecting a compelling picture of its capacity, achievements and potential to bring about positive change.

"The basic problem is that there is no clear UNDP story."

- Bureau

Currently UNDP emits confusing signals about what it does, and why. It is not able to capture stories of its own success and to target them at key



audiences. In the past, priority has not been given to communication and public affairs, either in the field or at headquarters. Neither its staff nor its partners share a clear sense of UNDP's purpose.

UNDP has a multi-dimensional communication problem. Some describe this as an identity crisis whose characteristics include declining funding, poor staff morale and an uncertain and patchy reputation.

Yet UNDP has assets which make it potentially a world class communicator: a powerful cause, a network of country offices, first class contacts, presence in hotspots, thousands of stories at its fingertips, and a global development community in need of a champion of development issues. It also has a new chief executive who attaches high priority to media relations and public affairs. Opportunities abound – not least the NetAid initiative.

UNDP must urgently ready itself to define an image and develop the capacity to leverage these assets and support both its own and the entire UN system's human development and poverty eradication objectives. It needs to prioritize the audiences and messages that will allow it to achieve its strategic objectives and have a means of measuring which communication activities are having the greatest impact.

Some work is already under way. The Transition Team has drawn up a proposal with the Administrator for submission to the UN (Turner) Foundation to enhance UNDP's communication capacity, notably to strengthen its outreach to lawmakers, develop its regional public affairs network and strengthen its media capacity.

**PROFILE RECOMMENDATION 1:  
Strengthen Corporate Identity**

Everything about an organization communicates – from its logo to the behavior of staff, its formal publications to its media profile, its buildings to its personnel policies. The chief executive can have an enormous influence on the profile – even embody it.

UNDP needs to be clear on its desirable profile vis-à-vis other development actors – such as the specialized agencies, bilateral agencies, the World Bank, private sector and NGOs – and vis-à-vis its own beneficiaries – programme country governments and the world's poor. It needs to define its values - which are likely to include multiculturalism, impartiality, swiftness, openness to partnerships and opportunities, compassion, and pride in delivering smart solutions to developing countries' needs.

We recommend a review of UNDP's image and corporate identity needs with a view to ensuring that a motivating UNDP 'brand' is defined and translated into every aspect of its work. This should be undertaken as a matter of priority. A brand re-launch could provide the Administrator a valuable opportunity. The image audit could be repeated in, say, three years as a means of measuring shifts in perceptions among key audiences of UNDP.

" And please change the title  
of the Administrator."

- Resident Representative

**PROFILE RECOMMENDATION 2:**

**Strengthen Communication Capacity**

UNDP's communication capability needs to be strengthened and reconfigured to support new strategic objectives. This needs to be undertaken in a way that strengthens the entire system and complements both DPI and UNDG members' communication capacity. We recommend an assessment be undertaken of UNDP's communication capacity, both in the field and at headquarters, including an internal communication review. This should result in proposals for the strengthening of UNDP's formal and informal communication capacities, including a re-prioritization of activities (publications, print and electronic media, IT, outreach to lawmakers, the UN, NGOs, Goodwill Ambassadors, Special Events, etc).

The objective would be to ensure that UNDP's modest communication budget is deployed to maximum effect. We recommend that external consultants be engaged to work with the Division of Public Affairs (DPA) and the Office of the Administrator to undertake this.

**PROFILE RECOMMENDATION 3:**

**Have the Communication/Public Affairs Function Report directly to the Administrator**

Given the critical importance of re-branding UNDP and of strengthening its communication capacity, and in light of the priority accorded by the Administrator, we recommend that DPA (or its successor body) report directly to the Administrator. This arrangement should be reviewed in two years.

### **3.2.3 Partnerships**

Effective partnering is vital to achieving results. It is also the key to ensuring that a growing share of official development funds flows through the country offices. UNDP's most important assets, including the blue flag and unrivaled field presence, make it an attractive potential partner for many organizations. Yet being strategic means being selective and prioritizing those partnerships that best help it advance its core interests and agenda.

These priority partnerships include: first, programme and donor country governments as its key stakeholders; second, those groups or institutions, beyond donor governments, with considerable financial clout (e.g., World Bank, other IFIs, EC, the private sector); third, partners with the potential to assist UNDP directly in developing, refining and operationalizing its new policy agenda (e.g. key UN agencies, CSOs, think tanks, groups with special expertise in crisis and post-conflict situations); and fourth, potential partners with whom UNDP shares the same overall goals, or normative and operational 'space' (e.g. parts of the UN system, CSOs, other players).

This list obviously needs further refinement but placing partnerships within a strategic framework should be an absolute priority. At present there are no effective mechanisms for cataloging existing partnerships, vetting potential partnerships, or ensuring sharing of country office experience. Nor is UNDP sufficiently exploiting potential synergies between partnership and resource mobilization. While there has been some progress recently, particularly concerning its relationships with the World Bank and the EC, on the whole UNDP should be doing much more.

Once an overall framework is established, immediate steps should be taken to strengthen UNDP's relationships with key partners and groups of partners. Steps to be considered include strengthening its representation in Brussels and giving the office clear targets for resource mobilization from the EC; looking closely at UNDP's country-level partnerships with the Inter-American Development Bank and the World Bank, and at any lessons that may be applicable for country office relationships with IFIs in other parts of the world; strengthening the overall relationship with CSOs through implementation of the CSO Disclosure Policy and establishment of a mechanism for regular high level consultations; development of a comprehensive strategy for private sector partnerships; and conversion of its existing Division for Resource Mobilization into a more comprehensive Division for Donor Relations.

We have identified two options for strengthening UNDP's capacity to spot potentially strategic partnerships, invest in the most important ones, and make them work for the entire organization.

"Corporate partnerships  
with NGOs are pitiful."

- Bureau

**PARTNERSHIP RECOMMENDATION 1:  
Strengthen Capacity to Leverage Strategic Partnerships**

***PARTNERSHIP RECOMMENDATION 1, OPTION 1:  
Create a Bureau or Office of Strategic Partnerships***

Such a unit would be mandated to provide the overall framework for strategic partnerships, and would house the sub-units responsible for coordinating some of the key ones. It would also serve as an 'engine' to ensure that the house was aligned behind its partnership strategy, that the strategy was directly linked to resource mobilization and other core corporate interests, that there was effective flow of information and support to country offices, and that UNDP could move quickly to capitalize on strategic partnership opportunities.

Exactly which functions and sub-units would be grouped within this new unit would depend upon a determination of key corporate interests, and which ones could be advanced through partnerships. The logic outlined above would suggest that this new unit might take the lead on the partnerships with programme and donor countries, the World Bank and other IFIs, the private sector, the UN family, CSOs, and perhaps others. In practice, this would mean the unit assuming responsibilities that now fall under BREA (DRM, DER, perhaps some of DPA's

outreach functions), BDP (for CSOs and the private sector) and BPRM (the World Bank/IFIs).

We would not expect the creation of this entity to have significant financial or human resource implications. We have identified a need for increased capacity in the specific area of resource mobilization and donor relations, but we believe this capacity could be created through rationalization of other functions.

***PARTNERSHIP RECOMMENDATION 1, OPTION 2:  
Create a Partnership Unit Within the OA***

This would be a 'lighter' option than creating an entire bureau. Such a unit would be mandated to help develop and coordinate the overall framework for strategic partnerships, to help ensure that existing partnerships are pursued within this framework and to identify and help to leverage new opportunities. It would be small in size (one P-5 with support) and perform a purely strategic advisory role for the Administrator.

### **3.2.4 People**

If the vision of a new UNDP is to be realized, the organization must transform its people. It must invest more heavily in excellence and it must be tougher in assessing performance to drive out the second best.

UNDP's many distinguished staff, both national and international, represent an unrivalled body of knowledge, experience and networks, particularly at the country level. Human resources management has evolved recently, as recommended in UNDP 2001, through development of new policies, delegation of authority to the line, and re-engineering and streamlining of administrative support. Staff competencies have been developed for the key posts of RC/RR, DRR, and Operation Manager. Competency assessments have been instituted for new and first time RRs. The 1999 Global Staff Survey shows that the overwhelming majority of staff are proud to work for UNDP and that 88% of staff are open to further change.

Recent surveys and assessments, however, continue to identify human resources management as a serious organizational problem. Staff morale, particularly in headquarters, is low with one half of the staff indicating that they do not trust senior managers (1999 Global Staff Survey). Recruitment and placement of staff require anywhere from six to nine months. Despite a "freeze" on recruitment, 130 core posts were filled on an ad hoc basis between 1997-1999. The attrition rate for the period 1996-1998 was only 2%, which contributes to a growing gap between tenured, older staff and a younger group frustrated by the lack of career opportunities. While new human resources policies have been developed, their implementation and monitoring is weak. Performance accountability has had little or no credibility: 55% of staff at headquarters in

the past year received performance ratings of 2 and above on a scale of 1 (best) to 5 (poorest).

Information systems in place do not provide credible information for analysis and strategic human resources management. Learning and training opportunities for staff are limited. The current learning policy calls for dedicating 5% of staff time to learning and growth, but there is little monitoring of this policy and no link between staff development plans, career management plans and performance appraisal. UNDP currently invests \$3.7 million (or 1.2% of its total administrative budget, including development costs) in basic training. Additional training is offered in substantive areas such as governance, human rights, gender, results-based management, and IT. Yet there is little overall coordination of formal training courses and products.

UNDP 2001 called for a 25% deployment of core headquarters posts to the field. Although a small number of positions have been deployed and there have been cuts to core headquarters posts through the last three biennium budgets, the number of overall staff in New York has in fact grown through non-core and project funded posts. Today there are 855 headquarters staff comprising core, non-core and project posts. A leaner headquarters will require review of all posts to determine what clearly belongs to headquarters, and what belongs elsewhere.

The options for enhanced human resources management fall into two broad categories. First, the Administrator must demand strong accountability for people management. He must hold his senior managers accountable for, and evaluate them on, human resource performance indicators. There must be a clear delineation of responsibility between line managers and OHR so that the source of lapses in human resources management can be easily identified.

"Poor human resource  
management is the cancer  
eating away at real  
change."

- Bureau

The credibility of the performance assessment system must be restored by mandating compliance to a bell curve performance distribution, starting with senior managers then moving to the rest of the organization (over time, this will mean revising the current PAR system). Accountability should translate to recognition and rewards for top performers, training for average performers, and separation for poor performers.

Second, UNDP must invest heavily in its people. This means drafting new job requirements and competencies to fit the new strategic profile of the organization, and then undertaking a programme of rigorous and comprehensive training to broaden knowledge bases and sharpen skills. We believe, for example, that a reasonable investment in training would be 5% of staff costs, or about \$10 million per year. In the private sector, "corporate universities" are set up for training employees; UNDP should consider creating its own Virtual Development Academy (VDA), which could link learning to career management planning and performance assessment. UNDP 2001 called for UNDP to become a learning organization but practical measures must be taken to put this into effect. UNDP can learn from within and without – it must share ideas

across country offices, integrate policies and operations, and capture ideas from a wide array of external sources. Developing a certification procedure to link new requirements to new training programmes would reinforce the importance of learning as a core activity required of staff during various stages of their career with the organization.

#### **HUMAN RESOURCES RECOMMENDATION 1:**

##### **Strengthen People Management**

The following options outline ways for UNDP to improve the accountability of human resource management at the organizational, managerial and individual level. They address strategic planning, changes in structures, working methods, implementation of HR policies, efficiency of systems and reporting. For at least the next few years, profiles of staff, redundancies and quality of training should be centralized for tighter control. However, administration and entitlements should continue to be reengineered and delegated.

##### ***HR RECOMMENDATION 1, OPTION 1:***

###### ***OHR Reporting Arrangements***

Accountability and visibility of the Office of Human Resources can be increased through direct reporting to the Administrator on strategic policy and planning and senior level appointments. This would send a strong message on the Administrator's commitment to personal involvement in strategic human resources management and should lead to improved accountability on key human resource issues for unit managers. On non-strategic issues (e.g. administration, compensation, post vacancy management), OHR should continue to report to the head of BPRM.

##### ***HR RECOMMENDATION 1, OPTION 2:***

###### ***Human Resources Information Systems***

This initiative would introduce a systematic, unified use of information systems for HR data to enable senior management and OHR to monitor closely key HR issues and policy implementation. Currently, OHR data is difficult to acquire and IT competency is not incorporated or assessed in performance appraisals. An improved Executive Information System (EIS) would provide, in real time, valuable information for analysis, decision making and future planning. Access to consolidated information reporting through EIS would improve the production, delivery and availability of HR information, reduce the need for ad hoc reports, and contribute to a more efficient organization. To make better use of IT in general, and the EIS in particular, it would be necessary to provide staff with appropriate training and to introduce IT competency as a performance requirement for managers.

***HR RECOMMENDATION 1, OPTION 3:***

***A Revised Entry-Level Recruitment and Staffing Strategy***

To recruit and retain highly talented development professionals, UNDP must design and implement an improved entry-level recruitment and staffing strategy.

The current UNDP is an aging organization that does not embrace change easily. 84% of the international professional staff and 80% of the general service staff are 40 years old and above. There has been no systematic entry-level recruitment since the 1996 Management Training Programme and only two recruitment exercises since 1993. A gradual abolition of entry-level posts over the past decade has resulted in an abnormal organizational structure with only 13% of current international posts at the P1-P3 level, as compared to about 30% at the D1 level and above. Despite a "freeze" on recruitment, 130 core posts were filled between 1997-1999, mostly at the middle and upper levels. Attrition rates are relatively high among young staff, compared to the organization as a whole.

An improved and standardized entry-level recruitment and staffing is key to changing the age and skill profile of the organization and its hierarchical culture. We recommend that the first such exercise be conducted in the year 2000, and that the target pool should include National Officers, Junior Professional Officers, General Service staff, those on Assignments of Limited Duration (ALDs) and extended contracts.

***HR RECOMMENDATION 1, OPTION 4:***

***A New Recruitment Strategy for Senior-Level Appointments***

Building on the competency assessment for RCs, UNDP should initiate competency assessments and a new screening mechanism for senior management appointments.

The 1999 Global Staff Survey shows that the majority of UNDP staff members are proud to work for UNDP and report satisfaction with their jobs. The survey, however, reveals that almost half the staff at headquarters does not have high levels of confidence in senior management and 37% do not believe that top management follows through on commitments it makes. Without strong and transparent leadership able to restore staff confidence, articulate clear goals, and carry UNDP's new vision into action, staff motivation and talent will not be realized.

The new screening mechanism should set an unparalleled standard for leadership. This is the only way to ensure that the organization will have the vision and substantive capacity to take itself forward.

***HR RECOMMENDATION 1, OPTION 5:  
Outsourcing Specialized Services and Recruitment***

In making headquarters a lean, more efficient and agile organization, specialized back-office services and some kinds of recruitment should be outsourced.

Traditionally, specialist functions – such as finance, accounts management services, audit – have been handled by core staff, not all of whom are certified specialists in these fields. Given shrinking core resources, and an increasing emphasis on quality, the cost and benefits of outsourcing some of UNDP's back-office operations should be considered. Logical candidates would be IT support services (hardware maintenance), finance, and account management. Outsourcing the recruitment of some specialist posts to an executive search firm should also be considered.

***HR RECOMMENDATION 1, OPTION 6:  
Improve Internal Grievance and Justice System***

There is a clear need to make UNDP's Internal Grievance and Justice System more transparent and credible. Current data shows that there are 160 disciplinary cases pending and 17 staff appraisal rebuttals awaiting disposal. Cost to the organization in staff time and financial loss is significant.

Acting immediately to eliminate the outstanding cases would reduce financial and productivity loss and improves staff morale. This, combined with Structure Recommendation 1, Option 4, will help ensure that UNDP's justice machinery is based on a fair and transparent system and enjoys the confidence of staff and managers.

***HR RECOMMENDATION 1, OPTION 7:  
Early Separation Programme***

New early separation arrangements must be made to support the introduction of new organizational competencies. In the past five years, the staff attrition rate has ranged between 2-5%, which is low by public sector standards. If UNDP is to renew itself, it must achieve a higher attrition rate. Accelerated attrition, through a combination of competency assessment, aggressive performance management and early separation would enable UNDP to speed up the process of recruiting new talent to match new organizational competencies.

***HR RECOMMENDATION 1, OPTION 8:  
Staff Support Services by OHR***

OHR/Administration should strengthen its settling-in and departure support to newly recruited/assigned staff to country offices/headquarters, and strengthen its overall support to crisis country duty stations.



The settling-in and departure process for newly recruited/assigned staff is complex and time consuming, and translates into increased frustration for staff and loss of working hours. While country offices generally provide some ad hoc support, staff members assigned to headquarters are not, as a rule, provided with essential information on their duty station.

UNDP has experienced difficulties in recruitment and placement of staff in crisis countries. Following UNDP's recent policy on such staffing, UNDP needs to address the special individual and family circumstances under which its staff is placed. The development of staff support services would enable OHR to better respond to the needs of all staff undertaking new assignments and would contribute to making UNDP a more efficient organization in providing staff services.

This option will improve OHR's image, reduce the time spent by staff for settling-in, and save money for the organization. Furthermore, a greater shift toward lump-sums in lieu of entitlement-based payments will considerably simplify the process and save staff costs. Specific support to staff assigned to crisis countries will enhance their motivation and readiness to accept the assignment.

***HR RECOMMENDATION 1, OPTION 9:  
Reduction of Project Staff at Headquarters***

Headquarters units have witnessed a significant increase in project funded posts over the past five years, despite corporate UNDP policy to reduce posts in New York (currently there are 148 such posts). Immediate action must be taken to shift out of New York those posts that can be relocated to programme sites and to introduce strict central control to contain future staff growth at headquarters.

***HR RECOMMENDATION 2:  
Invest in People***

The following options entail defining the profile of UNDP staff, aligning the present staff to the new requirements, placing emphasis on training and developing UNDP into a learning organization. We advocate a firm target of investing 5% of staff costs in training, or approximately \$10 million per year.

***HR RECOMMENDATION 2, HR OPTION 1:  
Create the New "Certified Development Professional"***

UNDP must give absolute priority to redefining its staff competencies: this is the key to building a cadre of proactive advisors, knowledge brokers and change agents. Competencies which have recently been developed for RRs/RCs, DRRs and Operation Managers will need to be realigned; competencies for other key staff will have to be developed. Staff members should be recruited and assessed against these competencies. In addition, training and learning must be integrated with career management plans and performance assessments to ensure that there